



# Meriden TOD Market Study and Financial Feasibility Analysis: Summary of Findings



ECONOMIC AND REAL ESTATE ANALYSIS FOR SUSTAINABLE LAND USE OUTCOMES™

Prepared for: the City of Meriden, Connecticut, May 4, 2015

## Introduction

**4ward Planning was retained by the City of Meriden, Connecticut to perform a market study and financial and economic analyses of transit-oriented development (TOD) adjacent to the Meriden Transit Center in downtown Meriden.**

Funded by a TOD Pilot grant awarded by the Connecticut Department of Transportation, this work includes analysis of demographic and real estate trends; real estate supply and demand; a land valuation analysis; and rigorous financial feasibility, economic and fiscal impact analyses. The quantitative analysis is informed by site visits, case study research, TOD zoning analysis, and a set of surveys and interviews of market area employees, residents, and real estate professionals.

**Meriden has been identified as a key node along the New Haven-Hartford-Springfield (NHHS) rail line, a new commuter rail service planned to commence in 2016.**

The State of Connecticut will invest nearly \$500 million in the NHHS rail program over the next four years, including significant investments in Meriden. By 2030, the rail service is expected to serve over 400 daily commuters in Meriden and spur significant development.

**In order to best prepare the City for the anticipated future development, the goals of this Market Study and Financial Feasibility Analysis included:**

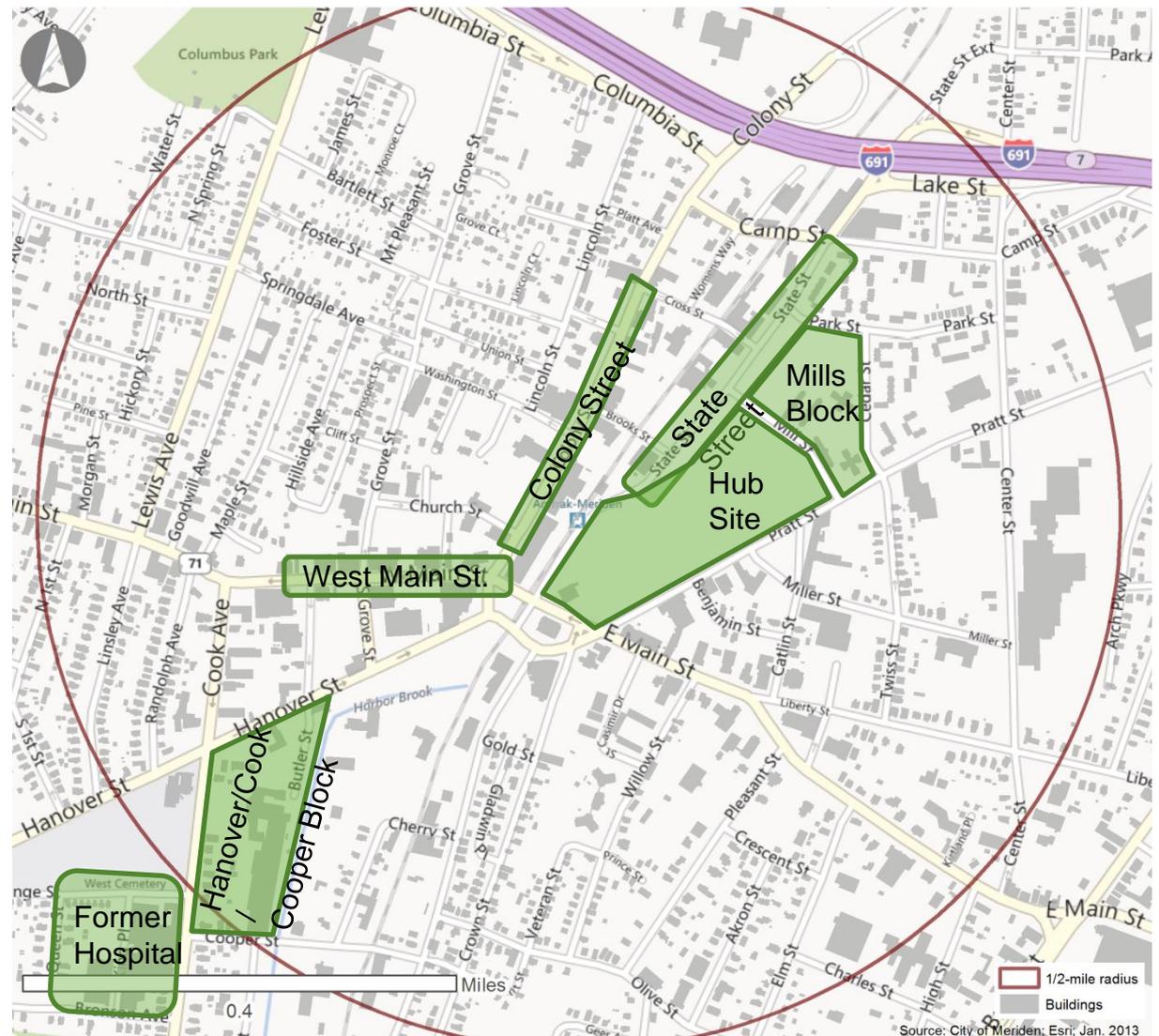
- Establish feasibility of TOD development and recommend market-ready mix of uses for TOD area
- Estimate costs and funding strategies for preparing key sites and parcels in the study area
- Provide a clear understanding of economic benefits resulting from development

## Background

Underpinning 4ward Planning's analysis is a thorough review of background materials, previous TOD-area reports, existing and proposed zoning, TOD case study research and an understanding of existing site conditions.

The project study area is the half-mile of the Hub site, specifically including parcels with redevelopment potential. These are shown at right and described in further detail in the report:

- State Street
- West Main Street
- Hanover Street, Cook Avenue and Cooper Street Block
- Former MW Hospital



## Land Valuation Analysis

Following an examination of existing site conditions, 4ward Planning conducted an improvement to land/value (ILV) ratio analysis on the study area. The ILV ratio is one metric used for identifying redevelopment opportunities. Thirty-five percent of the land area (and 25 percent of all parcels) in the study area are ILV ratios of less than 2.0 (that is, where the built structure was valued at half the value of the assessed land). These are considered to be underdeveloped, or prospective opportunities for redevelopment.

Many of the parcels with an ILV ratio of less than 1.0 are currently vacant or are being used as surface parking. The following areas feature concentrations of parcels with ILV ratios of 1.0 or less:

- Commercial and industrial sites on the west side of S. Colony St. near Cherry St.
- Commercial and industrial sites along Colony Street near Cross St.
- Commercial and industrial sites along E. Main Street near Elm St. and High St.

**Redeveloping low-value land parcels close-in to a rail station could prove fiscally beneficial to the local community, based on the likelihood of generating net positive tax revenues.**

## Key Findings: Demographics

### **Flat population and household growth is expected**

The Meriden TOD Study Area, PMA and MSA all exhibited flat growth in population and households between 2010 and 2012, with these trends projected to continue through 2017. This is particularly true for the demographic segment (persons between the ages of 25 and 54) which tends to utilize transit most often.

### **A rise in non-family households is projected**

Consistent with national and regional trends, non-family households are growing faster than family households (which are experiencing decline) in all geographies examined. This finding is particularly informative for prospective TOD activity, as non-family households represent the greatest demand for small rental housing units – the types of units which would be developed close-in to the Meriden transit station.

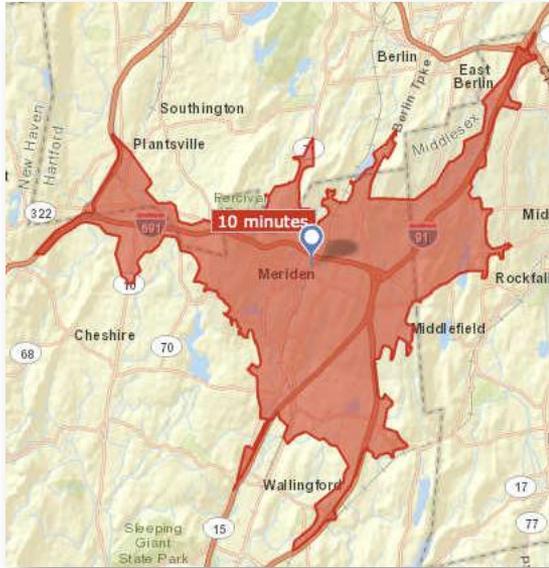
### **More than 28,000 persons living near Meriden Transit Center**

The number of adult persons 25 to 54 years of age and older, projected to live within 10-minutes of the Meriden Station in 2017. This age segment has the highest incidence of transit ridership among all adult persons 25-years of age and older and represents nearly six in ten adult persons 25-years and older within the primary market area.

### **Homes priced between \$100,000 to \$300,000 will be important**

The residential price point that will be affordable to approximately 50 percent of the potential future market, projected to have incomes ranging from \$35,000 to \$99,000 per year in 2017 and exhibiting a great influence on the price of future housing.

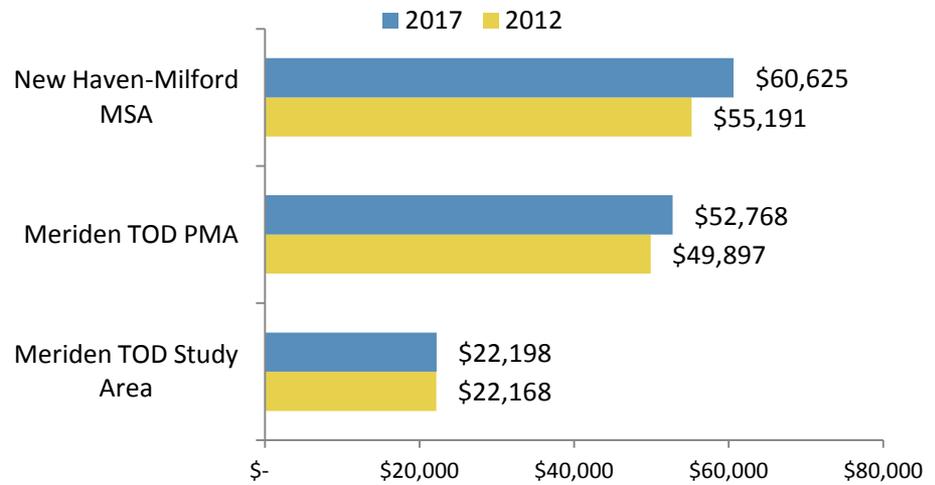
# Primary Market Area Dashboard



Primary Market Area  
(10-minute drive contour)

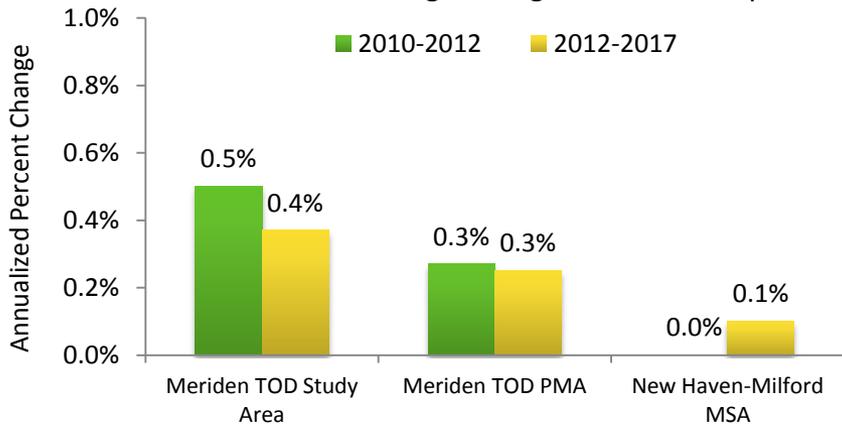
Population: 68,866  
 Total Households: 27,161  
 Median Age: 38  
 2012 Median Household Income (2010\$): \$49,897  
 2012 Percent of Household Incomes >\$75,000: 34%  
 Percent Owner-Occupied Housing: 59%

Median Household Real Income



Note: Data is from 2010 unless otherwise noted.  
Source: US Census Bureau; Esri; 4ward Planning LLC, 2012

Annualized Percentage Change Household Populations



## Demographic Trends

A socio-economic trends analysis was conducted for the study area, the primary market (a 10-minute drive time) and the secondary market (the Metropolitan Statistical Area, MSA) of the Meriden Transit Center. This analysis provides insight into the how the population and housing characteristics of the area will support proposed new development. The initial market for the project will not be driven by current residents in the TOD Study Area (the half-mile radius of the transit center) who are primarily of low incomes. Instead, the primary, near-term demand will be driven by two age cohorts currently living in the primary market area (PMA).

1. First, the young workers and graduates (age 25-34) represent the largest share of the total PMA 2017 population and exhibit flat growth. They are interested in small, multi-family, affordable rental or homeownership units in an urban setting with a convenient commute to major employers or educational institutions.
2. Second, the empty nesters (age 55 to 74) represent the fastest growing segment of the PMA population and the near-term demand for housing. This cohort is downsizing and looking for small, homeownership units with access to jobs, entertainment, and other amenities. They also tend to have higher disposable incomes.

**Higher relative incomes in the PMA will be advantageous to future development. However, development will need to overcome the hurdle created by the currently low-values and low-incomes in the study area. Future development around the transit station will need to offer significant value and quality to attract future residents.**

## Key Findings: Labor & Industry

### **46 percent of jobs in Meriden are in top industries**

Nearly half (46 percent) of all primary jobs in the Meriden PMA (10-minute drive contour) are in the top three industries in the area, Health Care, Manufacturing and Retail. Of these, only the Health Care industry is growing, the estimate rate of growth is 2.5 percent per year through 2018.

### **138,620 jobs located within a 40 min. commute**

The number of primary jobs as of 2010 located within one mile of the train stations in the Meriden commuting shed (a 40-minute one-way travel time once the new rail service is operational). This indicates a significant pool of potential future residents of the Meriden TOD who could then commute to work by transit, alone. In addition, the industries near the rail stations employ the types of workers who tend to live in urban areas and prefer mass transit more so than the broader workforce.

### **34,835 persons commute to Meriden**

The number of workers with primary jobs in the Meriden PMA who commuted into the area in 2010. This number represents more than half of all the people who either live or work in the PMA, up two percent from 2006. This indicates a relatively sizeable potential pent-up demand for housing in the area, since it would be expected that a small portion of these workers (five percent) would be willing to shorten their commute, if they had more appealing housing choices closer to their workplace.

## Labor & Industry Trends

An examination of labor and industry trends (for 2006, 2008 and 2010) was conducted for the three geographies (TOD Study Area, PMA, and MSA). Additionally, the study examined industry trends surrounding transit stations along the proposed New Haven-Hartford-Springfield (NHHS) rail line. Of the top three industries in the PMA, only the Health Care Services industry is currently expanding. This industry is also leading in job creation in the region surrounding Meriden. The Manufacturing industry, second-highest in the PMA, is in decline across the region and is projected to lose jobs through 2018. The Retail Trade industry, with the third-highest employment share in the PMA, has remained steady across all geographies and is projected to experience minimal growth through 2018.

According to live-work patterns for the PMA, the proportion of employees living and working in the area decreased slightly from 2006 to 2010 and, at about 13 percent, is low relative to the surrounding region. However, the share of workers commuting into the PMA (nearly 35,000 workers) increased slightly over that timeframe. This trend indicates a latent demand for housing in the PMA as a percentage of those currently commuting would be expected to move into the PMA, given more adequate housing choices.

**Commuter rail service will offer Meriden as a potential housing choice for persons who want to commute to one of the many employment centers (with nearly 140,000 jobs) along the transit line (e.g., Hartford and New Haven).**

**Given that many metropolitan area major employers are located within a mile of rail stations along the NHHS line, Meriden's potential as a "point of origin" for prospective commuters (whether they wish to live in the Meriden TOD area or not) will be quite great.**

## Social Infrastructure

4ward Planning inventoried and assessed the adequacy of existing socio-economic infrastructure within the Meriden TOD Study Area (a half-mile radius from the station), including open space, childcare, grocery stores, and adequacy of housing choice.

**This study element identifies critical human infrastructure deficiencies which, if left unaddressed, would undermine the long-term sustainability of the overall land-use strategy.**

- Compared to the MSA, the Study Area lacks adequate open space. The proposed Meriden Hub Park will be a valuable asset serving future residents of the TOD area.
- At 22 slots per 100 children, the observed availability of childcare facilities is below adequate service levels.
- While the study area is adequately serviced for groceries, with one-full service grocery store per 10,000 persons, the location is less than ideal. However, in 2014, a C-Town grocery store (small format urban grocer) opened a store in downtown.
- Data indicates a lack of housing options for area workers. Building stock is very old with likely disrepair and maintenance issues.

## Key Findings: Residential Real Estate

### Flat inventory growth

No new multi-family rental units entered the North Haven Submarket in the last five years. Reis projects weak positive growth through 2016, especially as compared to the larger markets. Furthermore, there are only three multi-family properties currently for sale within the primary market area.

### Very low vacancy

Vacancy in the Submarket has hovered around two- to three-percent for the last five years and is expected to remain low through 2016. Such a low vacancy rate indicates a very tight multi-family rental market – a favorable trend for new TOD residential construction.

### Rents are increasing, but remain lower in the TOD Study Area

Effective monthly rent in the submarket is projected to increase three-percent annually through 2016, after a five-percent increase over the last five years. However, the average asking rent in the TOD Study Area (\$1,077) remains 11 percent lower than the effective rent (\$1,211) in the submarket. This metric is reflective of older housing stock in fair to poor condition.

### 600-1000 new housing units

are projected to be in demand within 10 years within the housing submarket.

## Key Findings: Office Real Estate

### Flat to negative growth

Office space in the Northeast Submarket has experienced negative absorption in the last three years and zero inventory growth in the last five years. However, and notwithstanding these trends, Reis projects that approximately 150,000 square feet of new space will be constructed in the submarket by 2016.

### \$20 per square foot

The average asking rent for office space in the submarket is estimated to be \$20 per square foot. However, effective rents in the Meriden TOD Study Area are less than half (\$8 per square foot), suggesting it would be a considerable challenge to construct new office space in the near-term, given current rent rates.

### Demand will largely be filled by existing vacancies

While our analysis shows a projected demand for approximately 600,000 square feet of office space within the submarket by 2019, the vast majority of this demand is likely to be met by existing vacant space – meaning little new office space is likely to come on-line in the Meriden TOD within the next ten years.

## Key Findings: Retail Real Estate

**28,200 square feet is the projected potential retail demand, in terms of supportable square footage, based on a projected upper threshold of 1,000 new multi-family housing units being constructed in the TOD over the next ten years.**

This is a conservative estimate which does not account for prospective spending by new commuters to the area or by people living in the surrounding areas, outside of the TOD, who may travel to Meriden to dine or shop.

### **There are a Relatively Limited Number of Eating Establishments in the TOD area**

There are less than two dozen eating and drinking establishments currently located in the Meriden TOD Study Area. But two new restaurants opened in the TOD District in 2014 (Ninas cafe, El Condado Grille) and one is expanding (Eben-Ezer Restaurant), which shows some signs of growth. However, this total remains on the low end of the range, as compared to a number of similar station areas examined in the Northeast region. Five of the station areas evaluated in the study featured between 28 and 94 restaurants or food service establishments, indicating that the TOD area will likely realize increasing demand for dining and drinking establishments, as build-out occurs.

### **\$13,539 per year**

The total amount spent, on average, by each household in the Meriden PMA on a number of retail categories, including food, clothing, entertainment and personal services. Each new household developed in the TOD would be expected to spend at similar levels, creating net new demand for retail in the TOD area.

## Residential Trends, Demand & Viability

In the Northeastern market, construction of multi-family residential inventory is expected to be flat through 2016. Current low vacancy rates in Meriden, however, indicate a tight rental market and potential latent demand, favoring residential construction in the local area. This trend is supported by strong positive growth in non-family households, suggesting high receptivity for TOD-style multi-family units.

An analysis of residential supply & demand indicates a potential demand for new housing units in the Meriden area, a percentage of which can be expected to be captured in the TOD Study Area. The low threshold is estimated to be 600 units with an upper estimate of 1,000 units. Units developed should be targeted to young professionals looking for smaller residences with access to amenities, jobs, entertainment and transit access. The appropriate timeframe for this development would be paced-out over a ten-year period, beginning at about the time that the new commuter rail service begins full operations in 2016.

The near-term challenge associated with this is financial in nature. Due to the current low rents in the market, a cap on pricing in the near-term can be expected, limiting the upside for developers until housing demand increases markedly. For the early-phase projects to get underway, public support in the way of up-front subsidies and incentives will be needed to overcome this near-term challenge.

### UPDATE

The City completed a developer RFP, which resulted in three development proposals for four city-owned sites--116 Cook Ave./Factory H, the HUB and 11 Crown St. Development proposals include 435 residential units and 87,300 sf flex/commercial space. This is in addition to MHA-led development at 24 Colony St. (63 housing units and 11,000 sf commercial) and up to 150 units to replace the Mills Memorial Housing Complex. Proposed development plans can help supply area demand for 600-1000 housing units.

## Office & Retail Trends, Demand & Viability

The combination of high vacancy rates and little new office product delivered within the Northeast Submarket over the past five years indicates the Meriden area has little attraction for large corporate office space users. Anecdotal evidence from real estate brokers and property owners, as well as general observations, suggest this finding holds particularly true for the half-mile radius surrounding the transit center.

Demand for office space in the region is expected to be met largely with existing vacant space; demand for new office space is expected to remain low through 2023. The potential opportunity in the near-term is small-scale office space to provide medical, financial and personal services to serve the local market. In the five- to ten-year window a potential of 20,000 SF could be readily absorbed.

Based on case study analysis of comparable station areas in the Northeast, retail demand in the vicinity of the Meriden TOD Study Area is expected to be largely limited to convenience retail and community serving retail with a focus on the local market. As the residential units come on line, accompanying retail could be developed in categories such as food/grocery, general merchandise, apparel/accessories and personal services such as salons, gyms, and dining/drinking. An appropriate amount of retail to serve this market is estimated to be up to an additional 28,000 SF. As this would need to accompany construction of residential facilities in the area, it would be expected to be viable in a five- to ten-year window. A limited amount of destination retail or entertainment/museum space may be viable in the long-term if Meriden were to experience marked growth in key demographic segments such as empty-nesters or young professionals.

## Interviews and Surveys

To “ground truth” the quantitative findings, the consultant team conducted interviews with real estate professionals and both an online area employee survey and a telephone survey of area residents. Key findings of the employee survey are:

- Less than half of respondents are aware of the improvements coming to Meriden.
- Very few people live near transit (less than ten percent).
- People generally do not have a good impression of downtown Meriden.

The responses reflect a common theme, that in order to attract people to new residential housing in the TOD study area, there will also need to be a change in perception and/or reality regarding downtown Meriden.

The telephone survey confirmed both the demographic analysis and the employee survey findings, that young workers and graduates would have the most interest in moving to the TOD study area, followed by empty nesters (but less so those empty nesters from higher income brackets). Therefore, the focus should be on providing the amenities of interest to these age groups, primarily basic services (grocery, banking, medical), parks and outdoor space, and restaurants. It also reiterates the point that providing new, high quality housing at low price points will be a challenge.

While their outlook was mixed, interviews with developers revealed similar themes. They noted the challenge of attracting people to the TOD Study Area without significant initial investment in the area’s attractiveness, including retail and services. They also confirmed that incentives are necessary to induce developer interest.

## Recommended Development Program

Based on the real estate and TOD viability analyses, the recommended development program for TOD-style development around the Meriden Transit Center includes:

- 600 – 1,000 multi-family residential units attractive to young workers and graduates and empty nesters;
- Up to 20,000 SF of small-scale office space
- Up to 28,000 SF of convenience and community serving retail

In addition, the study area will need additional open space (to be met by the proposed Meriden Green) and childcare services to provide an adequate level of service.

Current low property values and low incomes in the TOD study area will be a significant early challenge. Public incentives and subsidies will be necessary to induce private investment and make early redevelopment opportunities possible.

### Zoning Review

Overall, we found the TOD Zoning regulation for the development area to be generally conducive to the market expectations presented earlier, with limited potential conflicts noted in the full report.

## Land Acquisition Strategy

Incorporating the findings of the previous analyses conducted as part of the TOD Market Study, 4ward Planning evaluated the parcels in the TOD study area (the half-mile radius) to create a land acquisition strategy for the City. When selecting the potential acquisition parcels, priority was given to:

- Parcels near the Meriden Transit Center
- Vacant Lots
- Parcels with low Improvement-to-Land Value Ratios
- Underdeveloped Lots
- Unoccupied Lots

This analysis resulted in 27 potential acquisition parcels at a total inflated value (115 percent of the assessed value) of nearly \$4.4 million.

### **UPDATE: Land Acquisition Completed by the City to Facilitate Private Development**

**177 State Street:** Key vacant parcel for Mills redevelopment acquired with HUD funds

**11 Crown Street:** Underutilized site in TOD District acquired with HUD funds

**116 Cook Avenue:** Vacant site suitable for historic/adaptive reuse

**HUB:** Large brownfields site being transformed into flood storage area with development pads

**1 King Place:** Abandoned hospital acquired through tax foreclosure. Environment assessment underway

## Key Findings: Financial Feasibility

### Private Equity and Return on Investment is Key

Developers require a minimum 10 percent ROE and IRR. Access to equity for development and income are required to meet both benchmarks. Multi-layered financing will likely be required in early stages to help fund one or more of the proposed development projects in the near term. Gap financing is often tied to other public policy goals, such as affordability, through LIHTC, DOH, or HUD programs, or environmental sustainability, through brownfields cleanup.

### Parking is Costly

The parking requirements associated with the Meriden TOD build-out analysis, particularly structured parking, serve as a financial drag on financial performance. Parking construction costs represent an estimated 13 percent, on average, of total project costs.

### Property tax relief is key

Early in the redevelopment build-out period (first five to seven years), the city of Meriden will, likely, need to grant favorable real property tax treatment (PILOT or long-term tax abatement) to redevelopment projects within the TOD zoning area, as this will greatly influence the financial performance of the subject project.

## NOTE !

As the city of Meriden's housing market, generally, and the housing near the transit station, in particular, performs relatively poorly (with respect to rents and sales prices which can be commanded in the market), interested housing developers are challenged to build market rate units, exclusively, and achieve appropriate rates of return on their investments.

Thus, near-term housing development activity will need to include affordable housing units (and their subsidies) in order for investment to occur.

## Financial Feasibility Analysis

**4ward Planning conducted a financial analysis using a custom development and operating pro forma, which demonstrates that any of the nine proposed redevelopment sites are feasible, though they offer return rates on the lower end of what market area developers will likely consider acceptable.**

Projects which require little to no upfront capital investment for demolition and site preparation (HUB site, for example) will, no doubt, be of greater appeal to experienced developers than will properties requiring greater such investment. However, the City of Meriden can mitigate such a “development penalty” by agreeing to subsidize or write-down certain pre-development costs such as demolition, enhanced infrastructure, and environmental remediation, where it exists.

The City of Meriden can favorably influence the financial return rate associated with redevelopment activity within the TOD Study Area through the easing of parking requirements (identified to be a drag on redevelopment) and contribution of land parcels, at no cost, to the development entity.

The City should consider assisting early development projects (those occurring within the first three to five years) with its authority to grant long-term property tax abatements or PILOTs. Such real property tax treatment will have significant and favorable impact on a development entity’s financial return, without adversely impacting the city’s ability to deliver municipal services.

**Taking one or more of the above steps will do much to accelerate early investment activity.**

## Fiscal Impact Analysis

4ward Planning evaluated projected full build-out fiscal impacts (utilizing most-recent cost and revenue metrics) based on the projected development scenarios developed by the consultant team. For purposes of this study, the proposed full build-out scenario includes 96 owner-occupied two- and three-bedroom housing units; 863 renter-occupied one-, two- and three-bedroom housing units; and 32,000 square feet of retail. 4ward Planning used a combination of qualitative and quantitative methods to conduct this fiscal impact analyses, based on the most widely used “per capita” fiscal impact method, and including key assumptions, all described in detail in the report.

The result is an overall estimated annual net fiscal gain at project stabilization (normal occupancy levels for all land-uses) of nearly \$800,000. A variety of project factors (e.g., actual numbers of school age children generated and real property values achieved) will all influence the likely range of the net fiscal impacts realized.

The anticipated new public school-age children generated over the ten-year period for the scenarios analyzed is estimated at a total of 185, with new annual school expenditures estimated at about \$666,000. These estimates strictly represent the net gain anticipated from the new development and do not take into account other factors which may influence the overall school district student population.

**Based on the findings, the conceptual development scenario yields an annual positive return for the City of Meriden.**

## Economic Impact Analysis

4ward Planning completed a model of economic impacts associated with the conceptual redevelopment plan in the TOD study area (the 959 units of housing and 32,000 square feet of retail). Utilizing IMPLAN 3.0 software and New Haven County socio-economic data sets, we developed projected economic impacts associated with proposed redevelopment activity within the Meriden TOD district.

**Projected investment of \$110.4 million in mixed-use redevelopment is estimated to result in temporary construction-related employment during the 2015-17 timeframe.** Specifically, a total of 1,107 direct, indirect, and induced full- and part-time jobs are anticipated, during the two-year time period. Additionally, the mixed-use redevelopment activity is anticipated to generate \$159.7 million in total direct, indirect and induced economic output, and \$7.5 million in state and local taxes, within the same period.

**Following construction, normal operations of retail, restaurant and office uses created by the redevelopment activity are estimated to result in approximately 163 total full- and part-time jobs, \$14 million in total economic output, and \$1.1 million in state and local taxes each year, beginning in 2018.**

**Over the ten-year period from 2018 to 2027, normal operations of retail, restaurant and office uses created by the project are estimated to produce a minimum of \$140.9 million in total economic output (2013 dollars).** Total state and local tax impacts from operations and events over the ten-year period are estimated to be over \$10.9 million (2013 dollars).

## Green Space Revenue Generation Analysis

4ward Planning conducted a best case practices examination of revenue generating activities in similarly sized green spaces/parks, nationally and reported out on best practices, noting applicable lessons learned for the City of Meriden. This analysis also identified opportunities not presently included in the proposed park design scheme, which if included, would likely provide net revenue opportunities for the project.

City efforts are underway to redevelop the HUB brownfields site into a public park and flood control area while accommodating a development footprint of over 150,000 square feet on the 14-acre site. Case study research suggests a public-private partnership—specifically a non-profit manager—is the most effective way to manage activities and programming

Key features of the proposed Concept Plan that accommodate potential revenue generating activities are:

- Temporary community spaces with the ability to host a variety of activities
- “Great lawn” with areas for passive recreation for picnicking and relaxing
- Outdoor Performing Arts Center & Amphitheater
- Potential development area that can accommodate temporary uses

Revenue generating activities include events and festivals (vendor fees, ticket sales, sponsorship, concession fees), space rental fees, and membership sales. Under the likely case scenario, this analysis shows that revenue generating activities at the HUB park could generate nearly \$150,000 in annual revenue. While community programming and cultural events don’t bring in much revenue, they provide great community building opportunities and draw patrons to the area, a significant opportunity for marketing downtown Meriden.

## Conclusions and Recommendations

**This Market Study and Financial Feasibility Analysis provides the City of Meriden with a realistic picture of the potential future build-out of the TOD study area; an understanding of the costs associated and possible funding sources; and actionable strategies for engaging developers and development partners. These findings should give the City the confidence and assurance needed to pursue a market feasible and fiscally responsible TOD development plan.**

- Focus on the segment of the population showing the greatest near-term demand in the PMA: the young workers and graduates (age 25-34) and the empty nesters (age 55 to 74).
- Both age cohorts tend to favor smaller, rental or homeownership units in an urban setting with access to transit, entertainment, amenities and jobs.
- The Meriden TOD will, primarily, serve as a “point of origin” for commuters who are traveling to jobs elsewhere along the New Haven Hartford Springfield rail corridor. Given the high degree of pent up housing demand, regionally and locally, the Meriden TOD should be attractive for capturing a portion of this demand.

The real estate analysis suggested a development program for a TOD in downtown Meriden to include:

- 600 – 1,000 multi-family residential units
- 20,000 SF of small-scale office space (largely met by existing vacancies)
- 28,000 SF of convenience and community serving retail
- Ensure that the amenities and services of interest to the target market are provided, including: parks and open space (HUB Park)

## Conclusions and Recommendations (continued)

**Current low property values and low incomes in the TOD study area will be a significant early challenge. In order to truly attract people to new residential housing in the TOD study area, there will also need to be a change in perception and/or reality regarding downtown Meriden. Public incentives and subsidies will be necessary to induce private investment and make early redevelopment opportunities possible.**

In order to accelerate early investment activity, the City will need to clearly show willingness to facilitate redevelopment activities with any of the following tools:

- Subsidize or write-down certain pre-development costs such as demolition, enhanced infrastructure and environmental remediation.
- Ease parking requirements.
- Contribute land parcels, at no cost, to the development entity.
- Assist early development projects (those occurring within the first three to five years) by granting long-term property tax abatements or PILOTs.

As a result of the case study research on similar open spaces to the proposed HUB Park, the City should pursue a public-private partnership model—with the private entity being a non-profit—for managing potential revenue generating activities such as concessions, space rental, events and programming.

## Conclusions and Recommendations (continued)

**The green space revenue generation analysis estimated that suggested activities at HUB Park could generate nearly \$150,000 in annual revenue to the City. While community programming and cultural events don't bring in much revenue, they provide great community building opportunities and draw patrons to the area, a significant opportunity for marketing downtown.**

**Fiscal and economic impact analyses were conducted on a conceptual mixed-use redevelopment scenario of 959 residential units (nearly 90 percent of which are proposed to be renter-occupied) and 32,000 square feet of community serving retail.**

- Based on the fiscal impact analysis findings, the conceptual development scenario yields an annual positive return for the City of Meriden, with an overall annual net fiscal gain at project stabilization of nearly \$800,000.
- The economic impact analysis shows a total of 1,107 full- and part-time jobs created during construction (2015-2017), \$160 million in total direct, indirect and induced economic output, and \$7.5 million in taxes.
- At normal operations (2018), the redevelopment is estimated to produce 163 total full- and part-time jobs, \$14 million in total economic output, and \$1.1 million in state and local taxes each year.
- Finally, over the ten-year period from 2018 to 2027, normal operations of retail, restaurant and office uses created by the project are estimated to produce a minimum of \$140.9 million in total economic output (2013 dollars). Total state and local tax impacts from operations and events over the ten-year period are estimated to be over \$10.9 million (2013 dollars).

## Upcoming Presentations to Council TOD Projects

**June 1, 2015:**

POKO Partners, 116 Cook Ave/Factory H

**June 15, 2015:**

Pennrose Properties, HUB Site

The Michaels Corporation, 11 Crown Street

Copies of Market, Financial and Economic Assessment  
Reports available at

<http://www.meriden2020.com/FileRepository/>