



CITY PLAN DEPARTMENT MEMO

To: Route 34 West MDP Second Workshop Attendees and Advisory Committee Members (see list attached)

From: Susmitha Attota

Date: November 18, 2008

Subject: Route 34 West MDP Second Public Informational Workshop-Conducted on November 5, 2008- Summary

List of Attendees

Approximately 40 people attended the workshop. Please see attached sign-in sheet.

Format of the Workshop

The speakers were organized into two panels with Andrew Daniels (See discussion topic 1 on the flyer), Kirk Sykes (See discussion topic 2 on the flyer), and Mike Berne (See discussion topic 4 on the flyer) on the first panel and Kerry Ward (See discussion topic 3 on the flyer), Brigitte Cogswell (See discussion topic 3 on the flyer) and Regina Winters (See discussion topic 5 on the flyer) on the second panel. Each speaker on the first panel discussed for 5-10 minutes on their presentation topics following which the panel was opened for a question and answer session. The speakers on the second panel briefly summarized their knowledge and experience on their respective topics of discussion and opened the conversation for a group discussion.

Panel I Speakers' Presentations

a) **Summary of Mr. Andrew Daniel's presentation on "Mixed, Mixed, and Mixed: Trends in Housing Finance"**

Andrew P. Daniels is the President of MAPPLAN Associates, Inc., and has been working with local and regional entities as a consultant on housing planning and development issues for over twenty years. He started off his presentation by explaining that a housing builder builds product whereas a real estate developer creates value. He also added that the Route 34 redevelopment parcels would most likely be attractive to real estate developers than housing builders. Explaining about the similarities between a housing builder and a developer, he said that they both try to avoid risk by using "other people's money." This risk is avoided through the creation of a "mix of uses, finance, and income." Therefore, he suggested that a mix of uses be encouraged for the Route 34 corridor's development parcels and thus avoid economic downturn.

Mixed use often needs an anchor or two depending upon the scale of the project to make the location some form of "destination" for foot traffic. Examples of the types of retail that can encourage destination traffic are a movie theater, medium-sized national regional retailer or a smaller scale retail store that draws people from a large geographical area. Some urban developments in other communities also look at integrating schools (such as charter schools) and housing into proposed retail and commercial locations. Some of these schools also have programs that offer internships and work opportunities for students and working mothers.

Speaking about mixed finance, he said that different sources of funds have to be combined to create an overall cost of funds for a development that is manageable within the risk profile of the project. One of the most preferred sources for raising equity or capital is a tax credit for certain types of targeted development such as the Low Income Housing Tax Credits

(LIHTC). These LIHTC help to offset the construction costs partially for any housing development proposed. There are also other types of tax credits available for job creation, creation of energy efficient designs, or transportation node development.

A tax credit can be defined as a bottom line tax liability offset. It should not be considered as a deduction and is a very powerful source of investment. Tax credits may be associated with income or real estate development. Mr. Daniels stated that within the State of Connecticut, the LIHTC are not exempt from real estate taxes.

He defined mixed income as the ability to access tax credits. Mixed income could be targeted to individuals with incomes below 80% or 120% of AMI (Area Median Income). Referring to the Route 34 corridor, he said that a portion of Route 34 corridor falls within the Empowerment Zone and is in census tracts with low income households. Therefore, two major types of tax credits would likely be applicable to this area. These are: Low Income Housing Tax Credits (LIHTC) and New Market Tax Credits (NMTC).

LIHTC is a credit targeted at rental housing production for households with incomes at either 50% or 60% of AMI. There are two types of LIHTC, the 9% LIHTC and the 4% LIHTC.

NMTC is for economic development and job creation but they can also be used in projects that include residential developments. One method of using NMTC along Route 34 is by *the creation of street level retail and office space with residential top levels*. The NMTC also works very well with Historic Preservation Tax Credits. Karyn Gilvarg, New Haven City Plan Director, mentioned that New Haven did apply for NMTC in the past and was unable to secure them but the City will be re-applying again when the program is open to secure these credits.

In conclusion, Mr. Daniels spoke about home-ownership in mixed developments. He said that if this presentation were a year ago, part of the mix of uses in terms of the proposed development pattern could probably include home-ownership opportunities. But in the current economy, it will be very difficult to create new home-ownership opportunities rather than looking at existing homeownership opportunities that are available such as foreclosed homes, investor homes, etc., in the surrounding area. This is because the cost of a new homeownership unit is currently not appraising above the cost of construction. *Until the current uncertainty in the home-ownership market dissipates, which means that foreclosures attenuate down to historic low levels and existing housing products are absorbed, the risk of development associated with new home construction will be high.*

The era of no money down or 3% or 5% down is likely gone in terms of underwriting standards that will be more rigorously framed to avoid risk. Governmental programs will be focused on re-occupying foreclosed properties and confronting the risk of blight and disinvestment in existing housing stock. Therefore, for the development along Route 34, looking into the adjacent neighborhoods for home-ownership may be economically feasible rather than new construction for the near future. Therefore, the Route 34 West MDP should not just focus on the parcels proposed for redevelopment but also include the immediate area on either side due to the umbrella impact that will be created. Route 34 redevelopment parcels should be developed in a way that creates value for the properties in the surrounding area thus causing a “halo” effect in terms of property values. Some kind of investment should also be proposed in the existing housing stock in the immediate area and this housing stock should be redeveloped through various planning methods such as acquisition and rehabilitation.

b) Summary of Mr. Kirk Syke's presentation on "U.S.A Fund Investing and Emerging Domestic Markets."

Kirk Sykes is the Head of Urban Strategy America Fund, L.P (USA Fund). He is responsible for the supervision of the partnership equity placement, the identification of investments and the day-to-day business operation of the USA Fund. His specialty is the creation of urban mixed-use developments.

He provided an overview of the USA Fund, discussed his experience on similar type of projects, and discussed how USA Fund partnered with Community Development Corporations (CDCs) in the past. The USA Fund team initially started as developers and later became a fund source in 1993 and acquired over 3.6 billion dollars of real estate and raised almost \$1.1. billion dollars in equity as noted in the handouts that were distributed.

He explained that some of the investment strategies of the USA Fund are stimulating local economic development, job and housing creation, empowering CDCs and local partners to generate future investment through the multiplier effect, and focusing on workforce, affordable, transit related and institutional housing supplemented by office, warehouse, and retail investments.

He said large real estate developments are challenging to invest due to the risk involved in development, construction, tenancy, etc. In the past, USA Fund has been successful in overcoming these risks and revitalizing several communities through partnership with the local CDCs. The overall goal of these developments was to generate affordable transit related developments, workforce housing, and creation of diverse uses and jobs to create vital centers.

Charles River Park at Boston was their first urban economic development project, which consists of 2,600 residential units, more than 500,000 s.f. of office and retail space, 6,000 parking spaces, and includes amenities such as Health Club, Montessori School, and House of Worship.

The Crosstown Center in Roxbury, MA was also cited as another example of mixed use development that they developed, which consists of 175-room hotel and mixed use, 650 space parking garage, and 22,500 s.f. of service retail space. The goal of this development was to significantly improve local neighborhood while creating jobs. The Crosstown Center was close to major transit routes (Southeast expressway and Mass Turnpike), and the Longwood medical area like the Route 34 corridor. They used Empowerment Zone bonds to finance this development with a public sector contribution and public/private partnership. The site was divided into quadrants to be financed with different mechanisms. He said that they generally do not advise a layer cake type of financing in which if one method of financing does not fit in, the whole development fails. The local institutions also committed to a long-term lease, which enabled them to move this development forward.

After stating the above example, he said that the "Meds" (Medical Institutions), "Eds" (Educational Institutions), and "Feds" (Federal Government) are typically the driving forces of any development even during economic crisis. Route 34 development parcels have an advantage that way because they are already located near the "Meds and Eds."

The One Brigham Circle project located in Mission Hill in Boston is also another example of USA Fund's developments, which is similar to the Route 34 development proposal in terms of its location to the Harvard Medical School. Ten years ago this site was owned by Harvard University and consisted of a gas station, drug store, and a small neighborhood market. This site is now a home to 80,000 s.f. of retail including a 25,000 s.f. super market, a new drug store, two banks, two restaurants, 350-space parking garage, and 120,000 s.f. of administrative back office space for the nearby hospitals. This was also a public/private venture with the Neighborhood Services Corporation of Mission Hill. A 5.5-acre park was also proposed as part of the development. This project is considered as USA Fund's example of achieving a balance between urban land development and open space conservation.

The Quonset Gateway, a 60-acre redevelopment land in Quonset, Rhode Island is another initiative of USA Fund where in they are attempting to achieve sustainability through effective site strategies such as, heat island reduction, rain gardens, reduced lighting, pervious pathways and plazas, storm water retention and native planting program and through tenant build strategies such as low flow fixtures, reflective roofs, day lighting and light shelves, offering technical assistance to tenants and possibly acquiring LEED certification.

For the Olmsted Green project, USA Fund partnered with Lena Park Community Development Corporation, the oldest black CDC in Boston. This project will include workforce housing, affordable rental units, new jobs and job training facilities, and also senior housing. This project focuses on elders, youth, adolescents, and adults. USA Fund is now in the first phase of this project and aiming at sustainability in construction and in the process also focusing on generating homes for the community for homeownership as well as renting.

c) Summary of Mike Berne's presentation on "Route 34 and the Ecology of Retail."

Michael J. Berne is the President of MJB Consulting (MJB), a New York City-based national real estate consulting firm. He discussed the role that retail can play in the larger context of developing the Route 34 area. He said that different businesses in commercial corridors are meant to play different roles and it is very important to understand the ecology or the principles involved in the location of these retail uses. Some of these principles that were discussed are explained as follows:

While some business districts exist for apparel shopping, furniture shopping and the like, there are some business districts that exclusively focus on everyday convenience such as the convenience stores, grocery stores, etc. Therefore, it is important to know what types of businesses are needed along the Route 34 corridor. Some businesses can attract customers from the immediate area, while some others need to attract customers from the larger geographic area in which they are located.

Typically, every business owner analyzes the price involved and the style of retail needed before establishing a retail use at a particular location. The demand for a particular type of retail use and the sales leakage associated with it are also studied carefully before a particular retail use is proposed at a particular location.

Access and traffic are also two important determinants of retail locations. Some stores also have thresholds for the minimum number of cars that they would like to see on any given day and the average daily traffic (ADT) needed. Retail stores are comfortable being around other retail stores. Therefore, retailers look at what already exists in the neighboring area before they choose to locate in a particular neighborhood.

The size and depth of real estate (land) also plays a critical role in picking locations suitable for retail uses. There may be a need to divide the land for bringing in anchors next to large retail store establishments. Therefore, land of a right size, depth, and price are needed.

Proposing retail in new constructions along the corridor may involve higher rents for retailers. In order to cover the cost of these rents, retailers need to make a certain volume of sales everyday. This in turn requires a certain number of customers per day or a certain volume of traffic. Therefore, it is important to set the right rents. In some cases it may be beneficial to choose to locate into already existing vacant buildings in the surrounding area rather than new constructions.

Finally, it is also important for people driving by to be able to see the store sign. The farther the store sign is from the road, the greater is its visibility from a distance on high traffic roads. Therefore, in order to enable people to see the signs clearly, retail stores are typically set back at a larger distance on high traffic roads.

In order to attract retail stores along the Route 34 corridor, the corridor has to offer more benefits to prospective retailers than other competitive locations in the neighboring area such as the Whalley Avenue and the Downtown, which already have a number of existing anchors right now.

Panel II Speakers' Discussion

a) Summary of Ms. Kerri Kelshall Ward and Ms. Brigitte Payne-Cogswell's Presentation on "Home Ownership, Job Training, and Career Development."

Ms. Kerri Kelshall Ward is the President of Financial Empowerment for Women, LLC ("FEW"), which is founded in November 2003. Ms. Brigitte Payne-Cogswell is the Founder and Managing Partner of Success by Design 3D Seminars, LLC, a human relations, training, and consulting firm based in New Haven.

Ms. Ward stated that it is not only important to propose a plan to develop vacant parcels along Route 34 but it is also important to lay focus on the surrounding neighborhoods to ensure that they are stabilized. She explained how the local institutions (Yale and St. Raphael's) have already taken the first step in this aspect by currently helping the existing homeowners in the Hill neighborhood (who work for these institutions as full-time and part-time employees) to overcome the foreclosure crisis through financial assistance.

She said that encouraging multifamily development along the corridor, wherein an individual can own one unit and rent another attached unit would help in making homeownership affordable and thus enables many residents to become first-time homeowners. Referring to the demographic data, she indicated that there are a considerable number of young people living in the surrounding area of the Route 34 west corridor with incomes below 80% and 120% of the Area Median Income (AMI). Therefore, she stated that it is important to create a mix of housing choices such as, condominiums, two- and three-family homes along the Route 34 west corridor for these residents.

Referring to the (math and science) skills and employees gap that currently exists in New Haven compared to other regions in CT, she said that this gap is projected to further increase in the future while the needs of the employers is also anticipated to rise. Therefore, job

training is extremely essential to prepare the residents around the corridor for the jobs that will be generated with the new development along Route 34 west.

She said that in some instances, even in spite of obtaining a certificate through job training programs, some residents are still not able to find job opportunities. Therefore, what is needed is to create new opportunities that are user-friendly. This could be achieved by conducting a research on the existing skill set and education of the residents and improving those to meet the employers' objectives. She said that the three most important skills that the current and prospective employers are generally looking for in new employees are: active listening, critical thinking, and active learning. She also addressed the need for more collaboration between current and future employers in New Haven to create opportunities that match the skill set and education of the existing residents.

Ms. Ward also emphasized on the need for designing a program for new jobs along the Route 34 west corridor, which enables the residents who live in the neighborhoods to work in those new jobs that will be created. By doing this, the residents of the adjacent neighborhoods may probably become more comfortable with the proposed development and thus embrace the Plan. Otherwise, they may fear that investors would come in and take over their neighborhood. She said that home-ownership is the first step for successful job creation since research indicates that transportation is the most important barrier to access places of work for most people. She suggested that a meaningful strategy could be to create home-ownership opportunities for existing residents along with the needed job training programs and financial literacy and thus prepare them for the proposed development.

b) Summary of Ms. Regina Winters' Presentation on "Site Sustainability and Leadership in Energy and Environmental Design (LEED) for Neighborhood Development."

Ms. Regina Winters is the Principal and Founder of Zared Enterprises, LLC—an architecture, planning, and development consulting firm located in New Haven, CT. She spoke about how sustainable design could be achieved through the guidelines recommended by Leadership in Energy and Environmental Design (LEED). She said that the majority of the conventional building materials consist of chemicals which lead to health problems in most people such as asthma and other chronic illnesses. Green designs have therefore been established to overcome some of the health problems associated with building designs and construction techniques. She said that the United States Green Building Council (USGBC) was started in 1993 to promote green building designs and construction techniques. The USGBC first focused on the impact of the buildings on the environment. Later it expanded its focus to site design strategies as well. Ms. Winters stated that the buildings in the United States typically use a third of the total energy used in the entire country, two-thirds of the electricity used in the entire country, and one-eighth of the water used in the entire country

Comments

1. Mr. Sykes was asked by a member in the audience to elaborate on his experience in working with the Community Development Corporations (CDCs). He said that the CDCs with which he worked in the past were originally focusing on child care and housing production but eventually focused on job training after their partnership.
2. A member of the audience has requested the speakers to comment on the planning concepts proposed in the most recent study on Route 34 west prepared by RKG Associates (2006). For this, Mr. Sykes responded by saying that he and the other guest speakers for the workshop have been invited only to provide an input on the decisions

that typically drive real estate development in corridors similar to Route 34 west and not to comment on a specific planning concept for the corridor.

3. A member of the audience has asked Ms. Berne on how big-box developments could be made to seamlessly fit among other developments proposed for the corridor, especially in terms of the design guidelines. Mr. Berne replied that this depends mostly on the density of the development that is recommended along the corridor. The higher the density, the more likely it is to recommend the design guidelines that resemble an urban setting, especially in terms of recommending the needed setbacks.
4. A member of the audience was interested in seeing some opportunities for light manufacturing related jobs along the corridor where the residents can work and has asked the speakers if there is a potential for such type of jobs along the corridor.

Mr. Daniels replied that although a variety of uses are recommended along Route 34 west, light manufacturing uses may perhaps not be advisable. This is because of the parking and accessibility factors associated with the creation of light manufacturing jobs such as the points of delivery for materials, associated driveways and needed parking facilities, which typically require more development land.

On the other hand, he said that small-scale retail would also be able to generate jobs for residents. Additional commercial/office spaces could be created, which attract companies to relocate small office spaces along the corridor. In instances, where small companies relocate their office spaces to the corridor, the need for support staff will also be generated. The development of an anchor retail store such as a super market would also generate jobs where the residents could likely work. He said that the parcels on the hospital side towards the east have a strong potential for commercial/office space development. In conclusion, he said that a lot of this market for commercial/office space also depends on how the proposed developments are phased.

Route 34 West Municipal Development Plan

Second Workshop

November 5, 2008

<u>Name</u>	<u>Organization</u>	<u>Address</u>	<u>Phone</u>	<u>email</u>
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Kevin G. Ewing	WRNSR	271 W.throp	785-9066	
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Dr. Debra M. Widdow	NHS OF NEW HAMPSHIRE	333 Sherman Ave	562-0598	
Greg Menden	UNH	35 Curtis Dr.	863-710-1650	

Invitation To:
**The Route 34 West Municipal Development Plan
Second Public Informational Workshop on November 5, 2008**



The New Haven Independent- Courtesy Len Honeyman ; 10.06.08

DISCUSSION TOPICS

Housing & Real Estate Finance

1. "Mixed, Mixed and Mixed: Trends in Housing Finance" by Andrew Daniels

Andrew P. Daniels, President of MAPPLAN Associates, Inc. has been working with local and regional entities as a consultant on housing planning and development issues for over twenty years. The primary focus of his practice is the New England and the Mid-Atlantic region. He assisted his clients with strategic and organizational planning for all aspects of their operations that included the development and implementation of portfolio asset management strategies.

2. "U.S.A Fund Investing and Emerging Domestic Markets" by Kirk Sykes

Kirk Sykes is the Head of Urban Strategy America Fund, L.P (USA Fund). He is responsible for the supervision of the partnership equity placement, the identification of investments and the day-to-day business operation of the USA Fund. His specialty is the creation of urban mixed-use developments. His approach is grounded in the bottom-line driven perspective gained during his tenure as a member of Federal Reserve Bank of Boston, Lehman Brothers Capital Crossing Preferred REIT, Fleet Bank, and Bank Boston's First Community Bank Advisory Boards and various other for-profit and non-profit board affiliations.

Housing & Entrepreneurship

3. "Home Ownership, Job Training, and Career Development" by Kerri B. Kelshall Ward & Brigitte Payne-Cogswell

Kerri B. Kelshall-Ward is the President of Financial Empowerment for Women, LLC ("FEW"), which is founded in November 2003. Over the last fifteen years, she has gained a wealth of knowledge, expertise, and skills in retail banking, consumer lending, real estate, financial literacy, and homeownership counseling. She has assisted over 3000 households in achieving their financial and homeownership goals.

Brigitte Payne-Cogswell is the Founder and Managing Partner of Success by Design 3D Seminars, LLC, a human relations, training and consulting firm based in New Haven. She is also a professional trainer, facilitator, and an independent contractor for "FEW." Since 1996, she has provided leadership and training for many institutions involving organizational effectiveness, cross cultural communications, diversity and conflict management, job readiness and career development, financial literacy, and homeownership education.

Retail

4. “Route 34 and the Ecology of Retail” by Michael J. Berne

Michael J. Berne is the President of MJB Consulting (MJB), a New York City-based national real estate consulting firm. Michael is one of the nation's leading experts in urban and inner city retail presenting on the subject at the annual conventions of the National Main Street Center, the Local Initiatives Support Corporation (LISC), the International Downtown Association (IDA), and the International Economic Development Council (IEDC) Alliance Program. He is retained by a wide variety of profit and non-profit clients to work on market analyses, retail strategies, tenant recruitment efforts, etc. His firm is active across all of North America including New Haven, Hartford, Bridgeport, and Mystic.

Sustainability

5. “Site Sustainability and Leadership in Energy and Environmental Design (LEED) for Neighborhood Development” by Regina Winters

Regina L. Winters is the Principal and Founder of Zared Enterprises, LLC—architecture, planning and development consulting firm located in New Haven, Connecticut (CT). Having worked in the field of urban design and development for over fifteen years and having been involved in numerous neighborhood revitalization initiatives across the country and particularly in CT. Ms. Winters brings particular expertise in the areas of sustainable design, historic preservation, and urban planning. She is also a LEED certified specialist and presently the only African-American woman Principal of an Architecture and Planning firm in CT.

Location: **200 Orange Street (City Hall), G-2 Hearing Rm, New Haven, CT**

Time: **6:00 p.m. – 7:30 pm.**

For the agenda,

Please visit: <http://www.cityofnewhaven.com/CityPlan/Route34MDP>



City of New Haven
John DeStefano, Jr.,
Mayor



Usted esta invitado a asistir:

Segunda Reunión Pública Informativa Sobre el Plan de Desarrollo Municipal de la Ruta 34 Occidental 5 de Noviembre, 2008



The New Haven Independent- Courtesy Len Honeyman ; 10.06.08

Temas de Discusión

Vivienda y Financia de Bienes & Raices

1. Popularidades en el Desarrollo Económico por Andrew Daniels
2. Invertir en el *USA Fund* y Los Mercados Domésticos por Kirk Sykes

Vivienda y Empresaria

3. "Ser propietario de casa, Entrenamiento de Empleo y el Desarrollo de su Carrera" por Kerri B. Kelshall Ward & Brigitte Payne-Cogswell

Ventas

4. "La Ruta 34 y la Ecología de la Venta al por Menor" por Michael J. Berne

Sostenibilidad

5. "Sostenibilidad de Sitios y Liderazgo en las áreas de Energía y Diseño con Beneficio al Ambiente (LEED) para el Desarrollo de Vecindarios" by Regina Winters

Lugar: 200 Orange Street (City Hall), G-2 Hearing Rm, New Haven, CT

Hora: 6:00 p.m. – 7:30 pm.

Para la agenda favor de visitar: <http://www.cityofnewhaven.com/CityPlan/Route34MDP>



City of New Haven
John DeStefano, Jr.,
Mayor





