Broad Street Parkade

Step 1: Market Assessment & Community Outreach

September 16, 2014
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2. Broad Street Parkade and Redevelopment Area
3. Research and Real Estate Analysis
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1. **Project Introduction**

2. Broad Street Parkade and Redevelopment Area

3. Research and Real Estate Analysis

4. Broad Street Development Options

5. Interim Activation

6. Next Steps
LWLP: Master Developers & Place-Makers

- Downtown & Urban Revitalizations
- Resort Towns & Recreational Villages
- College Towns & University Districts
- Mixed-Use New Urbanist Communities
- Health Care Centers & Medical Districts

MONTREAL – TORONTO – NASHVILLE
Where We Work

- Downtown & Urban Revitalizations
- Resort Towns & Recreational Villages
- College Towns & University Districts
- Health Care Centers & Medical Districts
- Mixed-Use New Urbanist Communities

Delivering Thriving Places Across North America
Our Connecticut Experience

Storrs Center, Mansfield

- New mixed-use town center for University of Connecticut
- Just over 100,000 square feet of retail space (total 160,000)
- 615 apartment units + 40 for-sale units

Coliseum Site, New Haven

- New 5-acre urban village in downtown New Haven
- 1.3MM square feet of apartments, shops, hotel and hospitality, office, public space and rooftop farms
- Unanimously supported, community developed plan

Part of Development Team

Master Developer
RDA Objectives

1. Replace blighted conditions
2. Add value to surrounding properties
3. Create a variable investment climate
4. Create a place where people want to be and engender community pride
5. Serves the neighborhood and community

The LWLP project team and the Town of Manchester will work together to envision and plan a thriving, feasible, and sustainable large-scale development project at the Broad Street Parkade that will be a meaningful and vibrant addition to the Town of Manchester for decades to come.
Our three-step process starts with a rigorous market assessment and ongoing community outreach to provide Manchester with the best possible development options for the Parkade Site, which will be further tested during the next phase of work.
Planning & Development Timeline

- **2014**
  - Market Assessment: 4 Months
  - Conceptual Development Plan & Business Model: 4 Months
  - Implementation Strategy, Tactics & Initiatives: 2 Months

- **2015**
  - Land Development Options & Community Input: 3 - 4 Months
  - Approvals & Permits: 4 Months

- **2016**
  - Conceptual Development Plan & Business Model: 4 Months
  - Implementation Strategy, Tactics & Initiatives: 2 Months
  - Bidding & Contracts: 6 Months
  - Development Agreements: 4 Months
  - Pre-Development, Planning & Financing: 6 - 8 Months
  - Approvals & Permits: 4 Months
  - Project Construction Start: Q2 2017

- **2017**
  - Project Construction End: Q2 2017
Step 1: Market Assessment Methodology

Stakeholder & Community Engagement
- Stakeholder Interviews & Discussions
- Field Observations & Assessments

Rigorous Market Research
- Review, Research, Analysis, Modeling, etc.

Site Assessment
- Best Practices & Industry Knowledge
- Cutting Edge Real Estate & Financing Expertise

Broad Street Parkade | Project Introduction
Information Reviewed & Community Input

Downtown Studies
- Downtown Manchester Special Services District Study (2011)

City Plans

Regional Documents
- Regional Plan of Conservation and Development (2014)
- Moving the Region Forward: A comprehensive economic development strategy – Connective Economic Resource Center (October 2012)
- Making it Happen: Opportunities and Strategies for Transit-Oriented Development in the Knowledge Corridor (September 2013)

Broad Street Vision
- Broad Street Redevelopment Plan (2009)

Residential Market
- CERC: The Connecticut Real Estate Climate in 2014 (June 2014)

Retail Market
- ESRI Retail MarketProfile
- Leasing reports from regional retailers
- The Key Point Report: Retail Real Estate Trends & Analysis 2013

Office Market
- Greater Hartford Office Market Update
- Colliers International

Recreation
- Bigelow Brook Greenway & Center Park Extension
- YMCA of Greater Hartford

Medical
- YNNHS Annual Report, ECHN Annual Report

Educational
- UCONN Research, Innovation & Economic Development

Other
- USDA reports

AND MORE...

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 & Rec

AND MORE...
### How Do We Begin to Evaluate a Development Site?

<table>
<thead>
<tr>
<th>Region</th>
<th>Municipality</th>
<th>Site-Specific</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Regional growth and momentum (residential &amp; employment)</td>
<td>• Population groups and demographics - local and secondary “trade areas”</td>
<td>• Site location</td>
</tr>
<tr>
<td>• Regional trends and patterns</td>
<td>• Population growth</td>
<td>• Site size, shape, capacity &amp; other physical characteristics</td>
</tr>
<tr>
<td>• Population demographics</td>
<td>• Major employers and employment patterns</td>
<td>• Site connectivity, access &amp; proximity</td>
</tr>
<tr>
<td>• Economic drivers and existing industry</td>
<td>• Unique town/city characteristics</td>
<td>• Site relationship to adjacent uses</td>
</tr>
<tr>
<td>• Unique regional characteristics</td>
<td>• Local leadership &amp; community collaboration</td>
<td>• Surrounding infrastructure</td>
</tr>
<tr>
<td>• Population groups and movement</td>
<td>• Anchor uses and economic/traffic drivers</td>
<td>• Existing users/ customers</td>
</tr>
<tr>
<td>• Major investment (public and private)</td>
<td>• Geography &amp; natural advantages</td>
<td></td>
</tr>
<tr>
<td>• Political leadership</td>
<td>• Historic and recent development:</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Permits</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Absorption</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Sales</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Rental rates</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Vacancy</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Development incentives</td>
<td></td>
</tr>
</tbody>
</table>

**Real estate metrics**
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Manchester Key Anchors

Are these assets being leveraged to their full potential?

Retail Hub
Center Springs Park
ECHN/Manchester Memorial
Main Street
MCC

Broad Street Parkade | Broad Street Parkade and Redevelopment Area
# Parkade Site: Connection to Anchor Uses

<table>
<thead>
<tr>
<th>Anchor</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Buckland Hills/ Evergreen Walk</strong></td>
<td>Higher volume, growing area in Manchester, with highway access. Home to significant percentage of Manchester &amp; regional retail - accessibly by vehicle from Parkade Site, not proximate.</td>
</tr>
<tr>
<td><strong>Center Springs Park</strong></td>
<td>Magnificent park in the heart of Manchester, with the potential to connect major town anchors, but currently underutilized and physically disconnected.</td>
</tr>
<tr>
<td><strong>ECHN/ Manchester Memorial</strong></td>
<td>Place for learning and health &amp; wellness. Despite its importance, this anchor is tucked away from Main Street and lacks visibility. Difficult to access from Parkade Site due to poor park connectivity.</td>
</tr>
<tr>
<td><strong>Main Street</strong></td>
<td>Beginning to re-emerge as a place for spending time and social gatherings. Requires strong connectivity to high-traffic uses to drive visitation.</td>
</tr>
<tr>
<td><strong>Manchester Community College</strong></td>
<td>Main campus fairly disconnected from Manchester core. MCC on Main a great step in reconnecting the college – programatically and physically.</td>
</tr>
</tbody>
</table>
**Key physical/locational characteristics:**

- 18-acre contiguous site
- Primary frontage onto Green Manor Boulevard with some Broad Street frontage
- Located two miles off of major highway access
- Mostly developed surroundings – infill site
- No major economic anchors on Broad Street
- Recent improvements to Broad Street conditions
- Local traffic along Broad Street
- Corner site piece is not included in 18-acre parcel
# Development Challenges to Overcome

<table>
<thead>
<tr>
<th>Manchester</th>
<th>Parkade Site</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lack of critical mass, activity, density and existing demand in Manchester</td>
<td>Poor access and visibility from major highway arterial</td>
</tr>
<tr>
<td>Lack of significant development momentum in “East of River” market</td>
<td>Weak frontage onto Broad St.</td>
</tr>
<tr>
<td>Manchester assets are not well connected to each other or working together</td>
<td>Lack of strong proximate anchors on Broad St.</td>
</tr>
<tr>
<td>Existing retail district by highway—people spending time &amp; money outside the core</td>
<td>Lack of direct connection to Manchester greenway system</td>
</tr>
<tr>
<td>Need for a clear “Manchester identity”</td>
<td>Potential aversion to developing the site/conflicting desired uses?</td>
</tr>
<tr>
<td></td>
<td>Facing “back” of existing commercial center</td>
</tr>
</tbody>
</table>
### Manchester

1. Manchester regarded as nice and affordable place to live & raise a family
2. Manchester’s impressive park system
3. Has the right “bones” to create a thriving Main Street environment
4. Initiatives underway across Manchester – from Main Street revitalization to park connections
5. Located in close proximity to major employment, post-secondary education, and state investment

### Parkade Site

1. Large site that could be connected to anchors (Main Street, ECHN, Center Springs Park)
2. Potential to use Broad Street site to catalyze development to surrounding areas & enhance Main Street
3. Recent infrastructure investments into Broad Street
4. Potential collaboration with surrounding land owners to create larger district
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Real Estate Typologies Explored

- Industrial
- Entertainment
- Hotel & Hospitality
- Educational
- Medical
- Traditional Retail
- Office
- Civic
- Sports & Recreation
- Cultural
- Specialty Retail
- Sports & Recreation
- Residential For-Sale Product
- Public Space & Amenities
- Residential Rental Product
- .. And others
Residential Development
Key drivers for residential real estate development:

- Very slow growth region: projected regional growth rate of 0.4% per year from 2011 to 2020

- Hartford Offers high wage jobs, but many employees do not live in city (high daily commute rate)

- State investment into jobs and transit in and around Hartford to drive residential demand

- Aging population: percentage of population 65+ expected to growth substantially between 2010-2025, especially in Hartford suburbs
# Hartford County Residential Values

## Median Home Prices in Hartford County

<table>
<thead>
<tr>
<th>Town</th>
<th>Median Home Value (2011)</th>
<th>Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>Avon</td>
<td>406,500</td>
<td>1</td>
</tr>
<tr>
<td>Glastonbury</td>
<td>347,500</td>
<td>2</td>
</tr>
<tr>
<td>Simsbury</td>
<td>345,900</td>
<td>3</td>
</tr>
<tr>
<td>Farmington</td>
<td>337,400</td>
<td>4</td>
</tr>
<tr>
<td>Suffield</td>
<td>333,100</td>
<td>5</td>
</tr>
<tr>
<td>Canton</td>
<td>330,700</td>
<td>6</td>
</tr>
<tr>
<td>Burlington</td>
<td>328,100</td>
<td>7</td>
</tr>
<tr>
<td>West Hartford</td>
<td>312,900</td>
<td>8</td>
</tr>
<tr>
<td>Granby</td>
<td>303,000</td>
<td>9</td>
</tr>
<tr>
<td>Marlborough</td>
<td>297,400</td>
<td>10</td>
</tr>
<tr>
<td>Berlin</td>
<td>294,600</td>
<td>11</td>
</tr>
<tr>
<td>Rocky Hill</td>
<td>285,800</td>
<td>12</td>
</tr>
<tr>
<td>Hartland</td>
<td>278,400</td>
<td>13</td>
</tr>
<tr>
<td>Southington</td>
<td>278,100</td>
<td>14</td>
</tr>
<tr>
<td>South Windsor</td>
<td>274,600</td>
<td>15</td>
</tr>
<tr>
<td>Wethersfield</td>
<td>270,800</td>
<td>16</td>
</tr>
<tr>
<td>East Granby</td>
<td>269,200</td>
<td>17</td>
</tr>
<tr>
<td>Windsor</td>
<td>239,300</td>
<td>18</td>
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<tr>
<td>Newington</td>
<td>236,900</td>
<td>19</td>
</tr>
<tr>
<td>East Windsor</td>
<td>235,200</td>
<td>20</td>
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<tr>
<td>Bloomfield</td>
<td>225,900</td>
<td>21</td>
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<tr>
<td>Bristol</td>
<td>217,100</td>
<td>22</td>
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<tr>
<td>Manchester</td>
<td>214,200</td>
<td>23</td>
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</table>

## Median Rental Rates in Hartford County

<table>
<thead>
<tr>
<th>Town</th>
<th>Median Gross Rent</th>
<th>Rank</th>
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</thead>
<tbody>
<tr>
<td>Avon</td>
<td>1,316</td>
<td>1</td>
</tr>
<tr>
<td>Burlington</td>
<td>1,243</td>
<td>2</td>
</tr>
<tr>
<td>Bloomfield</td>
<td>1,237</td>
<td>3</td>
</tr>
<tr>
<td>Rocky Hill</td>
<td>1,232</td>
<td>4</td>
</tr>
<tr>
<td>Granby</td>
<td>1,229</td>
<td>5</td>
</tr>
<tr>
<td>Hartland</td>
<td>1,215</td>
<td>6</td>
</tr>
<tr>
<td>Marlborough</td>
<td>1,173</td>
<td>7</td>
</tr>
<tr>
<td>Farmington</td>
<td>1,171</td>
<td>8</td>
</tr>
<tr>
<td>Windsor</td>
<td>1,166</td>
<td>9</td>
</tr>
<tr>
<td>Glastonbury</td>
<td>1,157</td>
<td>10</td>
</tr>
<tr>
<td>West Hartford</td>
<td>1,100</td>
<td>11</td>
</tr>
<tr>
<td>Canton</td>
<td>1,098</td>
<td>12</td>
</tr>
<tr>
<td>Manchester</td>
<td>1,063</td>
<td>13</td>
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<tr>
<td>Newington</td>
<td>1,055</td>
<td>14</td>
</tr>
<tr>
<td>Simsbury</td>
<td>1,052</td>
<td>15</td>
</tr>
<tr>
<td>South Windsor</td>
<td>1,050</td>
<td>16</td>
</tr>
<tr>
<td>Suffield</td>
<td>1,019</td>
<td>17</td>
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<tr>
<td>Berlin</td>
<td>1,013</td>
<td>18</td>
</tr>
<tr>
<td>Enfield</td>
<td>999</td>
<td>19</td>
</tr>
<tr>
<td>East Windsor</td>
<td>976</td>
<td>20</td>
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<tr>
<td>Southington</td>
<td>976</td>
<td>21</td>
</tr>
<tr>
<td>Wethersfield</td>
<td>939</td>
<td>22</td>
</tr>
<tr>
<td>Bristol</td>
<td>896</td>
<td>23</td>
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<tr>
<td>East Hartford</td>
<td>890</td>
<td>24</td>
</tr>
<tr>
<td>Windsor Locks</td>
<td>883</td>
<td>25</td>
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<tr>
<td>Plainville</td>
<td>877</td>
<td>27</td>
</tr>
<tr>
<td>New Britain</td>
<td>869</td>
<td>28</td>
</tr>
<tr>
<td>Hartford</td>
<td>837</td>
<td>29</td>
</tr>
</tbody>
</table>

Broad Street Parkade | Research and Real Estate Analysis
## Preliminary Financial Analysis – Rental Residential

### The Challenge

- Typical ROI required by investors is 7.35%
- Low demand and rental rates, coupled with additional costs required to create unique product, creates development gap
- Development gap in this rental scenario is $23MM
- Quality residential rental development not achievable without some development gap funding

<table>
<thead>
<tr>
<th>Land</th>
<th>HC</th>
<th>86,250,000</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>SC</td>
<td>18%</td>
</tr>
</tbody>
</table>

| Total Development Cost | 123,900,000 |

| Gross Income | 1.50  | 13,506,084 |
| Vacancy      | 5%    | -675,304   |
| Effective Gross Income | 12,830,780 |

| Total Operating Expenses | 5,417,038 |

| Net Operating Income (Before Land Cost) | 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
- Gap $23,032,760

### The Opportunity

- May be a limited market for rental units
- Potential for increased demand due to employment growth and introduction of a differentiated product
### Preliminary Financial Analysis – For Sale Residential

<table>
<thead>
<tr>
<th>SCENARIO</th>
<th>MINIMUM</th>
<th>AVERAGE</th>
<th>OPTIMUM</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average Price Per Sq. Ft. - Residential</td>
<td>$190</td>
<td>$205</td>
<td>$220</td>
</tr>
<tr>
<td>Average Price Per Unit</td>
<td>$142,500</td>
<td>$153,750</td>
<td>$165,000</td>
</tr>
<tr>
<td>Gross Sale of Residential</td>
<td>$142,500,000</td>
<td>$153,750,000</td>
<td>$165,000,000</td>
</tr>
<tr>
<td>Total Gross Sales</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Residential Development Costs</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Land</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Landscaping and Reforestation</td>
<td>$86,250,000</td>
<td>$86,250,000</td>
<td>$86,250,000</td>
</tr>
<tr>
<td>Hard Costs</td>
<td>$18,750,000</td>
<td>$18,750,000</td>
<td>$18,750,000</td>
</tr>
<tr>
<td>Soft Costs</td>
<td>$18,900,000</td>
<td>$18,900,000</td>
<td>$18,900,000</td>
</tr>
<tr>
<td>Selling Costs</td>
<td>$7,125,000</td>
<td>$7,687,500</td>
<td>$8,250,000</td>
</tr>
<tr>
<td>Total</td>
<td>$131,025,000</td>
<td>$131,587,500</td>
<td>$132,150,000</td>
</tr>
<tr>
<td>Net Profit</td>
<td>$11,475,000</td>
<td>$22,162,500</td>
<td>$32,850,000</td>
</tr>
<tr>
<td>Return on Sales (Gross Margin)</td>
<td>8.76%</td>
<td>16.84%</td>
<td>24.86%</td>
</tr>
<tr>
<td>Required Return on Sales</td>
<td>30.00%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cost Required to generate ROS</td>
<td>109,615,385</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Development Gap</td>
<td>21,409,615</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Potential Buyer Group 1: Baby Boomers

Fast growing demographic

1 of 7 Americans is over the age of 65

A “different” kind of retiree

Compared to previous generations Boomers are:
• working longer
• living longer
• in better health
• more active

What are they looking for?
• Comfortable, hassle-free, back-to-basics living
• Recreation and leisure
• Social connections
• Arts, culture, and learning opportunities
• Close proximity or easy access to urban amenities
• Close proximity to healthcare
• Living options away from hustle & bustle of large cities
Potential Buyer Group 2: Young Professionals

What makes this demographic different?

- Higher rates of college enrollment
- Carrying higher levels of debt
- Drive less
- Delaying the purchase of their first home
- Delaying marriage and having children

What are they looking for?

- Affordable living
- Recreation and leisure
- Activities and things to do
- Arts, culture, and learning opportunities
- Close proximity or easy access to urban amenities
Online retail sales in the U.S. reached $262 billion in 2013, a 13% increase from 2012.

Online sales are projected to continue to increase significantly, hitting $370 billion by 2017.

For core e-commerce categories (hobbies, electronics, apparel, and furniture), internet penetration is now at 10.5%—and expected to grow as internet retailers find additional ways to compete with brick and mortar shops.
About 15% of U.S. malls will fail or be converted into non-retail space within the next 10 years - Green Street Advisors, a real estate and REIT analytics firm.
Regional Retail: A Highly Competitive Market

The Promenade Shops at Evergreen Walk

The Shoppes at Buckland Hills

Blue Back Square

Westfarms Mall

The Shops at Somerset Square

West Hartford Center
Main Street Manchester

Challenges

- $1.3 million leakage in sales from 1 mile trade area associated with food & beverage
- Only 31% of spaces are used for retail
- Low avg. daily traffic (17,200)
- Few anchor tenants & lacks a cluster of retail operators
- Physicality must be improved – gaps in urban fabric, one-sided retail

Of 94 Downtown Main Street establishments with street frontage, 41% service-based & 34% retail

Opportunities

- Main Streets are coming back, chance for Main Street to become the eclectic node East of the River
- Historic building stock & large sidewalks
- Growing food & beverage sector
- Beginning to concentrate uses (MCC, restaurants, proposed library, etc.)
- More activities to bring people downtown
- Ample parking, 315 excess spaces

Broad Street Parkade | Research and Real Estate Analysis
Manchester Retail Market

<table>
<thead>
<tr>
<th>Retail Returns Scenario</th>
<th>Average Cost for New-Build Retail &amp; land</th>
<th>$250/ SF</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Required Sales Volume to Achieve Return</td>
<td>$350/ SF</td>
</tr>
<tr>
<td></td>
<td>Required Rental Rates + Additionals (CAMs &amp; taxes)</td>
<td>$25/ SF + $10/ SF</td>
</tr>
</tbody>
</table>

- Current Downtown Rental Rates: $10-$12
- Current Downtown Sales Volume (inferred): $100-$120/SF

- Current Regional Shopping Center Sales Volumes: $350-$400/SF
- Current Rental Rates (inferred): $20/SF
- Additionals (CAMs & taxes): $20/SF

**Recommendation:**

The large (and growing) retail node at the Buckland Hills area has captured the market share for traditional retail uses.

Any additional “specialty” retail development that occurs in Manchester should be concentrated along Main Street.

Broad Street may include some limited secondary retail uses, such as traditional neighborhood conveniences to serve primary users if necessary.
Real Estate Analysis

Office

Broad Street Parkade | Research and Real Estate Analysis
Regional Office Market

<table>
<thead>
<tr>
<th>Market</th>
<th>Total Office Space</th>
<th>Class A Office Space</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(Sq. Ft.)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Vacancy</td>
<td>Avg. Asking Rent</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hartford CBD</td>
<td>7,234,504</td>
<td>$21.30</td>
</tr>
<tr>
<td></td>
<td>18.00%</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hartford Periphery</td>
<td>1,963,705</td>
<td>$17.10</td>
</tr>
<tr>
<td></td>
<td>10%</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Farmington</td>
<td>2,582,458</td>
<td>$21.10</td>
</tr>
<tr>
<td></td>
<td>14.60%</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Windsor</td>
<td>2,112,527</td>
<td>$15.80</td>
</tr>
<tr>
<td></td>
<td>18.20%</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Glastonbury</td>
<td>1,531,983</td>
<td>$21.90</td>
</tr>
<tr>
<td></td>
<td>17.40%</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rocky Hill</td>
<td>1,556,383</td>
<td>$20.20</td>
</tr>
<tr>
<td></td>
<td>12.50%</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>East Hartford</td>
<td>1,529,532</td>
<td>$20.40</td>
</tr>
<tr>
<td></td>
<td>21.70%</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Manchester</td>
<td>174,958</td>
<td>$18.00</td>
</tr>
<tr>
<td></td>
<td>7.90%</td>
<td></td>
</tr>
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<td></td>
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</tr>
</tbody>
</table>

Source: CBRE, 2014

- New Class A product usually requires underground parking and state of the art amenities, with break-even net rents of $23-$25
- Highway visibility or downtown amenities required for most office users
- Access to higher-order transit required by many Class A tenants

**Recommendation:** Based on the substantial amount of available Class A office space throughout the region, where average asking rents are competitively low, traditional Class A office development is not recommended at the Parkade Site – however, Class B or unconventional office may be appropriate
Hotel

Existing Hotel Offering

New Hotel Construction

<table>
<thead>
<tr>
<th>Greater Hartford Hotels</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Past 3 months</td>
<td>Past 12 months</td>
<td>2013</td>
</tr>
<tr>
<td>Occupancy</td>
<td>54.4%</td>
<td>56.9%</td>
<td>55.4%</td>
</tr>
<tr>
<td>ADR</td>
<td>$101</td>
<td>$102</td>
<td>$100</td>
</tr>
<tr>
<td>RevPar</td>
<td>$54.94</td>
<td>$58.03</td>
<td>$55.40</td>
</tr>
</tbody>
</table>

- Hotels are seeking out locations with:
  - Highway visibility
  - Ingress, egress and access
  - Downtown location (for hotels catering to business travelers or conferences)
  - Exciting and dense mixed-use districts for urban-oriented, higher-end product (i.e., Future Delamar hotel in Blue Back Square)

- Cambria Suites at Evergreen Walk
  - 110 rooms
  - 800 square feet of meeting space

**Recommendation:**
Given weak regional hotel RevPAR performance, very discriminate hotel investment market, and internalized location of site, new hotel construction is not recommended for the Broad St. Parkade site.
Real Estate Analysis

Sports & Recreation

Broad Street Parkade | Research and Real Estate Analysis
Sports & Recreation Competitive Landscape

- SoNo Field House
- SportsPlex
- Connecticut Sports Center
- Advanced SportsPlex
- Farmington Sports Arena
- Oakwood Sports Center
- Danbury Sports Dome
- Insports
- SportsPlex
- Sports World
- Star Hill Family Athletic Center
- Local-Scale within 30 minutes of Manchester
- Local-Scale within 1.5 hr of Manchester

Broad Street Parkade | Research and Real Estate Analysis
Sports & Recreation Use Models

1) Super-regional sports facility

2) Medium-scale sports facility

3) Community center-type facility

4) Integrated sports, health & wellness activities
## Sports & Recreation Models

<table>
<thead>
<tr>
<th>Typology</th>
<th>Super-Regional Sports Facility</th>
<th>Medium-Scale Sports Facility</th>
<th>Community-Center Type Facility</th>
<th>Integrated Health &amp; Wellness</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Requirements</strong></td>
<td>- Viable and achievable business plan &amp; funding</td>
<td>- Can often be accommodated on 10+ acres of land</td>
<td>- Very flexible: can be tailor made for specific community needs</td>
<td>- No requirements, integrates health and wellness into all aspects of development</td>
</tr>
<tr>
<td></td>
<td>- Indoor/outdoor space</td>
<td>- Highway proximity/visibility</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Highway proximity/visibility</td>
<td>- High traffic proximity/visibility</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Ingress/egress and access</td>
<td>- Usually specialized in certain sports with affiliated teams</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Large footprints (30 acres +)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Large regional draw area</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>- No direct competitors in immediate area</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Existing building or substantial new-build investment</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Elite/pro team commitments</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Opportunities</strong></td>
<td>- Potential to become a major destination within Manchester and CT</td>
<td>- Can be accommodated on Broad St. site</td>
<td>- Can leverage existing structures/buildings (i.e. schools or other)</td>
<td>- Creates a health and wellness lifestyle rather than one facility</td>
</tr>
<tr>
<td></td>
<td>- Encourages additional development</td>
<td>- Specialized programs to serve local and extended trade areas</td>
<td>- Can become a true community gathering place</td>
<td>- Completely flexible programming and development</td>
</tr>
<tr>
<td></td>
<td>- Becomes a unique amenity to local residents and visitors</td>
<td>- Some examples of private developments of this type</td>
<td>- Community programming</td>
<td>- Includes many low-cost options</td>
</tr>
<tr>
<td><strong>Challenges</strong></td>
<td>- Space restrictions of site</td>
<td>- Highly competitive market</td>
<td>- Usually public deal or requires fundraising</td>
<td>- No centralized facility</td>
</tr>
<tr>
<td></td>
<td>- No existing buildings to utilize</td>
<td>- Does not achieve vision of desired sports complex</td>
<td>- Does not achieve vision of desired sports complex</td>
<td>- Four-season programming can be challenging</td>
</tr>
<tr>
<td></td>
<td>- Traffic may have negative impact on surrounding uses</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Lack of highway visibility and access</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Examples</strong></td>
<td>Spooky Nook, PA; Great Park, CA; Hershey Centre, Canada</td>
<td>Tolland Sports Bubble; Chelsea Piers</td>
<td>YMCA, Hillhouse High School (New Haven), etc.</td>
<td>Burlington, VT; Providence, RI</td>
</tr>
</tbody>
</table>

**Note:**

- Medium-Scale Sports Facility: Can often be accommodated on 10+ acres of land.
- Community-Center Type Facility: Very flexible: can be tailor made for specific community needs.
- Integrated Health & Wellness: No requirements, integrates health and wellness into all aspects of development.

**Broad Street Parkade | Research and Real Estate Analysis**
Connecticut’s largest indoor/outdoor Sports Village, located just off the highway, attracts residents from across the state. The facility offers:

- Indoor and outdoor fields
- Indoor and outdoor courts
- Indoor and outdoor tracks
- Skate park
- Climbing wall
- Aquatic center
- State-of-the-art fitness equipment
- Prestigious sports science training and performance center
- World-class sports bar, juice bar, and cafe
- Wellness hotel and spa
- National clinics and conferences
- Regional tournaments
- Camps, leagues, academies
- Kid and adult competitive rec leagues
- Meeting and event space
- Partnerships with elite teams and athletes
Medical or Educational - Institutional Anchors

- University + Industry
- University Satellite
- Medical Training
- Industry-specific
- Design School
- Trade School
- Specialty Medical
- Additional Programs
The education and health care sectors are expected to continue to grow significantly over the coming decades. These industries have withstood numerous changes to the economy and have demonstrated to be “recession-proof” on many occasions.
Major State Investment into Hartford County

- $1.5 billion for NextGenCT at UConn with a focus on STEM research
- $192 million for Jackson Laboratories
- $864 million for Bioscience CT
- $60 million in Hartford housing Initiatives
- $365 million investment in New Haven-Hartford-Springfield Rail Program
- $70 million to relocate UConn Campus from suburbs to Downtown
- $78 million to purchase buildings from the City of Hartford for consolidation of State workers
- $500 million investment in regional bus rapid transit linking Hartford to New Britain
- $172 million for UConn Tech Park’s Innovation Building
- $70 million to relocate UConn Campus from suburbs to Downtown
- $15 million for Transit-Oriented Development Projects
- $172 million for UConn Tech Park’s Innovation Building
- $70 million to relocate UConn Campus from suburbs to Downtown
Shifting Employment Trends

20 Years of Regional Employment Trends: Hartford County

### Shifting top 5 job sectors over past 20 years

- **MANUFACTURING**
- **FINANCE & INSURANCE**
- **RETAIL**
- **EDUCATION**
- **HEALTHCARE**

*Source: Department of Labor, 1993–2013.*

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

<table>
<thead>
<tr>
<th>Company</th>
<th>Associated Program</th>
<th>People, activity, &amp; jobs</th>
<th>Location</th>
<th>Drive time from Manchester</th>
</tr>
</thead>
<tbody>
<tr>
<td>ESPN</td>
<td>First Five</td>
<td>200 – 800 new jobs</td>
<td>Bristol</td>
<td>35 minutes</td>
</tr>
<tr>
<td>CareCentrix</td>
<td>First Five</td>
<td>200 - 290 new jobs</td>
<td>Bloomfield</td>
<td>25 minutes</td>
</tr>
<tr>
<td>CIGNA</td>
<td>First Five</td>
<td>200 - 800 new jobs</td>
<td>Hartford</td>
<td>15 minutes</td>
</tr>
<tr>
<td>UConn Hartford Campus</td>
<td>Next Generation Connecticut</td>
<td>2,300 students &amp; 250 employees</td>
<td>Hartford</td>
<td>15 minutes</td>
</tr>
<tr>
<td>UConn Tech Park</td>
<td>Next Generation Connecticut</td>
<td>1,000 – 1,300 new jobs</td>
<td>Storrs</td>
<td>30 minutes</td>
</tr>
<tr>
<td>UConn Health</td>
<td>Bioscience CT</td>
<td>1,530 new jobs</td>
<td>Farmington</td>
<td>25 minutes</td>
</tr>
<tr>
<td>Jackson Laboratory</td>
<td>Bioscience CT</td>
<td>660 new jobs</td>
<td>Farmington</td>
<td>25 minutes</td>
</tr>
</tbody>
</table>

*Source: Metro Hartford Progress Points*
Additional Benefits of an Institutional Anchor

**Highest Impact Use; Highest Catalytic Potential**

**Innovative Economic Generator**

**Day & Night Visitors**

**Additional High Wage Workers in Manchester**

**Additional Jobs & Spin-Off Development**

**Recession-Proof Uses**
<table>
<thead>
<tr>
<th>1. Project Introduction</th>
</tr>
</thead>
<tbody>
<tr>
<td>2. Broad Street Parkade and Redevelopment Area</td>
</tr>
<tr>
<td>3. Research and Real Estate Analysis</td>
</tr>
<tr>
<td><strong>4. Broad Street Development Options</strong></td>
</tr>
<tr>
<td>5. Interim Activation</td>
</tr>
<tr>
<td>6. Next Steps</td>
</tr>
</tbody>
</table>
What is the Manchester identity?

Manchester?

- Quiet residential living?
- Town? City? Village?
- Small town charm with big city excitement?

Chester

- Quaint Small Town Charm

Mystic

- Seaside Village

Saratoga Springs

- Main Street Revitalized

Providence, RI

- Vibrant Districts

Northampton, MA

- New England Town
Recommended Options: Broad Street Parkade

1. **Institutional Campus**
   Medical/Educational District with Specialty Housing and Retail

2. **New Urbanist Residential**
   Residential Eco-Village with Health and Wellness Focus

3. **Hybrid Mixed-Use Village**
   Eco-Village with Education and Medical Campus
Option 1

Education and Medical Campus Concept

Broad Street Parkade | Broad Street Development Options
Manchester will become home to a world-class education and medical campus creating a new economy, jobs and catalyzing additional development, such as specialty housing, retail, and other ancillary uses and spin-off economies.

New students, staff and residents will become a part of the Manchester community, frequenting local businesses and enjoying all that the town has to offer.
Connecticut’s New Urbanist Eco-Village
The eco-village will be an intimate, lifestyle-oriented development within Manchester. The residential community will be programmed, designed, and positioned to offer economically conscious young professionals, baby boomers and retirees with the lifestyle they desire – focusing on healthy and active living, close connections to the park system and other natural advantages, four-season activities, and a sense of a social community.
Eco-Village Key Components

- Environmental design features
- Modular construction to reduce construction costs
- Leverages and enhances existing recreational assets
- Inter-generational
- Integrated health and wellness amenities
- Modest unit sizes to attract young families and empty nesters
New Urbanism is an international movement to reform the design of the built environment, and is about raising our quality of life and standard of living by creating better places to live. New Urbanism is the revival of our lost art of place-making, and is essentially a re-ordering of the built environment into the form of complete cities, towns, villages, and neighborhoods - the way communities have been built for centuries around the world.

Principles include:
- Walkability
- Connectivity
- Mixed-use & diversity
- Traditional neighborhood design
- Smart transportation
- Sustainable features

For more information about New Urbanism, visit: http://www.cnu.org
Option 3

Hybrid Mixed-Use Eco-Village & Campus District
The hybrid concept includes a mix of the Eco-Village/Wellness/Campus uses. The development program can range from a residential-heavy mix to predominantly institutional uses, but is completely integrated and designed to create a vibrant new district that is embraced in Manchester and beyond.
Manchester needs to, and can, become a place of well-connected, complementary districts that offer an improved quality of life for all residents.
1. Project Introduction
2. Broad Street Parkade and Redevelopment Area
3. Research and Real Estate Analysis
4. Broad Street Development Options
5. Districts
6. Next Steps
Planning & Development Timeline

2014
- Market Assessment: 4 Months
- Conceptual Development Plan & Business Model: 4 Months
- Implementation Strategy, Tactics & Initiatives: 6 Months

2015
- Land Development Options & Community Input: 4 Months
- Approvals & Permits: 4 Months
- Conceptual Development Plan & Business Model: 3 - 4 Months

2016
- Implementation Strategy, Tactics & Initiatives: 2 Months
- Development Agreements: 6 - 8 Months
- Project Construction Start: Q2 2017
## Next Steps

<table>
<thead>
<tr>
<th>Step</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. <strong>Public Input &amp; Consensus Building</strong></td>
<td>Present preliminary options &amp; solicit community feedback, adjust options accordingly</td>
</tr>
<tr>
<td>2. <strong>Anchor &amp; Key Secondary Use Testing</strong></td>
<td>Deeper analysis of suggested uses, taking into consideration: potential tenant interest, financial feasibility, desired outcomes, operational requirements, &amp; business rationale</td>
</tr>
<tr>
<td>3. <strong>Physical Planning</strong></td>
<td>Conceptual layout of development program into a physical plan, taking into consideration: physical characteristics, connectivity, infrastructure requirements, required servicing, &amp; concept demand</td>
</tr>
<tr>
<td>4. <strong>Business &amp; Development Strategies</strong></td>
<td>Identify any strategy and tactics, potentially related to physical &amp;/or design consideration, zoning &amp; by-laws, land assembly, funding &amp; financing, deal-making, leasing, &amp; phasing</td>
</tr>
<tr>
<td>5. <strong>Preliminary Financial Modeling</strong></td>
<td>Develop budgets, financial models and/or proformas as needed to evaluate proposed options, complete an Achievable Customers’ ™ experience analysis</td>
</tr>
</tbody>
</table>
Broad Street Parkade
Step 1: Market Assessment

September 16, 2014