SPRINGFIELD'S SOUTH END NEIGHBORHOOD:

Residential & Retail Market Analysis

June 2008

Prepared for:
City of Springfield

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Executive Summary

In its South End neighborhood, the City of Springfield has a unique opportunity to revitalize a once strong urban, mixed-use district with an existing base of retailers and institutions; a significant number of attractive residential structures; and good proximity to downtown. With the right changes and investments, it can grow into a safe, vibrant, mixed-income urban neighborhood.

To achieve this goal however, significant commitments and actions will be needed. The City and the local private sector must collaborate and take steps now to set the course for that outcome. In recent decades, the South End has undergone a difficult transition. Residential transience, disinvestment in property and neighborhood crime (and the perception of crime) weakened the fabric of the neighborhood and now make efforts to redevelop the community a significant challenge.

This analysis is meant to identify the underlying market attributes – location, residential and retail – available to the City, property owners, residents, merchants and the local development community to start the revitalization. The recommendations that will grow out of this market analysis will identify the public and private actions required to start the change.

Findings

For the purpose of this discussion, the South End Neighborhood is considered to be the area south of downtown bordered by State Street to the north; Mill Street to the south; East Columbus to the west; and Maple Street to the east. Within this neighborhood there are two areas on which the analysis has focused, both on the east side of Main Street: the former Gemini manufacturing site, currently owned by the City; and the area known as Hollywood, centered on a group of approximately 20 historic 4-story masonry buildings between Saratoga, Oswego, Richelieu, and Main Street.

The South End neighborhood has a number of underlying strengths from which to build, including its proximity to downtown, mix of existing building stock, and open space resources as well as strong community leadership and a diverse mix of residents. The following are specific findings which will we believe will help the community and the developers create recommendations for revitalization.

Residential - Rental

- Market rents in buildings profiled in the study range from $.82 to $1.38 per square foot but are clustered around $1.00 – $1.10 per square foot or $800-$900 per month for a typical two-bedroom unit. At these rates, market rents do not support development of new rental housing.

- Redevelopment of existing rental buildings shows some promise, however, given the low price of existing rental housing stock, rents being achieved, and the high occupancy rates of downtown rental buildings. The question will be: Can a revitalized South End attract the downtown renter in a tight downtown market? And will market households and Section 8 households, despite there relatively close rent levels, live together in the same area?

- Even in some of the healthy, market-oriented developments profiled, the lower rents in market rental buildings overlap with Fair Market Rents for Section 8 vouchers and eligible rents for Low Income Housing Tax Credits (LIHTC) which goes up to 60% of area median income. Because of the equity available to developers from the LIHTC program among others, under some conditions, this overlap may create a dis-incentive for market rental development.

- However, with a mix of higher and moderate income rents, owners can position their properties to take advantage of both the market and the benefits of mobile Section 8 vouchers, while positioning themselves for an improved rental market by retaining the leasing flexibility unavailable from LIHTC.

Residential – For-Sale

- In Springfield today, the sales price of existing single family housing and the direct cost to construct new housing are nearly the same, at approximately $150,000 per unit. While the premium sales price possible for new construction may help the balance somewhat, this still limits the opportunity to use new housing as a market tool to revitalize the South End during the first phases of neighborhood improvement.

- However, the economics of developing new single family townhouses or detached housing through modular or stick-built construction may make new construction feasible in some locations. There may be a window for developers with low basis in land to develop market housing in the South End, assuming the "public realm" (including streets, sidewalks and open space) is improved and the area's identity can be changed.

- On average between 2005 and 2007, an average of 39 MLS listed single family homes were sold – citywide - in the same year they were built. MLS data represent about 75% of the new for sale property, so it is estimated that the market absorbs approximately 50 new units per year. This suggests that smaller phases of new for-sale residential units will be required for any new project.

- There are also opportunities for developers to buy lower cost rental properties in good locations and convert them to condominium use.

Retail

- The South End retail district is comprised of two distinct districts:
    - On the northern border closest to downtown, it is a walking district connected to downtown by its strong Italian American retail businesses.
    - Traveling south towards Mill Street, the blighting influence of Hollywood has affected occupancy in retail buildings in the area; further south on Main Street, this largely vacant retail area gives way to a more stable but commuter-oriented retail area.
        - Even where stores in this area are occupied, some uses such as auto businesses, the bottle and can redemption center, etc., are not suitable for neighborhood retail districts.

- The South End does not currently have a supermarket within its boundaries. However, within a two mile radius there are both full-service supermarkets and smaller neighborhood serving markets. As a result, the community may feel that that the neighborhood is underserved by grocery stores. However, supermarkets and their development professionals may believe that the existing full-service stores are too nearby and the local grocery stores too numerous for the South End to be considered an underserved market from a supermarket developer's standpoint.

- The analysis found that there is unmet retail demand which may support a smaller grocery of approximately 20,000 square feet. However, this smaller format is currently only being developed in relatively high-income urban neighborhoods. There are local examples of retailers such as Food Zone, which do operate in a smaller format and as indicated by the neighborhoods they serve, have many low-income customers.

- Review of other comparable neighborhoods suggests that their paths to revitalization have included strategies such as:
  - focusing on housing revitalization to entice investment and increase retail demand;
  - creating Main Street/Business Improvement Districts to focus attention on problem conditions, to create a cohesive district, and to promote the district and its individual businesses;
  - identifying community institutional partners;
  - creating community development corporations; and
  - creating attractive gathering places.

For the community to take advantage of these trends, the City and local private sector must initiate changes in the physical, social, and business environments in the South End enough for the local market, the source of most potential buyers and renters, to perceive the South End as an emerging, vital downtown neighborhood.

The recommendations that derive from this report will identify a set of specific public and private actions which can help capitalize on these trends.

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Overview of Findings

Findings

These findings cover the residential rental and for-sale market; as well as the retail market in the South End.

Residential Rental Market

- There are a number of successful, market-rate downtown rental projects, including Morgan Square and Stockbridge Court achieving \$1.00 to \$1.10 per square foot rental rates and 95% occupancy.
- Successful buildings are typically professionally-managed with larger unit counts; with designated nearby parking and relatively small one-bedroom and two-bedroom units.
- Based on these rents and local construction costs, the market rents for comparable buildings in benchmark neighborhoods are not high enough currently to support new construction of rental housing.
- In some of the developments profiled, there is overlap between lower rents in market rental buildings and Fair Market Rents for Section 8 vouchers and eligible rents for Low Income Housing Tax Credits (LIHTC). Because of the value of the equity available to developers from the LIHTC program, this overlap can create a dis-incentive for market rental development.
- Some developers are positioning properties to take advantage of both the market and the benefits of mobile Section 8 vouchers without the 15-year income limitations of the LIHTC program: as an example, the majority of

the households in the recently redeveloped WinnResidential property along Central Street are Section 8 mobile voucher holders.

- Given the low price of existing rental housing stock, rents being achieved, and the high occupancy rates of downtown rental buildings, there are opportunities to buy, renovate and reposition existing rental buildings.
- Based on construction permit activity, there does not seem to be much new market rental stock, and demand seems to be going into existing housing being redeveloped in the City, which, combined with the high occupancy of downtown rental buildings suggests there may be market demand for new or revitalized rental product in the market.
- In the South End neighborhood, 80% of the stock is rental; and most of these units are occupied by low-income households.
- Existing rental stock, given recent transactions where existing rental units are being sold for $25,000 per unit, may be available at a price which could allow for revitalization.
- Assuming rents achievable a few blocks away from the South End in either direction, it may be possible for the owners to afford approximately $19-$40 per square foot rehabilitation costs, before use of capital subsidies like historic tax credits, HOME, or other eligible public subsidy programs which could pay for further rehabilitation.

For Sale (Single Family/Condominium)

- According to MLS data, the average Springfield single-family (new and existing) house sells for approximately $155,000. [This data set excludes sales by owners, which may decrease the average price.]
- Over the last three years (2005-2007), the average existing single family home in nearby Old Hill/Upper Hill/Bay neighborhood sold for $125,000. In the South End and downtown, this price point was approximately $114,000.
- Over that same period, about 1,300 single family homes sold each year in Springfield; of which about 18 are in the South End and 161 are in nearby Old Hill/Upper Hill/Bay.
- Single family production and absorption trends:
  - In the period 2005-2007 126, 135 and 145 new single family permits were pulled in each of those respective years, showing that there is significant new single family activity in the market.
  - As a snapshot of annual single family absorption, from 2005 -2007, 1,321 MLS listed single family homes sold city-wide, and 39 of those were built in 2006; suggesting that accounting for units sold outside of MLS (approximately 25% of new housing) the market could absorb about 50 new units per year.
- Interviews with local developers suggest that construction costs of $110 to $180 per square foot have been achievable in the market place.
- Assuming these economics, in general the direct cost of building new single family units meets or exceeds the achievable average sale price.

- However, at a higher price point, $190,000 or more, developers have shown there is market window for newly developed for-sale housing and suggest that townhouse or single family detached units may be viable where that price point can be achieved. While this price point has not been available in the South End recently, it has been available in other moderate-income Springfield neighborhoods such as Pine Point and East Springfield.
- Assuming recent transactions are barometers of the cost of existing buildings, the cost of existing units suggest there may also a market for turning existing buildings into condominiums in the downtown.

Retail Market

- To understand how local retail business is fairing, we compared its characteristics to other revitalizing neighborhood retail districts in the region. Among the findings, the South End had:
  - a relatively high amount of retail square footage per household; and
  - a relatively high vacancy rate in existing space.
- Keys to retail success in the urban neighborhoods we examined have often included significant residential revitalization in advance of retail development, a dedicated CDC, a Main Streets program, and an educational or other institutional presence on the Main Street.
- From information provided by the Co-Star commercial retail database and the talks with a local retail broker, the retail rents in the South End range from approximately $9 per square foot in the south and central sections of Main Street to $12 per square foot closer to State Street.
- The retail analysis showed that the South End and Metro Center are not well served by full-service supermarkets – although there is a Big Y or CVS within a two mile radius.
- Supermarket dollars appear to be migrating outside the neighborhood to both the West Springfield Big Y and other area supermarkets.
- Although all neighborhoods have some degree of leakage because of their boundaries, our leakage/capture analysis indicated that on an order of magnitude basis, over $6M or nearly 25% of the area's buying power which could be captured for grocery goods is being spent outside of the immediate neighborhood. While this amount would not be adequate to support a full-service supermarket, it may be adequate to support a smaller 20,000 square foot grocery store.
- To support their retail districts, comparable neighborhoods have focused on strategies involving:
  - Residential revitalization
  - Community organizations such as Main Streets Program
  - Non-retail users that bring community together ex. schools, health centers, libraries
  - Institutional partners

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Residential Market Analysis

2.1 Existing Conditions - Residential

The South End is one of the City's smallest neighborhoods and is one of the closest to downtown Springfield. It has traditionally been defined as the area bounded by I-91 on the West, Maple Street on the East, State Street on the North and Mill Street on the South.

From the 1990 to the 2000 census, changes were made to the boundaries of the South End Metro Center and Six corners and the population of the South End went down as a result. Within the smaller focus area of this study, which used the same block groups in the two periods, the population of the South End has been reasonably stable over the past 10 years with approximately 4,500 residents in 1,900 households. Its residents have an average median income of $21,000, below municipal Springfield's $36,000 median household income.

There are approximately 2,000 dwelling units in the South End of which approximately 1,900 (93%) are occupied, a rate that is slightly higher than the city as a whole. The South End, however, has a much larger ratio of renter-occupied units to owner-occupied units: renter-occupied units represent approximately 75% of the total units in the South End. In the city of Springfield, renter-occupied units represent 48% of the overall units, with a 12% vacancy rate.

Because of the poor physical and economic condition of the South End, the GLC team sought to envision a way forward, instead of focusing on the current condition of the district. To do this, the team sought to identify models of success in residential properties in

comparable and adjacent parts of the city. Market information about the rental and for-sale market in adjoining neighborhoods has been used to identify the kind of conditions that could potentially exist in the South End, based on certain assumptions.
The specific conditions that the team believes must be addressed to facilitate change in the market conditions in the South End are the following:

- Code Enforcement

  While not unique to Springfield, the South End has a comparatively large number of vacant and abandoned structures and lots, reducing the value of adjoining properties and creating a concentrated area of disinvestment, decline and poor maintenance. The continued work of the Building Code Enforcement Department in the area will be necessary to change both the reality of decline and poor maintenance and the subsequent perception of crime and danger.

- Safety

  The current perception of personal safety in the area is poor. To enable the market conditions that exist in adjacent comparable neighborhoods to thrive in this area, Springfield Police and community residents need to continue their work to keep crime out of the neighborhood.

2.2 Residential - Rental

To identify whether there is a market for the development of new units or the rehabilitation of existing rental property in the South End, using the methodology identified earlier, the consulting team identified a series of properties in the Springfield market that represented the potential performance of rental property in a stabilized South End.

The properties selected by the team were identified because they were of the same approximate height, age, design and number of units as the larger multifamily buildings in the neighborhood.

The properties were:

1. Stockbridge Court, Downtown/South End
2. 202-212 Pearl Street, Downtown
3. Cumberland Apartments, 36 Cumberland Street, North End
4. 122 Chestnut Street, Chestnut and State Street, Downtown
5. Armory Commons, 69 Winter Street; and
6. Morgan Square Downtown.

Detailed information about each of these comparables is attached in **Appendix A in Exhibit 2a** as well as a map of their locations.

2.3 Residential Rental Findings

- These comparables generally average approximately $1.00 to $1.10 per sq foot rents per month. A summary of these rents is attached in **Appendix A in Table 1a**.

- A key finding focuses on the overlap between market-rate rents, Section 8 fair market rents and tax credit eligible rents which are at their highest 60% of Area Median Income (AMI). Today, Stockbridge Court rents for a small 2 bedroom unit $990 per month; the adjusted 2BR Fair Market Rent (the rent which identifies the maximum amount that a Section 8 voucher may subsidize) is $928 ($62 per month difference) and a 2BR 60% tax credit rent is $967 ($23 per month difference). Other properties have lower rents. This suggests that the market for rental is within or just above the 80% of AMI which is considered affordable housing. Because tax credit equity available from maintaining 60% AMI rents is a valuable as a part of developing or redeveloping residential and the security of the mobile Section 8 vouchers are more appealing than market rents, this may provide a dis-incentive to maintaining exclusively market buildings.

- However, obtaining affordable housing tax credit equity requires that buildings retain their affordable, rental status over 15 years. (Other sources of affordable housing grants require 30 years). This limits the ability to change direction as condos or to capture additional market households when the market changes. As a result, there may be benefits to maintaining a building that can capture higher rents through development of a healthy mix of affordable and market eligible units.

- Assuming a moderate $1 per square foot rent, along with basic operating costs and market variables (1.20 DSCF, $6,500 per unit operating costs, 95% vacancy and an 8% cap rate), a stabilized market rental unit would be valued at approximately $47-$66,000 per unit. This value is not adequate to justify new construction of rental units in the market.

- Under these circumstances, there are still good investments for developers and the community to be made: acquisition of existing apartment units, assuming they had no significant systemic problems, could be a good investment. By way of example, at $25,000 per unit (this is approximately the per unit cost of the Carabetta portfolio as reported in the Springfield Republican, September 17, 2007, attached in the Appendix), the investor may have approximately $20,000 or more to invest in unit upgrades to bring the revitalized buildings to market, *before* considering the use of Historic Tax Credits, HOME, 4% tax credits or other funding programs with relatively modest affordability requirements. An example of this calculation is attached in **Appendix A in Table 4a**.

2.4 Residential For-Sale Findings

To identify the benchmark value and absorption of existing for-sale housing in Springfield, the team reviewed Multiple Listing Service data prepared and provided by DAB Appraisal. This data covers for-sale property (single family homes and condominiums) for all neighborhoods in the City of Springfield for the years 2005, 2006 and 2007. MLS data typically capture approximately 85% of all transactions and slightly less approximately 75% for new sales. [The team has focused on these two categories of the for-sale market on the advice of the City of Springfield, as the market for multifamily units has been affected significantly by the high number of rental units.]

- As shown in **Table 5a in Appendix A**, during the period of 2005-2007, single family homes have hovered in the range of $155,000 per unit at an average unit size of approximately 1,400 square feet, or $110 per square foot. These units were on the market for approximately 68 days. Approximately 1,300 units per year are sold.

- In the same three-year period, in The Old Hill/Upper Hill Bay, the stabilized area closest to the South End, the average sale price was $125,000 and units took approximately 71 days of market time to sell. In the area which includes the South End and parts of Downtown, there were several sales which averaged approximately $115,000 in 2007. [Note: Few of these sales had street addresses in the South End. The majority of the units were located in the nearby downtown neighborhood.] Based on this analysis, we would assume that values in the South End would be the same or less than these values.

- Also shown in **Appendix A in Table 5a** approximately 90 condominiums were sold per year in the $120,000 range with unit sizes of approximately 1,000 square feet. These units had approximately 70 days of market time.

- In the period 2005-2007, 126, 135 and 145 new single family permits were issued in each of those respective years, showing that there is significant new single family activity in the market. Based on a review of the new construction single family permits issued over the last 60 days and discussions with the Code Enforcement staff, the majority of these units are infill townhouse or detached homes in the less dense sections of the City such as Sixteen Acres, Pine Point and East Forest Park.

- For a one-year snap shot of absorption, on average from 2005-2007, MLS data shows that 39 units built in a given year were sold in that year, suggesting that the market absorbs 39 newly built single family homes per year. When adjusted to account for the non-MLS sales, this figure is closer to 50.

- In the same period, in the area closest to the South End that has a significant number of condominiums, Forest Park, there was an average of 24 condominium sales per year at $156,000 with 77 days of market time. The area which includes the South End and Downtown had an average of 6 sales per year in that period, averaging approximately $75,000. [Within this category, these addresses primarily represent condominiums in the Downtown area, rather than the South End.]

- Based on these sales, there is a market window to achieve an adequate price point available to warrant new construction of single family housing. This price point requires approximately $110 per foot direct construction costs and likely savings through land, construction method or labor costs; or that a premium can be established based on the location. Without these factors, a subsidy would be required to allow new for-sale development. New construction typically commands a price premium which may allow for a somewhat higher achievable price for projected new units.

- Under the right conditions, there may be a market for acquisition and rehabilitation of some existing buildings for condominium use in certain established areas: Classical Condominiums is an example of property adjacent to the target area which has had success.

- The effects of the sub-prime lending and foreclosures on the market have also yet to be fully accounted for in these sales and will have an impact on the immediate prospects of the local housing market as there may be an influx of additional units on the marketplace at a very low price point. Recent historic cuts in interest rates by the Federal Reserve Bank may lessen the impact of these trends.

2.5 Developer Interviews

To further understand the dynamics in the rental and for sale market, the members of the GLC team conducted phone interviews with representatives of developers active in the market. These interviews were designed to identify the customer profile of the households that are buying the existing units at these price points; and get an understanding of the construction costs they are achieving in the local market. The results of the interviews are presented below:

Mrs. Leslie Clement, Sears Realty (Recent Project: June's Way in Forest Park)

- Customers are divided equally among Caucasian, African-American and Latino families; most from Springfield, or Springfield area
- These groups have adapted to concerns about area schools and most are prepared to use Catholic schools if they feel neighborhood public schools will be inadequate.
- Most all are married; 30% of them are relocations; 30% are second marriages.
- Customer has many options and wants suburban amenities in the city including yard, larger numbers of rooms, bathrooms, etc., the idea that there is a "suburban mentality" for buyers is a real concern for new single family housing.
- Despite amount of existing housing on the market, there is a real premium for new units.
- Experience with June's Way is that direct construction is $110-$120 per foot stick-built; modular can be done successfully in the market if designed correctly.
- June's Way price points are in the mid-$300,000 range and offer relatively large homes, some over 2,000 square feet; developer mentioned that product type is designed for location, which is proximate to the Longmeadow border.

Mrs. Peggy Ackerman of GFI Properties (Recent Projects: Prospect Park in Pine Point and East Springfield)

- The customers are young families, and there is a mixed-racial profile
- Most from Springfield area already, many buyers from other nearby Springfield neighborhoods.
- Approximately 50% with children.
- Range of backgrounds, most are local workers at colleges, and medical and corporate employees
- Springfield has neighborhood schools at the elementary school level; schools not perceived as major issue for buyers.
- Identified a premium on new product if location is right.
- The GFI property in Pine Point, which is proximate to MassPike, has many buyers from Boston area.
- Two major recent developments: Prospect Park in Pine Point and East Springfield
- 3br/1.5 baths; 1,300 to 1,400 square feet: $225,000 in Prospect Park; in East Springfield the price point is $190,000-$200,000.
- $110 per foot direct cost, stick built; modular has also been successful.

Mr. Tom Kegelman of the Community Builders, Springfield Office, (Recent Project: Ice Pond Residences at Village Hill, Northampton)

- The customers for Northampton projects primarily come from Hampshire County, a smaller portion of whom are from Springfield institutions such as Bay State and Mercy Hospitals; some of whom in another time may have lived in Springfield; many priced out of Northampton, Amherst and Longmeadow.
- Although there is infill, there is not much larger scale market development in Springfield/Holyoke; disincentive to build anything but affordable given replacement cost relative to rent levels and relative abundance of housing.
- Construction costs are lower than Boston, but not that much lower; $120 per foot in 2005; can expect $150 or more for sophisticated stick-built single family housing.
- Modular has been successful; and can definitely work if it is designed from the first. But it is not always cheaper, especially when local wages are down.

2.6 Residential Conclusions

Springfield has a surplus of housing at relatively modest prices. The South End has not been a particularly attractive residential option due to perceptions of inferior public safety and quality of environment. The neighborhood does, however, have advantages, namely its convenient central location. The South End is a short distance to the employment and recreation centers of downtown Springfield. It also enjoys close access to local highways such as I-91, which connects to other regional employment and entertainment centers. There is also at its heart, the Hollywood District itself – an impressive clustering of handsome apartment buildings and tree-lined streets that is largely intact. The “Little Italy” feel is also palpable along the northern section of Main Street, lending a special character to the surroundings.

The challenge going forward is to build on the strengths of the neighborhood and ameliorate the negatives so that the South End becomes an attractive neighborhood. The specific physical measures required to accomplish this will be explored in the next phase of work. To succeed, those measures must do the following:

- Create an attractive, street-oriented residential environment, unique in the Springfield market, with the appropriate density and open space amenities;
- Work with city officials and community groups to enhance public safety for residents and visitors;
- Improve the range of retail uses located in the neighborhood and provide connections to shopping and downtown employment;
- Deliver new or fully renovated homes at a competitive price;
- Provide the right mix of market and affordable housing;
- Actively work with members of the real estate community to identify challenges and solutions to market conditions;
- Build and support community organizations that can provide leadership and continuity for what will be a long-term effort;
- Celebrate the multi-cultural identity of the South End.

To capitalize on those proposed improvements and begin to change the residential character of the neighborhood, the City's residential strategy should be to:

1. Create incentive packages of existing funding sources to encourage *repositioning of existing rental assets and the financing and construction of new for-sale units* concurrent with the completion of the public realm improvements discussed above;

2. Identify the range of funding sources that could *reduce the capital gap* in order to improve the economics of market-rate homeownership;

3. Make sure any proposed residential development includes *a phasing plan which supports absorption* and improves positive connections to downtown residential and the Forest Park neighborhood.

4. As new product appears in the market, create a neighborhood-wide marketing campaign to support sales and rentals.

2.6a Re-positioning Existing Rental Properties

While the rental market may not support new development, for existing rental properties in the district, assuming continued progress on code enforcement and depending on their condition and any deed restrictions, there may be market opportunities for current owners if the area's public realm is improved. For example, for existing rental units, it may be possible to have a largely market redevelopment of rental buildings with a relatively small 20-30%

affordable requirement using 4% tax credits or selective use of HOME or CDGB funds rather than the "deep" subsidy required from a 9% tax credit project, which would require 100% of the units to be available to households making 60% or less of area median income for 15 years.

A closer look was also taken at workforce housing or housing for families who earn above 80% of Area Median Income (AMI), which could be a segment of the rental market on which to focus. There are many households that are earning nearly market rate incomes but for a variety of reasons homeownership may not be suitable for them yet. In particular the city would do well to assist in creating housing affordable for local school teachers, police and firefighters. The challenge will be that while there is definitely demand in this market segment, the availability of low-cost for-sale and rental opportunities in the Springfield market and the lack of operating subsidy programs for these units have made them a challenge for developers to include in their projects.

An example of the potential to reposition existing rental housing is the Carabetta portfolio, recently acquired by First Resource, Incorporated which includes over 100 units in the South End's Hollywood section. While these new owners, like other owners, may be wary of a repositioning strategy given the current conditions in the neighborhood, use of programs such as 4% tax credits and historic tax credits could make it possible to move a critical mass of units into the market if the timing of the public realm improvements is appropriate. A review of title information for these properties by the City of Springfield's Code Enforcement staff suggests that some of these properties may have expiring project-based Section 8 vouchers which subsidize the units operations as affordable housing. We recommend completing due diligence on the properties' income requirements and potentially engaging these and other owners of property in the area to solicit their interest in redevelopment in tandem with physical improvements.

The Springfield Housing Authority's Marble Street development should also be an area of focus. As shown in the TAP study, the development may be in the path of new or extended streets that have been discussed as part of the revitalization strategy. If that development is demolished, there may be ways to satisfy the unit replacement requirement by redeveloping the units among other new mixed-income residential development, while bringing federal resources that can support the redevelopment of the larger area in the style of the US HUD HOPE 6 program. While the HOPE 6 grant scale of development and subsidy may or may not be available in this case, there are other US HUD-funded models for revitalization or redevelopment of the public housing should be used as a resource to anchor the larger revitalization plan.

A final area of focus should be the strategy in place at the WinnResidential revitalized Northern Lights property along Central Street. At this property, the developer has redeveloped the buildings and is currently leasing predominantly to mobile Section-8 voucher holders, which allows them to obtain for a 2 bedroom unit for example, $928 with a partial guarantee for a portion of the rent. While this does not necessarily create new market housing, developers can get the top of the affordable housing rents while retaining flexibility to serve households at 80% of AMI which is still considered affordable (in some cases, may be equal to market rents). This suggests that if a developer can identify rental revitalization funding which does not entirely limit the possibilities of obtaining higher rents by limiting LIHTC to a smaller number of units, or using HOME or historic tax credits, the developer's incentives can be aligned with the City's interest: revitalization and greater income diversity in rental developments.

2.6b Reduce the Homeownership Capital Gap

If we assume that the right series of public improvements are made and continuing progress is made on crime reduction and building code enforcement, considering the price premium for new construction, an argument could be made that a price point of approximately $180,000 - $200,000 could be achieved for the first phase of a new development in the South End. Assuming a direct construction cost of $120 per square foot for the average 1,400 square foot single-family home, when including soft costs, the units would need to sell at $210,000 to break even, before land costs. To make this economic, the units would require between $10,000 and $30,000 in subsidy per unit. While it will require substantial work, it may be possible for efficient unit sizes, site work subsidies, infrastructure work or other incentives to reduce the developer's costs of construction. Importantly, reducing land costs for publicly owned land to zero in some cases could be a major help in encouraging new for sale residential development. Further, the revitalization of the public spaces in the area may provide adequate amenities in the area to make a difference in achieving the price point required to make this form of residential more economically feasible.

An example of this in Boston is Washington Commons, on the corner of Washington and Martin Luther King Boulevard in the Roxbury neighborhood of Boston. In this instance, the City and local developer, Windale, developed a series of new, for-sale homes on vacant Redevelopment Authority parcels. The City used land price write-downs, HOME funding and other resources to fund specific project elements for the whole project, including site preparation and site work, as well as providing a subsidy for the 30% of the homeownership units which were available to households at 60-80% of area median income. The remaining units were 30% targeted for "workforce" housing (households earning 100% of area median income) and 40% market units. While this mix may vary for Springfield (the small difference between the workforce and market housing may hurt sales of the workforce units), the strength of the subsidy for the 60-80% tier and the site work allowed the housing subsidy to stimulate needed market rate homeownership units.

2.6c Phasing Plan and Absorption

According to the MLS data, over the past three years, the City has been absorbing an average of 39 new single family homes (i.e. buildings built in the same year they were sold). This fact suggests that new residential development must be through carefully in the context of other project's that are underway to make sure the new development can be absorbed.

The trend in existing homes (those not built in the preceding three years) also suggests that care should be taken to make sure new for-sale units are phased carefully. The Downtown and South End appear to be absorbing a relatively small number of existing for-sale units per year (an average of 18 single family homes 2005-2007). Even assuming a preference in the market for new development, and that a share of the Six Corners or Old Hill sales of existing homes could be captured by new development, the absorption information suggests a phase of new units containing over 20 new homeownership units may be a challenge to absorb in a single phase. This gives the City guidance on how to scale and phase any planned new residential development.

2.7 Next Steps - Residential

To prepare a preliminary strategy for redevelopment in the South End, team members will take the following next steps:

- GLC and DAB will follow-up on the restrictions governing the newly acquired rental properties in the Hollywood and prepare economic analyses of possible market rental redevelopment for select properties in the area using shallower subsidy sources such as 4% tax credits, historic tax credits and other subsidies with a focus on bringing as much income diversity to the buildings as possible. This information will be used to develop feasibility scenarios for rehabilitated rental buildings and help guide the development of the plan. We also propose a meeting with appropriate SRA staff regarding the Marble Street development.

- Prellwitz Chilinski Associates (PCA) and McMahon Associates will review prior studies and develop a plan to identify the priority physical changes needed to create a physical climate for revitalization in the district. This will include:

  - Prioritizing public realm improvements by the public sector (streets, sidewalks, open space, water or utility infrastructure);
  - Providing recommendations for priority preservation and demolition in the area, where applicable;
  - Identifying potential residential design typologies for cost review and pricing by KVA.
  - Identifying a phasing strategy for residential development which recognizes the absorption thresholds but develops momentum and dovetails with the timing of the public realm improvements.

- KVAssociates, the team's pre-construction consultant, will confer with Springfield developers and builders in greater depth and more specifically identify costs of the new housing that may be targeted for the City sites in the South End.

- Using the PCA typology and the KVA cost-analysis, GLC and DAB will develop economic analyses of the targeted homeownership residences to characterize the capital gap between the cost to produce and new homeownership units here and the price point using forms of subsidy that can support the mix of incomes targeted.

- Continue to explore options for single-family infill housing using modular construction techniques and "green" technologies.

3

Retail Market Analysis

3.1 Existing Conditions - Retail

The South End retail district is generally characterized as the area along Main Street just south of Springfield's downtown bounded by State Street to the north and Mill Street to the south. Based on information from Co-Star, a commercial real estate database, and a "take-off" analysis based on assessing records, this area may have up to 300,000 square feet of ground floor space, the much of which has been designated for retail use. The retail district is organized with street-oriented storefronts, with parking in the rear of the stores or on adjacent lots; although the streetwall breaks up as Main Street approaches Mill Street.

In part because Main Street had traditionally been a major artery for commuter travel into the City, with average daily traffic of 10-15,000 cars per day, for many years the South End was a popular retail destination. Its many grocers, bakeries, restaurants and stores reflected the heritage of the then largely Italian-American residents. Since the departure of many of residents who brought their retail spending to these restaurants and stores, and without sufficient replacement by new residents, many of these businesses relocated from the Main Street shopping district or closed altogether.

With the exit of many longtime residents in the 1980's and 1990's, the residential population has changed. Many of the new residents are households from the Spanish-speaking Caribbean. While Main Street in the North End of the City has many small businesses which cater to its new population, the South End has fewer of these businesses, and the North End may draw a disproportionate share of South End residents' retail spending.

The South End still has several Italian-American businesses, which continue to be destinations in the Springfield area, notably Mom and Rico's, an Italian restaurant, and La Fiorentina and Frigo's, both Italian specialty stores. The headquarters of a well-respected local day care center, Square One (formerly Springfield Day Nursery), also occupies space along the Main Street corridor.

These businesses however, represent a few prominent occupied storefronts near the northern end of Main Street closest to State Street. The portion of Main Street between Winthrop and Mill Street has a large number of vacancies; based on an informal inventory it appears that approximately 30% of the storefronts along Main Street are vacant. The vacancies in existing storefronts and the larger number of vacant lots on the Southern end of Main Street create gaps that do not encourage walking. In this section of the street, there are also storefronts with tenants that are perceived as undesireable, such as bottle redemption, which according to local storeowners and residents, is a blighting influence on the neighborhood retail. In this area there is also a lack of appropriate signage for an urban commercial district and locations with broken sidewalks.

As described earlier, according to the discussion in the ULI TAP report, and the community meetings that preceded it, one of the major reasons for the on-going difficulty in attracting customers and new retailers to the South End stems from perceptions of crime and safety in the area. Another challenge is the smaller, storefront-style design of the retail. While this style and scale is regaining popularity in new developments aimed at wealthier markets with higher disposable income, the small sizes and configurations rarely meet the requirements of retailers most likely to serve the local and commuter market. For example, the median sized retail space along Main Street is approximately 4,100 feet, and may have parking in the rear, whereas many users would typically want a larger selling space and parking in front of or alongside the store. Retail rents do not seem to be a deterrent to leasing of the vacant retail.

While there are drugstores and supermarkets in or around the downtown and in the northern end of Forest Park, none of these providers of basic goods and services have locations within the South End boundaries. In addition, the downtown location of CVS for example, keeps hours (including short weekend hours) that are not oriented to Downtown or South End residents.

As shown on the **Figure 1b in Appendix B**, the City owns sites which front on Main Street and have some retail development potential: the parcels at Main Street, Winthrop Street and

Morris Street, an approximately 20,000 square foot vacant site. It is also adjacent to other vacant city-owned property across Winthrop Street.

3.2 South End Demand Analysis

Despite its small population size, the South End (especially when combined with downtown Springfield) is a relatively dense neighborhood for Springfield. To better understand how the South End is performing compared with comparable neighborhood retail districts in the region, we have looked at the South End in the context of comparable neighborhoods in other cities to assess its relative strength and the relationship between that buying power and space in the neighborhood retail district.

To establish points of comparison for the South End and to identify successful practices that have been implemented in other similar neighborhoods in New England, the team profiled four communities to compare to the South End [descriptions of these neighborhoods are included in **Figure 2b in Appendix B**]:

- Frog Hollow in Hartford, CT;
- the Broadway retail area in Chelsea;
- Codman Square in Boston; and
- Main South in Worcester.

These communities were identified because they had relatively similar demographics, were in close proximity to the downtown area, had street-oriented retail spaces, immediately adjacent residential neighborhoods and either represented stable neighborhoods or were taking steps along the path toward revitalization.

While their relative sizes differ, their similarities are shown in their household incomes, income mixes, housing tenures and per household spending. The boundaries of these districts are shown in maps in Figure 3b and supporting data for these categories is shown in **Table 4b in Appendix B**.

For the purposes of this analysis, the South End neighborhood was considered to be the following area: I-91 on the West, Maple Street on the East, State Street on the North and Mill Street on the South. Based on census information and projections, the South End has approximately $31M in annual retail spending or approximately $16,000 per household per year.

This analysis starts with the assumption that, even with the emergence of regional shopping centers, a significant amount of retail spending still takes place in the local neighborhood market area. For the purpose of understanding how the South End retail spending and its relationship to its occupied retail space, and how that compares with the comparable neighborhoods selected, we have compiled the 2006 aggregate retail spending estimates of the amount of occupied first floor, retail-eligible square footage in the neighborhood, as shown in **Table 5b in Appendix B**. [Data on first floor square footage in these communities was not immediately available and had to be estimated. The estimates were based on information from Co-Star, a commercial space database, to identify retail square footage. This estimate against assessor's listings of land and building areas for reasonableness. The estimate is from sources deemed reliable but should be considered a general order of magnitude, rather than a specific estimate of retail square footage in the market areas.]

This comparison helps us understand both the amount of the relative retail demand and suggests the level of economic health of the retail districts in question. While all neighborhoods lose sales to other neighborhoods, healthy comparable retail districts are likely to have roughly the same relationships between sales and retail square footage. While these conclusions are subject to some variation based on the relative density and the layout of the retail spaces, this analysis suggests a few important conclusions:

- Adjusting for regional differences between western and eastern Massachusetts, the South End's $31M retail buying power (approximately $16,000 per household) is not significantly different from the retail buying power in comparable revitalizing neighborhoods in Massachusetts or Connecticut.

- As shown in Table 5b, the South End appears to have much more retail square footage than some of its comparable neighborhoods, despite the fact that it is among the smaller residential areas in terms of population size.

- With the exception of Frog Hollow, comparable retail districts have a lower number of retail square feet per household and much higher spending per occupied square foot, suggesting that the South End may have either too much existing retail space for the neighborhood or that the retail does not match the needs of the community. In terms of the types of retail offered consumers, it is very similar to the comparable neighborhoods. **(See Table 6b in Appendix B**.)

Given the differences in the retail to households and sales per square foot of retail, these findings suggest that there may be an imbalance between the existing retail-eligible first floor space in the area and the neighborhood's ability to support its retail. Considering the data in the context of the population and housing trends in the City and the South End, the data suggest that the South End may have more retail than the neighborhood can support by itself, but may also be suffering from less patronage from outside the community (such as downtown lunch traffic, weekend visits or dinner traffic from households outside the neighborhood) than had been the case in the past. It might also suggest that the retail mix that does exist is not serving the needs of the residents and so they are shopping elsewhere.

3.3 South End Leakage/Capture Analysis

To better understand how the South End is currently being served by retail, the GLC team reviewed the locations of major supermarket and drugstore retailers. Within 2 miles of the heart of the South End, there are three CVS stores, two Walgreens and one Big Y grocery store. Within 4 miles, there is one additional Walgreens, two additional CVS stores, four Stop and Shop grocery stores, one additional Big Y and a Food Zone. Six miles outside of the South End, there are an additional three Big Y grocery stores. A car is required to reach the grocery stores. Although the Big Y in West Springfield is accessible by public transportation, the trip requires a transfer in downtown Springfield. A map of the sites is available in **Figure 8b in Appendix B**.

To analyze the demand for supermarket retail in the South End and Downtown, which are relatively speaking, equally served by the existing stores, the consulting team performed a leakage and capture analysis to identify how much in sales is available for capture by a new market and whether that potential capture would warrant a new supermarket.

This capture analysis assumes that households in the South End and downtown current spending for supermarket consumer goods is captured by local outlets and drives their sales per square foot in essence, what is un-captured by local outlets is then available for capture by new retailers. **Table 7b in Appendix B** illustrates this analysis. Based on this analysis which is gross in scale and represents an order of magnitude estimate only, there are approximately \$6.5M in annual retail sales which could be captured by a grocery store that are likely leaving the South End. This amount of sales could support additional grocery retail of approximately 20,000, assuming a retailer would require sales per square foot for a neighborhood store of approximately \$300 per square foot. This represents about 25% of the supermarket eligible spending that a supermarket could capture.

This is before considering the positive benefit of very strong Average Daily Traffic (ADT) counts which show 18,000 cars per day traveling past Main and York Street and 9,000 at State and Main, which are considered relatively high traffic counts. Figure **8b in Appendix B** illustrates this analysis.

Assuming this analysis captures the dynamic of sales in the market, there is significant unmet demand. However, based on the square footage thresholds commonly required to support new stores, demand is likely not adequate to support a new full-service store, although it is close to supporting a new urban formatted store, of the same size as the smaller 20,000 square foot Food Zone store in Forest Park. New urban full-service supermarket of approximately 30,000 square feet are a recent phenomenon, and have been successful when they have been developed in dense, higher income neighborhoods, as shown in the article in Appendix B, while potentially an option in the future, the lower-income demographics of downtown Springfield and the South End, do not suggest that profile at this time.

Further, the issue of siting a new supermarket in the South End is another important question. In order for a standard store to be successfully sited, it would require a large site of approximately 50,000 square feet, plus a field of parking which may require an acre or more (although in the case of urban stores, supermarket operators have been able to be successful with less parking or with shared parking structures). Without property takings, there are no sites that approach this size in the South End. If the Gemini site were used as an example, it may be able to accommodate a smaller store and field of parking which most retailers would require. A larger store would likely require takings on nearby blocks and street closures. However, the narrow blocks, distance from East Columbus and I-91, may make it a less desirable site for this form of retail. It would also require much increased traffic volumes on

Main and Central and nearby side streets which are not well-sized for such volumes. The City would also lose some of the street fabric that could make the district unique and pedestrian-oriented.

The GLC team believes that the demand suggests that with residential growth, the South End may be a good place for a new grocery store in the right size and format. A site where this may be possible is the 20,000 sf site between Winthrop and Morris along Main Street and its adjacent vacant property across Winthrop. Locations that may be of interest to retailers would need to be along Main Street and allow for parking in the rear. They would also require close proximity to if not frontage at a signalized intersection. A prime example would be City owned property near at or near the Central and Main Street intersection.

3.4 Comparable Neighborhood Profiles

The challenge of revitalizing neighborhood shopping districts is not a new circumstance in other Commonwealth cities and towns. For that reason, we have reviewed the strategies that other cities have used when faced with similar challenges.

As important as the preceding Leakage/Capture analysis are practical descriptions of the comparable neighborhoods, the strategies that those cities and neighborhood organizations have used to bring additional retail vitality over the last 10 years are important. To understand those dynamics, team members went to each of the four communities identified, and met and spoke with local stakeholders to understand what local dynamics are driving the area's revitalization.

Profiles of Frog Hollow in Hartford, CT, Main South in Worcester, Codman Square in Dorchester (Boston) and the Broadway commercial district in Chelsea, are attached as **Figure 2b in Appendix B**.

3.5 Strategies from Comparable Neighborhoods

The strategies which have been most successful for the comparable communities fall into two categories: physical revitalization and community involvement.

Physical Revitalization

Housing Revitalization

In each of our study areas, housing revitalization has been the first step to the success of street retail. Focusing on in-fill housing and the purchase of apartment buildings formerly owned by absentee landlords allowed the CDCs in Main South and Codman Square and their partner city agencies to improve the conditions and appearance of the housing. The focus on in-fill housing also dealt with safety problems associated with vacant lots in the neighborhood. Residential revitalization is a key part of the ideas under consideration in the South End at this time.

Gathering spaces that create identity

In each of the comparison areas, gathering spaces including parks and open space are connected to the retail district. With the exception of Frog Hollow which has a large city park along the northern boundary of the neighborhood, each study area had at least one small open area along the main street, providing a small gathering place for retail users. A particularly good example was the Broadway retail district in Chelsea which had a string of three small open areas with benches and memorials and includes the town green. The South End has a small memorial to Anthony Scibelli, a local politician, and a bricked sitting area at the corner of Main and Cross Streets. There is also Emerson Wight Park. However, the Emerson Wight Park is physically disconnected from the retail district and is closest to what may be most troubled residential and retail uses, including the Marble Street Springfield Housing Authority Development and the bottle redemption center along Main Street.

Mix of Anchors

In each study area, there was a wide variety of retail types meeting the needs of the resident population. The activity on the street was not limited to retail, however. A healthy retail center requires a mix of small retail anchors and institutions. Health centers, senior centers, child care providers, libraries, schools and college branches and city services can each play a role. Each of the comparable communities has two or more civic institutions which provide anchors physically and also through staff use of local restaurants and stores. In Worcester, Clark University ancillary offices provide an anchor. In Codman Square, there is a district courthouse, YMCA and a community health center. In Chelsea, City Hall sits on one end of the retail district and Bunker Hill Community College and the city library are also located in the retail strip. A newly constructed senior center sits just one block off to the main street in Frog Hollow but the library and health center are located in the center of the retail area. While Square One along Main Street in the South End plays some of this role on Main Street, there are few neighborhood institutions of this kind along Main Street in the South End. Bringing uses which bring a mix of incomes to civic institutions into the South End may be a worthwhile approach to explore. Public, parochial and charter/pilot schools can also play an important role in the community as an attraction to younger workers, new couples and small families.

Streetscape Improvement

In Frog Hollow in particular, new sidewalks, street lighting, signage and crosswalks were recent improvements. There, the sidewalks and crosswalks are constructed with grey pavers, the lights have an historic look and green patina color, and there are granite curbs and curb cuts. Recent façade improvements like cleaned brick, new store awnings and new windows many of the buildings. On one vacant building, brilliant murals have been painted to offset to enliven the streetscape. Altogether, the effect is one of momentum, investment and care.

Parking

Parking in each of the retail districts was mainly on-street, metered parking. In Frog Hollow however, an effort was made to turn otherwise vacant lots into attractive small parking lots that were either entered from a back alley or the main street. They were newly paved with asphalt and had waist-high brick walls, flush with the adjacent storefronts, surrounding the main street entrances.

Community Organization

As suggested in the ULI TAP report, many of the strategies for revitalization in the retail areas to which the South End was compared had to do with developing and maintaining long-term community participation. A few examples follow:

Community Partners

Each of the comparison areas boasted strong community partnerships with their government and other local institutions. Main South in Worcester in particular has been able to capitalize on a partnership it has with Clark University. Their partnership is mutual – Clark University has to keep the best interests of their students, many of whom live in the neighborhood, in mind. To that end, they have a formal place in the efforts of the Main South CDC – the University Chancellor sits on the Board of the CDC, funds programs of the CDC and provides interns to the CDC. Clark's involvement brings credibility to the CDC that has allowed the CDC to leverage funds and political capital with the city and state. Students at Western New England College graduate and professional schools are a major part of the market for downtown residential such as Stockbridge Court; perhaps there are linkages that could be made not only to residential development that could take place here, but also through occupying space along the Main Street.

Active CDC presence

In each study area, an active CDC acts as a community champion, putting the needs and aspirations of the neighborhood at the forefront of its work. With the urging of a mission-focused organization, the neighborhood's needs are presented as a priority to the city and state. CDCs can create action plans to achieve the requirements of the neighborhood and can actively implement them. CDCs often can take on the work of the government in determining demolition priorities and infrastructure needs. They can create community partnerships to leverage political and financial capital to create programs – small business revolving loan funds, assistance in creating business plans, workforce programs, and organizing block groups or merchant associations.

Main Street Program and Active Merchants Association

City-supported Main Street programs have brought funds to neighborhood retail districts in the form of Façade Improvement grants. A Merchants Association or Chamber of Commerce provides a way for businesses to network and share information, gives businesses a collective voice in providing input to the city for planning, provides representation for businesses owners at city hall and offers a conduit for providing information about loans and business strategies to businesses. Such organizations also help consolidate in-line retail space and help create coordinated marketing for district retail space. Although the focus of the Main South CDC's activities in Worcester is primarily housing, it has piloted façade improvement grants for a year and plans on initiating a second round in 2008. They have also created a Merchant's Association which has contributed input to the overall revitalization strategy of the neighborhood and meet regularly with the city police to report on on-going safety issues. CDCs can be particularly helpful when they have active merchants with whom to strategize and plan.

Safety Initiatives

Each of the comparison areas studied felt safe to walk, drive and shop in. In each, a concerted effort was made to work with police to clean up troublesome spots and with the neighbors to report misconduct regularly to the police. As an example, Main South in Worcester has formed a Public Safety Alliance that meets once a month with representatives of the local police to keep abreast of what is going on in the area and to address any problems immediately.

Ethnic Restaurateurs

In addition to attracting franchise restaurants, often smaller sit-down restaurants with ethnic foods are part of a larger revitalization effort. As shown in the neighborhood profiles, many immigrant and minority entrepreneurs are willing to take risks on local restaurant ventures and have been a key part of bringing vitality back to neighborhood retail districts. In each study area, ethnic restaurants outnumber or equal the amount of traditional "American" diners, pubs, restaurants and even chains. Jamaican, Asian and Latino restaurants populated each of our study areas. This may draw others to the neighborhood curious about new foods and cultures.

3.6 Conclusions and Next Steps

The Main Street retail district in the South End has historically been a benefit to both the neighborhood residents, downtown and broader the Springfield community. Its strengths grew from its proximity to downtown, its location on a major city thoroughfare and its historic recognition as a regional retail destination.

Today, it is two places: to the north, an underperforming extension of downtown street-front retail; and to the south, a mix of stores and vacant lots that suffer from the poor perception of crime and public safety. To recommend a plan to address the physical challenges the retail presents, the team will complete the following next steps.

- On the northern end of Main Street closest to downtown, the team will explore the feasibility of clustering retail attractions including a smaller grocery, commercial or open space uses south of Winthrop along Main Street that could attract retailers and customers and extend the walking district from La Fiorentina south. Towards this goal, the team will specifically consider retail re-use of City-owned parcels near the corner of Central Avenue for new retail development or as part of a site assembly that supports retail redevelopment.

- The team will also review how to maximize the positive impact on long term retailers like Mom & Rico's and Frigo's: these businesses are critical to the neighborhood's heritage and character and need the support of the City so they may be part of the revitalization planned for the area.

- To create a strong voice and guide the agenda for the South End retail revitalization, GLC will identify best practices for Main Streets programs and in light of the proximity to downtown, and seek examples, if any, of places where the Downtown business improvement districts (BID) have included significant residential neighborhoods.

- Based on this analysis, the GLC team will also look carefully at the so-called "Four Corners" area of Main Street (where it meets Central and Fremont Streets) and prioritize locations where sites, building sizes, ownership and parking arrangements could allow retail to be clustered or encourage additional retail users.

- This analysis also suggests that the location and design of open space is key to the success of the retail district. Through examination of Emerson-Wight Park and other locations in the neighborhood, the team will evaluate whether new or revitalized open space can help create the connections and sense of place or support the concentration of retail sought at key points on the southern end of Main Street.

- The team and the City should also work to identify civic organizations, city agencies, charter or pilot schools or other institutional tenants with a mixed-income user profile who could be part of the retail and commercial focus areas. Potential ideas for users could include YMCA, expansion of Square One, a City department or agency, or a tenant representing a local college or university.

- Because of the importance of residential redevelopment for the success of street retail, the team will consider the sequence of infrastructure to support retail (such as the extension of the Main Street improvements to the South End) and retail development, as part of the recommendations that grow out of this plan.

- The team will also review the feasibility of creating promotional materials on the neighborhood as part of the implementation of both the retail and the housing revitalization recommendations.

With the retail and residential analysis complete, the team will now use this information as a base to develop land use and traffic recommendations for discussion in the summer of 2008.

APPENDICES

APPENDIX A / Residential Market Analysis

APPENDIX B / Retail Market Analysis