

**MARKET ASSESSMENT FOR
THE SILAS DEANE HIGHWAY CORRIDOR IN
WETHERSFIELD AND ROCKY HILL, CT**

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I. EXECUTIVE SUMMARY

RKG Associates Inc., in conjunction with a team of professional engineers and consultants has been retained to assist the Towns of Wethersfield and Rocky Hill, Connecticut, in preparing strategies to encourage economic development along the Silas Deane Highway Corridor as it traverses these two communities. The following recommendations present several implementation action items, which from a real estate and economic perspective will help to foster an “investment environment” along this corridor. The market research and analysis, which forms the basis of these recommendations, follows.

A. Key Findings

The focus of the market research for the Silas Deane Corridor includes an assessment of the opportunities for economic development, which now exist within the corridor, or where, an environment could be developed to foster future development. Specific components of the real estate development include the potential for new or re-positioned residential, industrial, office and commercial/retail uses. Additional observations regarding land assemblage, pricing and marketing are also presented.

1. Residential

Since 1998, sales of single-family homes in Rocky Hill have averaged 128 units annually, and 349 units in Wethersfield. Rocky Hill averaged 172 annual sales of condominiums, as compared with 56 in Wethersfield. The median price of single-family home sales exceeded \$200,000 in both communities for the last couple of years. The median selling price of condominiums in Rocky Hill is approaching \$200,000, while the price in Wethersfield lags somewhat behind.

There has been nominal new residential building permit activity in Rocky Hill over the last five years, averaging only 75 permits per year for single-family construction. This would suggest that there may be limited land available for significant additional residential development and as such, higher density and mixed-use projects may be appropriate in the Silas Deane Corridor. Multi-family residential use is an appropriate development in some areas in the corridor. Introducing increased residential and population density into the Silas Deane Corridor helps to meet potential local and regional housing needs, as well as significantly adding to the potential consumer spending potential, thereby providing support for additional commercial development,. Additionally, if local commuter rail service were to become a part of the Silas Deane Corridor, the attractiveness of such housing would increase and would more likely attract a buyer within a shorter marketing time.

Incorporating higher-density residential (and mixed-use projects) in the corridor would also benefit the development of a village/town center, and would add a resident “consumer base and spending demand” for additional smaller scale retail and service uses.

Development of age-restricted housing is occurring in other parts of Wethersfield so it could be in the mix of residential developments considered for the corridor, particularly as mid-rise and high-density housing as opposed to townhouse style, low-density housing in a campus or park like setting.

2. Industrial

There is approximately 2.19 million SF of industrial space in Rocky Hill and Wethersfield, which is currently for sale or for lease. This represents 3.2% of the inventory in the greater Hartford market area. There is 0.45 million SF of this for sale/for lease industrial space in Rocky Hill and Wethersfield combined, that is now vacant. As such, this represents a 21.0% vacancy for this space, well above the 12.0% rate across all of the greater Hartford industrial market area. Rental rates for industrial space in Wethersfield, at \$4.70/SF, and in Rocky Hill, at \$5.61/SF, are slightly higher than the average of \$4.65/SF across the greater Hartford area.

Reportedly, Rocky Hill also has 60.0 acres of Town owned industrial zoned property, therefore the Silas Deane Corridor would be considered as a secondary (or even tertiary) site for any new development of industrial properties in these two communities.

3. Office

There is approximately 2.36 million SF of office space for sale or for lease in Rocky Hill and Wethersfield, representing 9.4% of the 25.10 million SF inventory in the greater Hartford market area. The combined vacancy rate of for sale/for lease office space in Wethersfield and Rocky Hill is about 17.8%, and asking rents in Rocky Hill (\$19.90/SF) and in Wethersfield (\$18.77/SF) are on par with the asking rent of \$18.80/SF across the greater Hartford market area.

The Executive Office Park in Rocky Hill has numerous sites available for office expansion, ranging from 2.5 acres to 23.0 acres. While additional office uses may be appropriate along the Silas Deane Corridor, especially if easily accessible to I-91, the “competition” outside the corridor and the vacancy in the corridor (e.g., the Ames Headquarters), any new major office development would be considered unlikely, particularly for Class A type office space.

However, field observations indicated numerous Class B, or owner-occupied office use, and there is likely the potential for continued use and expansion of this “quality” of office space in the corridor.

The corridor has the potential of attracting smaller office users who do not require, or desire, the need for location in a corporate-style office park. These small businesses, many actively engaged in e-commerce activities, are very flexible in where they can be located, since they serve either a more local customer base or because they serve a very broad national, or even international base. They tend to prefer locations that are convenient to where they live and which offer a diversity of other goods and services in close (often pedestrian level) proximity. This potential demand provides support for mixed-use development along Silas Deane.

4. Retail

There is more than \$887.5 million in consumer spending demand for selected retail goods and services within 5-miles¹ of a “hypothetical site” at the intersection of Silas Deane and I-91. A limited sample of shopping centers indicates more than 2.9 million SF and nearly 1.1

¹ This is typically the radius from which many retail formats, particularly neighborhood and convenience-goods stores, draw the majority of their customer activity.

million SF in Wethersfield and Rocky Hill alone. Field observations indicated numerous smaller scale shopping centers along the Silas Deane Corridor and larger scale developments near the Interstate; with room for expansion, (noting the potential for out-parcels development at the new Kohl's). In addition, there is a very strong super-regional shopping districts located close by along the Berlin Turnpike and in Newington.

The existing SF of retail development in these two communities exceeds the estimated supportable SF of development at the "hypothetical site" indicating that the market is now being adequately served. This is not to suggest that there are not "gaps" in the retail mix, but that any significant additional development may come at the expense of the existing smaller, strip retail centers, notably along the Silas Deane Corridor.

A separate retail analysis undertaken for the Town of Rocky Hill² suggests that there may be the local consumer demand to develop another 355,000 SF to 500,000 SF of new retail offerings in that town. While the consumer demand among Rocky Hill residents may not be being met in Rocky Hill alone, there are numerous other alternative shopping venues and locations along the Silas Deane Corridor and in nearby communities. As such, this current analysis reviews both demand and supply side conditions in a broader market geography and context.

Field observations of the corridor indicated that two such retail gaps are sporting goods and bookstores. The trend in the industry has been for large-scale stores, e.g., Dick's Sporting Goods or Borders books, to locate in a busy arterial corridor such as Silas Deane. The available out-parcel sites with the new Kohl's may in actuality attract these uses. However, there remains opportunity for smaller, independent stores in these two categories, particularly if merchandise is specialized, a quality of customer service is offered, and an attractive location, both practically and physically, is available in the corridor. A more detailed discussion of retail uses and potential is presented elsewhere within this report.

5. Assessments and Land Use

Assessment values average a little more than \$50/SF for all property uses, in both Wethersfield and in Rocky Hill for properties along the Silas Deane Corridor. The floor area ratio (FAR or building density) is also similar at a little more than 20.0% in each community. Residential properties account for about 5% to 6% of the land utilization in each community.

6. Land Prices and Site Assemblages

Based on observations of listed asking prices and recent transfer data, it appears that the renovation or retrofitting of some existing vacant properties is not considered economically feasible, such that the parcel of land is more valuable than the physical building. A limited sampling of built-out, but currently vacant and for sale properties along the Silas Deane Corridor, indicated an average asking price of nearly \$780,000/acre. As such, this works against redevelopment in two methods. First, typically only large-scale developers or users (such as national retail chains) would consider such a price as affordable based on the larger amount of space that the price can be amortized over; however, the sites that were sampled are typically small in land area (approximately 3.0 acres or less) and therefore not as

² *Retail Space Gap Study, Prepared for The Office of Economic Development, Town of Rocky Hill, Connecticut, by Ray Kehrhan, CCIM, May 1, 2005.*

attractive to the larger end-user. Second, these relatively high price levels discourage local investors or entrepreneurial developers.

7. Employment Indicators

Statewide employment is anticipated to grow 8.0% between 2001 and 2012, with the healthcare and professional services sectors (along with other office-using industries) growing at nearly twice this pace. The service sector employment in both Wethersfield and Rocky Hill, from 2001 to 2005, declined. This would suggest that there is opportunity for these two communities to begin to recapture a portion of the growth that is projected statewide.

B. Development Zones and Phasing

Given land use patterns, existing development and market opportunities/challenges along the Silas Deane Corridor, it is recommended that reinvestment strategies be phased over time and that they be prioritized by location(s) along the corridor, or by development zone. The reasoning for this approach is twofold.

- First, there is some concern over urgency and the possibility that investment opportunities, meaning real estate and economic development, may continue to occur outside the corridor (note the ongoing development in East Hartford of the 624-acre mixed-use Rentschler Field, reportedly to include a 185,000+ SF Cabelas Outdoor and Sporting Goods store).
- Second, public monies should be leveraged to encourage private sector investment where the “return” or “spin-off” development potential is greatest. Also, public sector development facilitation, such as changes in zoning or other regulatory actions, can stimulate private sector development at a relatively low cost (in monetary amounts) to the municipalities. Streetscape improvements that result in a more visually attractive and integrated appearance of key locations directly increase private sector real estate values and stimulate increased investment by property owners.

From an economic development point of view, the Silas Deane Corridor has specific locational strengths and weaknesses, which could be exploited or developed in the following manner and phasing:

1. Regional Commercial (RC)

These would consist of development parcels and assemblages of land within proximity to existing interchanges and dense, commercial development. Access and proximity to similar uses enhance the “retail gravity” and attractiveness of these nodes for further development.

This may be the first and least expensive option for the towns, which is to encourage private sector development and investment around areas where there already is gravity and consumer activity and access. Some zoning and assemblage incentives may be in order.

2. Town Center (TC)

The Town Centers would be the more pedestrian and local neighborhood based development that incorporates municipal, retail, some office and institutional uses in a tight geographic

cluster. This would require assemblages, zoning incentives, property owner cooperation, a possible taking of land and town financial investment.

3. Small Business and Mixed-Use (SB)

Small business or commercial and mixed-use elements are more appropriate throughout the rest of the corridor. This would be in areas that are transitional and/or removed from the interchange and the town center concepts. This type of development should focus on a piece of land, or assemblages of land, that could accommodate a residential and/or mixed use component that would in turn serve as the center or focal point for future redevelopment on abutting parcels. In other words, identify two or three key parcels (locations) along the Silas Deane, that if redeveloped with residential (equals consumer spending power) would encourage spin-off redevelopment and reinvestment. This will be the hardest sell and the longer-term project.

Each of the following recommendations and action items are “tagged” with the initials for regional commerce (RC), town center (TC) or small business and mixed-use (SB) where the recommendation is believed to be appropriate.

C. Recommendations and Action Items

The following points include a range of possible development directions that could occur on the Silas Deane Corridor over the near future. The general conclusions arising from the assessment of market conditions is that there is enough retail space in the corridor to serve current needs, and that the objective of any strategy should be to consolidate existing uses to the extent possible and enhance the value and viability of existing economic uses.

1. Create Zoning Overlay District(s)

In order both to attract new business/development and to encourage existing property owners to upgrade and reinvest in their properties.

- An overlay-zoning district can facilitate assemblage and redevelopment of land parcels in the Silas Deane Corridor. One such district could encompass the corridor as a whole, but this may be somewhat difficult to manage given two separate political and municipal jurisdictions. Alternatively, consider implementing a Town Center Overlay District for Wethersfield and another for Rocky Hill. **(RC, TC and SB)**
- Each Town Center Overlay could be structured to encourage the appropriate and desired economic expansion/activity in the respective communities, while implementing similar landscaping, buffering, façade and design standards in order to establish a “like theme” for the Silas Deane Corridor. **(TC)**
- Higher densities and build-outs should be allowed as well as mixed-use projects. **(TC and SB)**
- Rear access and shared parking, to accommodate multiple users such as residents, workers and shoppers, should be considered. As future land assemblages are put together and consolidations or development are undertaken, shared access and rear

access parking between parcels and uses should be considered in order to provide a better streetscape frontage and to reduce curb cuts. **(TC and SB)**

2. Consider Targeting Specific Development

Residential uses, clustered office uses and potentially commercial/entertainment uses would help to introduce a “captive” consumer within the Silas Deane Corridor and assist in introducing more of a pedestrian orientation to the corridor.

- Encourage mixed-use residential development, with higher densities, along the corridor. Condominiums and apartments aimed at young professionals and “empty-nesters”, including age-restricted housing, are possibilities. Increasing the resident population, particularly in or adjacent to the “town/village centers” at either end of the corridor, will provide badly-needed support for existing retail and service businesses. **(TC and SB)**
- Industrial use appears to be well served, with sites available, elsewhere in Rocky Hill and in Wethersfield, and is not recommended for more intense usage (or encouragement) along the Silas Deane Corridor at this time. In addition, the juxtaposition of possible industrial users to future residential, retail/commercial and village/town centers may be incompatible. **(TC)**
- Medical and health-related office uses offer some development potential in the Silas Deane Corridor, and fill-in medical/service/office uses at some of the retail vacancy should be considered, but might require assemblages of properties in order to attract quality tenants. Medical office condominiums (as opposed to leased space) can yield higher returns to developers. **(SB)**
- While it is beyond the scope of this analysis to recommend that specific retail businesses (including restaurants) should come to the Silas Deane Corridor, it is worth noting that “gaps” have been identified, including, for example, a full line sporting goods store or bookstore. Other potential observed needs include service businesses catering to the current and future local residential population (dry cleaners, deli/cafes, specialty shops, etc.)³ What is more important, with respect to additional retail, is that an attractive environment for future investment and sustained/enhanced success for existing retailers be fostered within the Silas Deane Corridor. In this manner, existing retailers can benefit and private sector developers would view the Corridor for its renewed investment potential and market opportunities. National brand-name retailers will primarily be attracted to the areas focused on Regional Commerce due to their need for much larger population bases to support high volumes of consumer traffic. On the other hand, more locally focused retailers and service providers like to be near such regional nodes and are often willing to pay higher rents due to the perceived spin-off potential. **(RC, TC and SB)**

³ Other potential gaps, or desired additional retail developments, were also identified in the *Retail Space Gap Study, Prepared for The Office of Economic Development, Town of Rocky Hill, Connecticut, by Ray Kehrhan, CCIM, May 1, 2005.*

3. Initiate Incentives for Redevelopment and Site Assemblage(s)

In order both to attract new business/development and to encourage existing property owners to upgrade and reinvest in their properties.

- Develop zoning incentives, including, but not necessarily limited to, increased build-out and bonus densities, mid-rise construction and required setbacks and parking ratios in order to encourage site development and assemblages. The use of a special zoning overlay district may be one way of accomplishing these objectives. **(RC, TC and SB)**
- Presently, the “asking” price of an acre of land along the Silas Deane Corridor is prohibitive for redevelopment relative to market potential. By providing density bonuses to developers, high land values can be overcome and preferred development encouraged. **(RC and SB)**
- Consolidate retail uses and strip retail developments throughout the corridor in order to lower vacancies and to encourage a similar “look and feel” to retail development. More importantly, “former” strip retail sites could be considered for assemblage and redevelopment to alternative uses. **(SB)**
- Continue to actively market and promote the existence and advantage of existing tax incentive and grant programs to the development community. Many would-be developers/entrepreneurs are reluctant to utilize these resources due to a basic lack of understanding about the benefits that can be realized.

4. Marketing and Outreach

Effective redevelopment involves an awareness and commitment from local stakeholders, in part, to encourage new private sector investment from those “outside” the community.

- Establish regular meetings, or a communication process, with neighborhood representatives and community leaders, area developers, property owners and brokers to discuss development plans, opportunities, incentives and progress within the corridor. Also, share with local businesses the analysis of spending potential as a means of encouraging additional products to be carried or expanded, as well as providing direction for future marketing and promotional efforts. **(RC, TC and SB)**
- Explore with property owners the redevelopment potential of specific sites, for residential and/or mixed-use properties, within the corridor. This may require establishing a dialogue not only with a specific property owner, but also with owner(s) of abutting parcels. **(SB)**
- Work with property owners and local brokers and realtors to co-ordinate efforts to “market the market” of the Silas Deane Corridor and not merely “market the property” on the Silas Deane Corridor. **(RC and SB)**

II. BASELINE CONDITIONS

The following baseline market conditions and indicators form the basis of the key findings and recommendations as presented in the previous chapter.

A. Business and Employment Trends

The Rocky Hill had 1,120 firms operating in 2005, while Wethersfield had 1,165 business according to the “Town Profile” obtained from Connecticut Economic Resource Center (CERC). The distribution of these businesses in the two towns were fairly similar, with businesses in the services sector representing between 43.0% and 45.0% of the firms, businesses in the trade (wholesale and retail) sector accounting for 19.0% to 22.0% of the firms, as in Table 1.

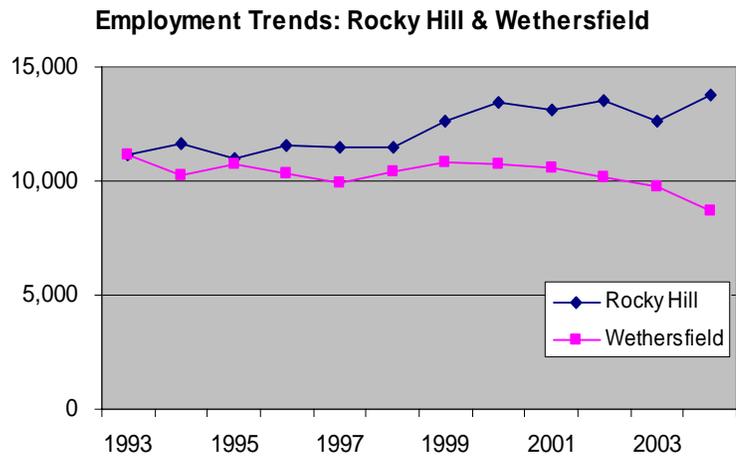
Table 1 - Trends in Businesses and Jobs in Rocky Hill and Wethersfield								
Rocky Hill			Change 2001-2005		Employment		Change 2001-2005	
Industry Sector	Firms		#	%	2001	2005	#	%
Construction	146	123	(23)	-15.8%	809	594	(215)	-26.6%
Manufacturing	43	54	11	25.6%	2,142	2,860	718	33.5%
Trans. & Utilities	25	38	13	52.0%	749	783	34	4.5%
Trade	214	216	2	0.9%	3,282	3,170	(112)	-3.4%
FIRE	116	132	16	13.8%	1,677	1,528	(149)	-8.9%
Services	445	486	41	9.2%	4,110	4,035	(75)	-1.8%
Government	18	20	2	11.1%	1,166	825	(341)	-29.2%
Total	1,034	1,120	86	8.3%	14,117	13,981	(136)	-1.0%
Wethersfield			Change 2001-2005		Employment		Change 2001-2005	
Industry Sector	Firms		#	%	2001	2005	#	%
Construction	152	133	(19)	-12.5%	429	340	(89)	-20.7%
Manufacturing	36	32	(4)	-11.1%	278	310	32	11.5%
Trans. & Utilities	35	36	1	2.9%	205	195	(10)	-4.9%
Trade	287	253	(34)	-11.8%	2,217	2,226	9	0.4%
FIRE	115	123	8	7.0%	1,141	1,158	17	1.5%
Services	504	525	21	4.2%	3,812	3,509	(303)	-7.9%
Government	19	20	1	5.3%	1,488	954	(534)	-35.9%
Total	1,174	1,165	(9)	-0.8%	9,682	8,779	(903)	-9.3%

Note: Numbers may not add due to firms and employment in agriculture and unclassified sectors
Source: 2003 & 2005 Town Profile prepared by CERC

Employment in Rocky Hill totaled 13,981 jobs in 2005, which was higher than the 8,779 jobs reported in Wethersfield. As shown above, jobs in the manufacturing sector represented 20.5% of the employment base in Rocky Hill, but only 3.5% of the base in Wethersfield. Services on the other hand accounted for 40.0% of the employment base in Wethersfield and employment in trade industries represented 25.4% of total employment. In Rocky Hill, the absolute number of jobs in services and trade industries was higher than indicated for Wethersfield, as in the preceding table.

The preceding table also presents the change in businesses and employment by various industry sectors in Rocky Hill and Wethersfield between 2001 and 2005. As exhibited, Rocky Hill experienced an 8.3% increase in business during this period, while Wethersfield had a 1.0% decline in operating firms. In Rocky Hill, services businesses (41) increased the most between 2001 and 2004, followed by gains in the Financial, Insurance and Real Estate (FIRE) sector (16). In Wethersfield, an increase in services businesses (21) offset some of the losses in other sectors. In terms of employment, a decline of 9.3% was indicated in Wethersfield while a small decline of 1.0% was indicated in Rocky Hill. Contrary to statewide trends, employment in the manufacturing sector increased in both communities, however, losses were experienced in many of the other sectors during this period.

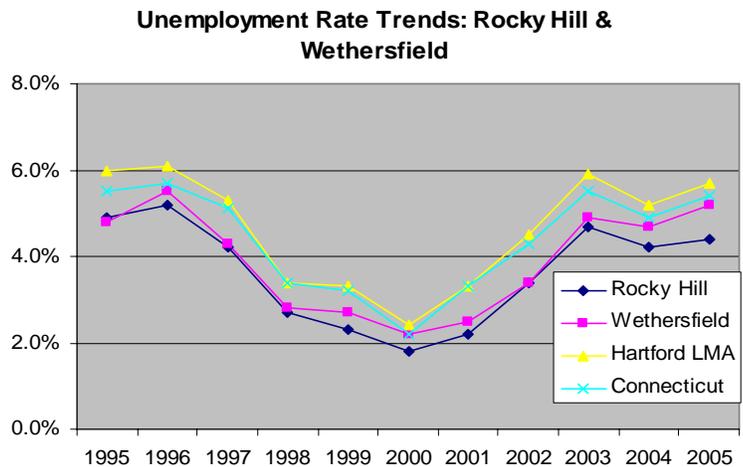
Figure 1: Total employment in both communities was nearly the same in 1993 and 1995, as illustrated. However, employment growth was experienced in the late 1990s in Rocky Hill, but declines were indicated in Wethersfield. Between 1993 and 2004, the employment base in Rocky Hill increased by 24.0%, from 11,160 in 1993 to 13,796 reported in 2004. On the other hand, the employment base in Wethersfield declined by 22.0% during this period, from 11,110 in 1993 to 8,697 in 2004.



Source: CTDOL, CERC & RKG Associates, Inc.

Figure 2: The unemployment rate in Rocky Hill was reported at 4.4% in June 2005, which was lower than indicated for Wethersfield (5.2%), the State (5.4%) and the Hartford Labor Market Area (LMA) (5.7%). As illustrated, unemployment rates were at their low-point in 2000, in all geographies, but increased over the next three years. A modest decline was evident in 2004, suggesting an improving economy. Historically the unemployment rate for Rocky Hill and Wethersfield were lower than indicated statewide or in the Hartford LMA.

Summary of Findings - During the 2001 to 2005 time-period, Wethersfield has experienced a decline in the number of businesses and a decline in overall employment. The loss of retail/wholesale trade businesses is most pronounced while



Source: CTDOL & RKG Associates, Inc.

employment losses occurred primarily in service sector jobs and in government employment. In comparison, Rocky Hill experienced an increase in the number of businesses, with strong growth in the service sector. However, similar to Wethersfield, there were employment losses in Rocky Hill, particularly in government and construction. Interestingly, both Wethersfield and Rocky Hill exhibited growth in employment in the manufacturing sector. Over a longer term, 1993 to 2004, overall employment in Wethersfield declined by 22.0%, and was slightly less than 8,700 jobs (in 2004). By comparison, during the same time-period overall employment increased 24.0% in Rocky Hill with nearly 13,800 jobs (in 2004). Despite these variances, unemployment rates in Wethersfield and in Rocky Hill have generally mirrored one another as well as those of the Hartford LMA and the State, albeit below these unemployment rates of these two regions.

1. Forecasted Statewide Employment Growth

Total employment in the State of Connecticut is forecasted to increase by 8.0% between 2002 and 2012, according to a Connecticut Department of Labor entitled “*Connecticut’s Industries and Occupations, Forecast 2012*”, which identified employment growth by various industry sectors. RKG allocated the different industry sectors to three building types and arrayed the forecasted employment changes by these categories in order to identify the types of buildings that would be needed to support this type of forecasted change.

Table 2 - State of Connecticut: Distribution of Forecasted Change in Employment by Selected Industries and Building Types (2002-2012)

	Employment		Net Change 2002-2012		Percent of Total
	2002	2012	#	%	
Industrial Type Users	472,490	480,420	7,930	1.7%	5.6%
Construction	63,390	68,950	5,560	8.8%	3.9%
Wholesale Trade	65,710	71,530	5,820	8.9%	4.1%
Transportation & Warehousing	39,810	43,060	3,250	8.2%	2.3%
Manufacturing	211,370	192,490	(18,880)	-8.9%	-13.4%
Utilities	9,030	8,450	(580)	-6.4%	-0.4%
Administration & Waste Mgt. & Rem. Ser.	83,180	95,940	12,760	15.3%	9.0%
Office Type Users	776,750	860,430	83,680	10.8%	59.2%
Information	40,590	45,180	4,590	11.3%	3.2%
Finance & Insurance	122,430	132,390	9,960	8.1%	7.0%
Real Estate & Rental & Leasing	20,590	21,170	580	2.8%	0.4%
Prof., Sci. & Tech. Services	91,420	106,950	15,530	17.0%	11.0%
Management of Co. & Ent.	27,390	29,800	2,410	8.8%	1.7%
Educational Services	149,160	162,850	13,690	9.2%	9.7%
Health Care & Social Services	216,530	252,000	35,470	16.4%	25.1%
Government	108,640	110,090	1,450	1.3%	1.0%
Retail and Other Type Users	393,290	437,850	44,560	11.3%	31.5%
Retail Trade	195,050	211,690	16,640	8.5%	11.8%
Arts, Enter. & Recreation	43,130	52,560	9,430	21.9%	6.7%
Accommodation & Food Services	99,320	113,760	14,440	14.5%	10.2%
Other Services	55,790	59,840	4,050	7.3%	2.9%
Self-Employed & Agriculture	113,420	118,560	5,140	4.5%	3.6%
Total Employment, All Jobs	1,755,950	1,897,260	141,310	8.0%	100.0%

Source: Connecticut DOL and RKG Associates, Inc.

As exhibited, users of office type buildings are estimated to account for 59.2% of the forecasted increase in employment, while users of retail or similar type buildings would account for 32.5% of the forecasted growth, statewide, and users of industrial buildings account for the remaining 5.8% of forecasted growth.

Health Care, Professional and Technical Services, and Educational Services represent the three major sectors of office type users, based on these statewide forecasts, while retail trade, accommodation, and food services would represent the major retail type users. On the other hand, manufacturing and utilities employers are forecasted to decline suggesting more available space for these employment types. Based on these statewide projections, office type users would account for the most employment in the near term, followed by retail users.

Summary of Findings – Employment growth in health care industries is projected to exceed 16.0% over the 2002 to 2012 time-period, across the state of Connecticut. The service sector employment in both Wethersfield and Rocky Hill, from 2001 to 2005, declined. This would suggest that there is opportunity to for these two communities to recapture a portion of the growth that is projected statewide. Considering the presence of health providers in the greater region and to a lesser extent along the Silas Deane Corridor, the potential for renovating and retrofitting existing vacancies, to medical/office uses, should be considered.

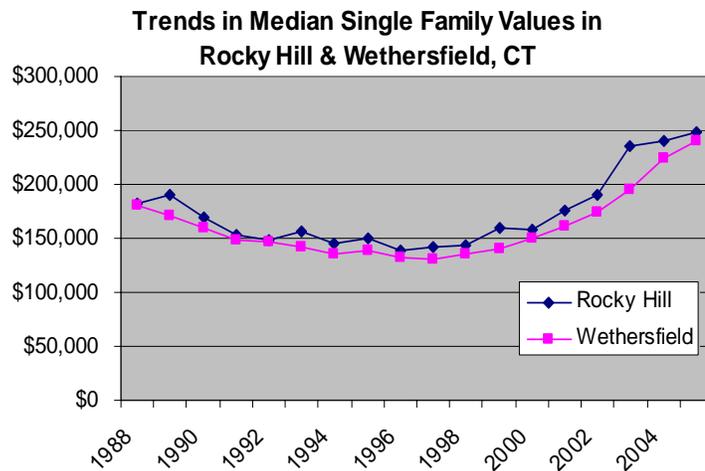
B. Real Estate Indicators

The following section reviews real estate and market indicators for residential, office and industrial properties. A subsequent section reviews indicators for retail and hospitality.

1. Residential Market

The following reviews residential indicators in Rocky Hill and Wethersfield.

Figure 3: Median values for single-family homes were at their highest level in July 2005 for Rocky Hill (\$249,000) and Wethersfield (\$240,000). As illustrated median values declined during the 1990s, and eventually recovered and surpassed 1988 levels in 2002 (Rocky Hill) and 2003 (Wethersfield). Since 2001, median values in Rocky Hill increased by 42.0%, and 48.0% in Wethersfield. However, the sales volume in Wethersfield was 3 to 4 times higher than in Rocky Hill.



Source: Warren Information Services & RKG Associates, Inc.

Table 3 - Trends in Residential Sales & Median Values in Rocky Hill and Wethersfield, CT

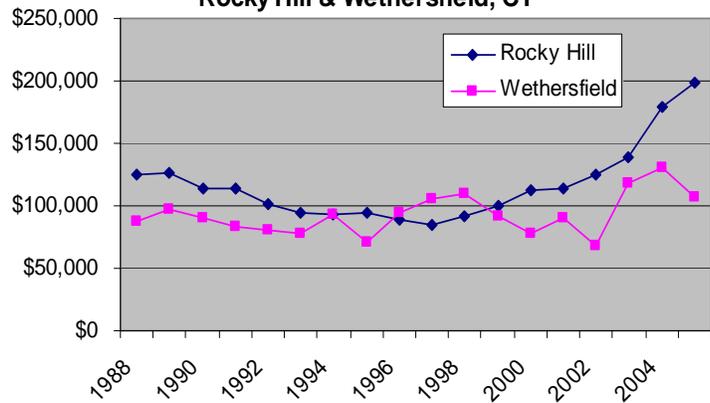
	Single Family				Condominium			
	Rocky Hill		Wethersfield		Rocky Hill		Wethersfield	
	Sales	Median Value	Sales	Median Value	Sales	Median Value	Sales	Median Value
1988	106	\$183,000	259	\$180,000	230	\$125,000	93	\$87,000
1989	84	\$190,250	217	\$171,000	124	\$126,500	41	\$97,500
1990	75	\$170,000	220	\$158,987	100	\$113,250	30	\$89,900
1991	85	\$154,000	225	\$147,900	108	\$113,318	31	\$82,700
1992	92	\$149,125	268	\$147,250	119	\$102,000	25	\$79,900
1993	112	\$156,000	341	\$142,000	107	\$95,000	44	\$78,250
1994	147	\$145,000	335	\$135,000	136	\$92,500	42	\$93,450
1995	87	\$150,000	300	\$138,125	153	\$94,000	63	\$70,500
1996	118	\$138,500	325	\$132,000	117	\$89,000	49	\$95,000
1997	141	\$142,000	382	\$130,000	167	\$85,000	68	\$104,950
1998	159	\$144,000	448	\$135,250	193	\$92,000	76	\$110,250
1999	197	\$160,000	465	\$140,000	212	\$100,000	79	\$92,000
2000	131	\$157,500	408	\$150,000	233	\$113,000	57	\$78,000
2001	166	\$175,037	468	\$161,964	205	\$114,300	54	\$90,750
2002	179	\$190,000	414	\$175,000	242	\$125,000	63	\$68,500
2003	144	\$235,000	445	\$195,000	242	\$138,250	80	\$117,500
2004	149	\$240,000	411	\$225,000	233	\$179,000	65	\$129,900
05 [1]	95	\$249,000	266	\$240,000	109	\$199,000	53	\$107,500

[1] Through July 2005

Source: Warren Information Services

Figure 4: The median value (\$199,000) for condominiums in Rocky Hill was at its highest point in July 2005, while in Wethersfield the peak occurred in 2004, when the highest value was reported at \$129,900. Trends in the median value of condominiums in Rocky Hill were similar to that of single-family homes as values did not recover or surpass the high levels of the 1980s until the early part of the 21st century. The median value for condominiums in Wethersfield however was more erratic during this period and likely associated with a much lower sales volume in comparison to that in Rocky Hill, as shown in Table 3.

Trends in Median Condominium Values in Rocky Hill & Wethersfield, CT



Source: Warren Information Services & RKG Associates, Inc.

Summary of Findings – Since 1998, sales of single-family homes in Rocky Hill has consistently been well below that experienced in Wethersfield. Average annual sales in Rocky Hill were 128 single-family units as compared with an annual average of 349 single-family units in Wethersfield. During the same period, the price differential in single-family

homes has been only nominally greater in Rocky Hill. Conversely, despite the median value of condominiums in Rocky Hill well exceeding the median values in Wethersfield, Rocky Hill averaged 172 sales annually as compared with 56 sales annually in Wethersfield. Despite the differences in both communities, on average the residential market, as measured by sales activity, has been relatively strong, with the median price of single-family home sales exceeding \$200,000 in both communities for the last couple of years. The median selling price of condominiums in Rocky Hill is approaching \$200,000, while the price in Wethersfield lags behind.

2. Housing Production

According to building permit data from the U.S. Census Bureau, housing starts averaged about 83 units per year in Rocky Hill between January 2000 and July 2005, as shown in Table 4. Almost 90.0% of this new housing construction was single-family homes versus multi-unit construction. Housing start data for Wethersfield was not reported by the U. S Census Bureau.

	2000	2001	2002	2003	2004	2005 [1]	Total	Average
Single Family	51	63	109	67	86	43	419	75
Two Family	0	0	0	12	0	0	12	2
Three and Four Family	8	8	4	0	0	0	20	4
Five or More Family	6	10	0	0	0	0	16	3
Total	65	81	113	79	86	43	467	83

[1] Through July 2005

Source: US Census

Summary of Findings – There has been nominal new residential building permit activity in Rocky Hill over the last five years, averaging only 75 permits per year for single-family construction. This would suggest, relative to the sales activity discussed previously, that there may be limited land available for significant additional residential development and as such, higher density and mixed-use projects may be appropriate.

3. Industrial Market

The Hartford office of CB Richard Ellis surveys industrial and office buildings in the Greater Hartford area on a quarterly basis, and categorizes the data to different cities and towns in five major regions. The results of the second quarter survey in 2005 are summarized in Table 5.⁴ As exhibited, the market had approximately 68.3 million square feet (m SF) of industrial space, including 1.55m SF in Rocky Hill and 0.64m SF in Wethersfield, which are part of the South submarket. Conditions in selected nearby towns are also exhibited as part of their submarkets as well. The industrial supply in Rocky Hill represented 2.3% of the overall market, while the supply in Wethersfield was 0.9%. East Hartford (7.0%), Newington (5.9%) and Berlin (4.7%) each had a much larger industrial base than either Rocky Hill or Wethersfield.

⁴ The survey includes “all competitive buildings 10,000 SF and greater in size, including those under construction”.

Table 5 - Greater Hartford, CT - Industrial Market Conditions 2nd Qtr, 2005							
Region/Town	Total SF [1]	% of Total	Available SF [1]	% of Total	Availability Rate	YTD Absorption [1]	Average Rate
Region Total	68.30	100.0%	8.20	100.0%	12.0%	0.62	\$4.65
Hartford	4.27	6.2%	0.80	9.7%	18.7%	0.02	\$4.62
North	24.62	36.1%	1.74	21.2%	7.1%	0.57	\$5.17
West	11.12	16.3%	1.55	18.9%	13.9%	0.31	\$4.35
East	17.19	25.2%	2.58	31.4%	15.0%	(0.33)	\$4.31
East Hartford	4.76	7.0%	1.14	13.9%	24.0%	(0.45)	\$4.05
Glastonbury	0.84	1.2%	0.07	0.8%	8.1%	0.01	\$8.43
South	11.10	16.2%	1.54	18.7%	13.8%	0.06	\$4.92
Berlin	3.24	4.7%	0.53	6.4%	16.3%	(0.02)	\$6.04
New Britain	1.62	2.4%	0.05	0.6%	3.1%	0.07	--
Newington	4.05	5.9%	0.51	6.2%	12.6%	(0.02)	\$3.52
Rocky Hill	1.55	2.3%	0.30	3.7%	19.3%	0.03	\$5.61
Wethersfield	0.64	0.9%	0.15	1.8%	23.5%	--	\$4.70

[1] In Millions of Square Feet (SF)

Source: CB Richard Ellis - Hartford & RKG Associates, Inc.

Reportedly, 8.2m SF of industrial buildings was available in the region indicating an availability rate of 12.0%. The East submarket had the highest supply of available properties followed by the North submarket, as shown above. The availability rates in Rocky Hill (19.3%) and Wethersfield (23.5%) were higher than the regional rate, and higher in most cases than that indicated in the selected nearby communities. Absorption during the first half of 2005 was 0.62m SF in the region, due primarily to 0.57m SF absorbed in the North submarket and 0.31m SF in the West submarket. The East submarket suffered negative absorption, while absorption in the South submarket was positive albeit soft. Rocky Hill experienced positive absorption during the first half of 2005, but activity in Wethersfield was dormant. Assuming a similar pattern of absorption in Rocky Hill would suggest a five-year or longer period for existing buildings to reach full occupancy. This period would be extended to approximately 8 years if the available supply in Wethersfield were included.

Rental pricing for industrial properties averaged \$4.65/SF in the region, and pricing in the South submarket was higher at \$4.92. Pricing in Rocky Hill (\$5.61) was higher than indicated in the submarket, but in Wethersfield (\$4.70) it was lower. A comment reported by CB Richard Ellis was “*construction of new industrial facilities is evident [as] inventory has increased by 750,000 SF in the last year. Vacancy rates however, have decreased over 3.0% within the past year demonstrating the need for existing buildings within the market.*”

Summary of Findings – There is approximately 2.19 million SF of industrial space in Rocky Hill and Wethersfield, on the market for sale or lease, which represents about 3.2% of the inventory of 68.30 million SF in the greater Hartford market area, of industrial space on the market for sale or for lease.. There is approximately 0.45 million SF of vacant industrial space in Rocky Hill and Wethersfield combined, accounting for 5.5% of the greater Hartford area vacancy of 8.2 million SF. However, the vacancy rate in these two communities, for industrial properties, is nearly 21.0%, well above the 12.0% rate across all of the greater Hartford industrial market. Rental rates for industrial space in Wethersfield, at \$4.70/SF, and in Rocky Hill, at \$5.61/SF, are slightly higher than the average of \$4.65/SF across the greater Hartford area.

4. Office Market

The results of the Hartford-CB Richard Ellis survey of the office market in the second quarter survey of 2005 are summarized in Table 6.⁵ The Greater Hartford region had approximately 25.1m SF of office space, including 1.59m SF in Rocky Hill and 0.77m SF in Wethersfield. The office supply in Rocky Hill represents 6.3% of the overall market, while the supply in Wethersfield is 3.1%. East Hartford (6.0%) and Glastonbury (6.1%) each had a slightly smaller office base than Rocky Hill but larger than Wethersfield. New Britain and Newington had a much smaller office supply than Wethersfield, and Berlin was tracked in the survey.

Region/Town	Total SF [1]	% of Total	Available SF [1]	% of Total	Availability Rate	Absorption [1]	AVG Rate
Office Total	25.10	100.0%	4.45	100.0%	17.7%	0.08	\$18.80
Hartford inc. CBD	10.53	42.0%	2.16	48.5%	20.5%	(0.01)	\$19.32
North	3.12	12.4%	0.76	17.0%	24.3%	(0.08)	\$16.08
West	4.82	19.2%	0.59	13.2%	12.2%	0.05	\$19.71
East	3.31	13.2%	0.43	9.6%	12.9%	0.03	\$19.64
East Hartford	1.50	6.0%	0.17	3.8%	11.3%	0.00	\$17.19
Glastonbury	1.53	6.1%	0.25	5.6%	16.4%	0.03	\$21.46
South	3.32	13.2%	0.52	11.6%	15.6%	0.08	\$18.84
New Britain	0.08	0.3%	0.01	0.2%	12.5%	(0.00)	\$15.84
Newington	0.20	0.8%	0.01	0.3%	6.3%	0.00	\$18.01
Rocky Hill	1.59	6.3%	0.29	6.4%	17.9%	0.09	\$19.90
Wethersfield	0.77	3.1%	0.13	2.8%	16.2%	0.00	\$18.77

[1] In Millions of Square Feet (SF)

Source: CB Richard Ellis - Hartford & RKG Associates, Inc.

Reportedly, 4.45m SF of office space was available in the region indicating an availability rate of 17.7%. Hartford, including its CBD, had the highest supply of available properties followed by the North submarket, as shown above. The availability rates in the South submarket (15.6%) were lower than the region, despite higher rates in Rocky Hill (17.9%) and Wethersfield (16.6%).

Absorption during the second quarter of 2005 was 0.08m SF in the region, due primarily to 0.08m SF absorbed in the South submarket including 0.09m SF in Rocky Hill. According to CBRE, activity at Corporate Ridge Business Park including a new lease to GMAC (20,000 SF) and a renewal by Hewlett Packard (22,500 SF) accounted for some of the activity in Rocky Hill in the South submarket. Absorption in Wethersfield was positive but nominal during the quarter. Assuming a similar pattern of absorption in Rocky Hill would suggest a one-year or longer period for existing buildings to reach full occupancy. This period would be extended by another year or so, if the available supply in Wethersfield were included.

Rental pricing for office space averaged \$18.80/SF in the region, and pricing in the South submarket was slightly higher at \$18.84. Pricing in Rocky Hill (\$19.90) was higher than indicated in the submarket, but in Wethersfield (at \$18.77/SF) it was lower. A comment reported by CB Richard Ellis was “*the office market had a strong quarter and activity has*

⁵ The survey includes “all competitive office buildings 10,000 SF and greater in size, that are not owner-occupied”.

picked up from the start of 2005. Absorption doubled from the first quarter which shows promise for the second half of the year.”

Summary of Findings – There is somewhat greater parity in the office market in Wethersfield and Rocky Hill, when compared to the greater Hartford area, as contrasted to the industrial market. Reportedly there is 2.36 million SF of office space in Rocky Hill and Wethersfield, representing 9.4% of the 25.10 million SF inventory in the greater Hartford market area. Additionally, there is approximately 0.42 million SF of vacant office space in these two Towns, which accounts for a like 9.4% of the available 4.45 million SF of office space available in the greater market. As such, the combined vacancy rate of office space in Wethersfield and Rocky Hill is about 17.8%, which is on par with the average of 17.7% in the greater Hartford area. Asking rents in Rocky Hill (\$19.90/SF) and in Wethersfield (\$18.77/SF) are also relatively on par with the asking rent of \$18.80/SF across the greater Hartford market area.

5. Available Properties

RKG researched various internet web sites for commercial and industrial properties in Rocky Hill and Wethersfield for an understanding of the overall supply, as well as the available supply along the Silas Dean Corridor. RKG also spoke with realtors and brokers active in the real estate market in the Wethersfield and Rocky Hill communities. A listing of the properties is attached at the end of this section and Table 7 summarizes these properties.

Research indicated 102 properties that contained 2.83m SF and nearly 48.0% were available (for-sale and/or for-lease) including 1.02m SF available in Rocky Hill and 0.34m SF in Wethersfield as shown below. The available supply in Rocky Hill consisted of 0.54 million SF of office space, 0.44m SF of industrial space and 0.040m SF of retail space. In Wethersfield, available industrial space accounted for about 0.15m SF of industrial space, 0.11m SF of office space, and 0.087m SF of retail space. Based on these statistics, Rocky Hill had a much larger supply of available industrial and office space than Wethersfield, while Wethersfield has more retail space than Rocky Hill, but its was less plentiful in comparison to the other uses.

Table 7 - Summary of Available Properties in Rocky Hill & Wethersfield (Sept, 2005)

	#	Available SF	Total SF	Availability Rate	Rental Rates
Total	102	1,363,206	2,827,082	48%	\$2.50 to \$22
Industrial-Flex	13	582,505	883,551	66%	\$2.50 to \$8.50
Office	69	653,674	1,681,286	39%	\$11 to \$23
Retail	21	127,027	262,245	48%	\$5.95 to \$28
Rocky Hill	61	1,020,730	2,118,654	48%	\$6 to \$28
Industrial-Flex	11	436,593	737,639	59%	\$2.50 to \$8.50
Office	42	544,103	1,240,789	44%	\$11 to \$22
Retail	8	40,034	140,226	29%	\$6 to \$28
Wethersfield	41	342,476	708,428	48%	\$3.50 to \$22
Industrial-Flex	2	145,912	145,912	100%	\$3.50 to \$6
Office	27	109,571	440,497	25%	\$11 to \$23
Retail	13	86,993	122,019	71%	\$5.95 to \$22

Source: LoopNet.Com, CERC SiteFinder & RKG Associates, Inc.

Approximately 0.53m SF of available space in Rocky Hill and Wethersfield was located along the Silas Dean Corridor representing approximately 39.0% of the available property in the two towns, and summarized in Table 8. Roughly 18.0% of the available industrial space was within the corridor and it was contained in one property in Wethersfield (former Weight Watchers). Approximately 49% of the available office space in the two towns was along the corridor, and most of that was contained in the former Ames corporate headquarters (220,000 SF) in Rocky Hill. Reportedly the property was being targeted by three major office users, located out of -state. Big-box retailers have also been inquiring about the property. Reuse of this property would reduce the available office supply along the corridor to almost 100,000 SF. The remaining large availabilities would be confined to an older, Class B type property consisting of an upper floor (18,800 SF) at a retail center in Rocky Hill (30 Waterchase Dr.), or 11,881 SF at a modern office property at 2080 Silas Deane Corridor. In Wethersfield, the largest available office property were 12,440 SF at 1155 Silas Deane Corridor; 8,450 SF at 1290 Silas Deane Corridor; 7,100 SF at 850 Silas Dean Corridor; or 6,000 SF at 370 Silas Deane Corridor.

Table 8 - Summary of Available Properties on the Silas Deane Hwy/Main St Corridor (Sept. 2005)					
	#	Available SF	Total SF	Availability Rate	Rental Rates
Total	48	529,068	1,027,006	52%	\$3.50 to \$22
Industrial-Flex	1	105,000	105,000	100%	\$3.50
Office	30	322,747	731,427	44%	\$11 to \$19.50
Retail	17	101,321	190,579	53%	\$5.95 to \$22
Rocky Hill	15	276,026	518,012	53%	\$6 to \$17.50
Industrial-Flex	NA	NA	NA	NA	NA
Office	11	261,698	449,452	58%	\$11 to \$17.50
Retail	4	14,328	68,560	21%	\$6 to \$16
Wethersfield	33	253,042	508,994	50%	\$3.50 to \$22
Industrial-Flex	1	105,000	105,000	100%	\$3.50
Office	19	61,049	281,975	22%	\$11 to \$19.50
Retail	13	86,993	122,019	71%	\$5.95 to \$22

Source: LoopNet.Com, CERC SiteFinder & RKG Associates, Inc.

As shown in the preceding table, more than 101,300 SF of retail space was available in the corridor, which represented about 80.0% of available retail space in the two communities. Not included in this supply was the 75,000 SF of potential retail development at Town Line Plaza. More than 86.0% of this available retail space was in the Wethersfield portion of the corridor, and the largest availabilities included the former Fun Zone building (45,385 SF) at 1178 Silas Deane Corridor, 13,200 SF at 988 Silas Deane Corridor, and 9,000 SF at 967 Silas Deane Corridor. The latter two were 1970s buildings near the Wethersfield Shopping Center.

Summary of Findings – There is approximately 2.12 million SF of available (for sale or for lease) commercial properties in Rocky Hill and nearly 59.0% (or 1.24 million SF) of this is office space. Of this 1.24 million SF there is slightly more than 544,000 SF vacant throughout Rocky Hill and 262,000 vacant in the Silas Deane Corridor. Retail availability

throughout Rocky Hill is only 40,000 SF available (in properties for either sale or lease) and of this less than 15,000 SF is in the Silas Deane Corridor.

There is nearly 708,500 SF of properties for sale or for lease in Wethersfield and similar to Rocky Hill, this is concentrated in the office space, both throughout Wethersfield and in the Silas Deane Corridor in particular. However, unlike Rocky Hill, there is an approximate 122,000 SF of retail properties for sale or lease in Wethersfield and this is all concentrated in the Silas Deane Corridor.

C. Retail and Hospitality

The following section reviews real estate and market indicators for retail and hospitality uses.

1. Consumer Demand and Supportable Retail

An analysis of the consumer spending demand within a 5-mile radius⁶ of Wethersfield and Rocky Hill, utilizing the intersection of the Silas Deane Corridor and I-91 as the center of the circle, indicates that there is more than \$887.5 million in spending demand for selected retail goods and services, or an average of about \$15,100 per household.

**Table 9 - Estimated Retail Demand
5 Miles about Rocky Hill/Wethersfield, CT**

Merchandise Line	Total	I Per Household	% of Demand
Grocery	\$290,035,223	\$4,927	32.7%
Dining Out	\$173,060,169	\$2,940	19.5%
Alcoholic Beverages	\$29,082,043	\$494	3.3%
Personal Care Products	\$11,451,996	\$195	1.3%
Personal Care Services	\$32,848,558	\$558	3.7%
Health Care Supplies	\$46,264,746	\$786	5.2%
Womens Apparel	\$54,073,246	\$919	6.1%
Mens Apparel	\$30,032,059	\$510	3.4%
Girls Apparel	\$10,397,207	\$177	1.2%
Boys Apparel	\$8,624,314	\$147	1.0%
Infants Apparel	\$7,495,948	\$127	0.8%
Footwear	\$30,030,294	\$510	3.4%
Textiles	\$7,031,535	\$119	0.8%
Furniture	\$29,870,192	\$507	3.4%
Floor Covering	\$4,726,538	\$80	0.5%
Major Appliances.	\$13,991,848	\$238	1.6%
Housewares and Small Appliances	\$63,600,488	\$1,081	7.2%
Paint and Wallpaper	\$2,855,347	\$49	0.3%
Records, CDs	\$7,754,937	\$132	0.9%
Books	\$5,477,016	\$93	0.6%
Jewelry	\$7,279,340	\$124	0.8%
Pets Supplies, Services	\$16,315,092	\$277	1.8%
Plants and Flowers	\$5,248,047	\$89	0.6%
TOTAL	\$887,546,183	\$15,079	100.00%

Source: US Census Bureau, DemographicsNow and RKG

⁶ This is typically the radius from which many retail formats, particularly neighborhood and convenience-goods stores, draw the majority of their customer activity.

There are numerous existing shopping centers located in selected communities throughout the 5-mile area, totaling more than 2.90 million SF as highlighted in the following table. Actual retail development throughout these communities is much higher as this inventory does not include many smaller strip/retail centers, numerous independents, or freestanding developments, often including Home Depot or BJ's Wholesale Club, as examples.

Table 10 - Sampled Inventory of Shopping Centers

	SF of Center	% of Total
Berlin		
Brickyard S/C	273,750	
Webster Square S/C	185,000	
Subtotal	458,750	15.8%
Glastonbury		
Buckingham Plaza	24,000	
Bucks Corner S/C	14,100	
Fox Run Mall	100,000	
Glastonbury Edwards S/C	120,000	
Glen Lochen Mall	80,000	
Somerset Square	85,000	
Subtotal	423,100	14.6%
Newington		
Ames Plaza	174,670	
Fenn Road Plaza	94,900	
Hartford Plaza	16,000	
Newington Commons	190,430	
Newington Fair	143,000	
Newington Theatre Plaza	15,000	
Northwood Shopping Plaza	71,300	
Twin City Shopping Plaza	51,110	
Wal-Mart Plaza	181,560	
Subtotal	937,970	32.3%
Rocky Hill		
Hillview Plaza	25,450	
Horizon Commons	164,000	
Town Line Plaza	205,750	
West Hill Plaza	47,400	
Subtotal	442,600	15.2%
Wethersfield		
Goff Brook Shops	71,660	
Jordan Lane S/C	182,850	
Mega-Marshall's Shopping Plaza	84,000	
Motts Jordan Lane S/C	102,600	
Stop & Shop Plaza	51,900	
Wethersfield S/C	150,000	
Subtotal	643,010	22.1%
TOTAL	2,905,430	100.0%

Source : National Research Bureau and RKG

From this inventory, there is more than 442,000 SF of shopping center space in Rocky Hill, representing 15.2% of the inventories space. There is more than 643,000 SF of shopping center space in Wethersfield, representing more than 22.0% of the inventory. Estimated “capture rates” of the aforementioned \$887.5 million in consumer demand result in an estimated “supportable” amount of retail square footage for a “hypothetical retail site” at the intersection of the Silas Deane Corridor and I-91, as presented in the following table.

Table 11 - Estimated Supportable SF of Retail

STORE TYPE	Low	Medium	High
Grocery	96,678	128,905	161,131
Restaurant	67,381	89,841	112,301
Rx	45,283	60,377	75,471
Apparel	82,967	110,623	138,278
Shoes	22,523	30,030	37,538
Furniture, Etc.	73,246	97,661	122,076
Specialty Retail	31,556	42,074	52,593
TOTAL	419,633	559,511	699,388

Source : RKG Associates, Inc.

Summary of Findings – The estimated supportable square feet of retail development at a “hypothetical site” ranges from 419,600 SF to nearly 699,400 SF. The previous sampled inventory indicates that there is nearly 1.09 million SF of shopping center space in Wethersfield and Rocky Hill. That the sampled inventory throughout the two communities is greater than this estimated supportable development indicates that the market is both strong, perhaps drawing customers from a broader geography and that the market is rather well built-out. As such, the opportunities for additional retail development along the Silas Deane Corridor may be somewhat limited in the near term.

2. Discussion of an Outlet Mall

At present there are no known outlet malls in the immediate Hartford area, although there is the Clinton Crossing Premium Outlet Mall in Clinton, part of the Hartford greater metropolitan area. This existing outlet mall is on approximately 47 acres of land, has about 70+ stores and is somewhat less than 300,000 SF in size. Tanger Outlets recently acquired the former Westbrook shopping center in Westbrook, at Exit 65 off I-95. This center has 65+ outlet stores. There is also the Mystic Factory Outlets in Mystic, CT, with 25+ stores.

Cabelas Outdoor and Sporting Goods is in negotiations to develop an 185,000+ SF store in East Hartford, near the intersections of I-91 and I-84. This is to be part of the 624-acre mixed-use development accompanying Rentschler Field. At present there is no other retail component proposed for this development, but it is reasonable to estimate that given the consumer drawing power of a Cabelas, there may be future pressures for additional retail development. Whether or not an outlet mall is part of these future pressures is also speculative. In general, an outlet mall is all about location, visibility and access, much like any other retail venue. An established tourism destination also is desired, but not necessarily a pre-requisite. High traffic counts, proximity to an interstate and the potential for future expansion are typical locational considerations for outlet malls.

Actual size of the tracts of land could vary, other outlet malls in Kittery, Maine, for example, are on tracts of land ranging from 5 to 15 acres. However, these also limit the size of the retail outlets and hence the number of stores. A broad variety, depth and diversification of alternative shopping venues help to keep the customers coming. In Kittery, whereas any one outlet mall may be small, some are less than 20,000 SF; it is the synergy and proximity of the surrounding malls that energizes the whole retail experience.

A site along the Silas Deane corridor, perhaps at a minimum of 20 acres, could support (pending a further review of zoning ordinances) as much as 250,000 SF to 400,000 SF of retail development. An analysis of the consumer spending demand, included as part of our market research, reinforces this estimate, indicating an approximate 210,000 SF to 350,000 SF of supportable retail for outlet-type merchandise. This assumes that any outlet mall on Silas Deane would be competitive with Clinton Crossing and other centers. This type of development would create numerous retail jobs, perhaps 800 to 1,300. Also, the increased traffic (assuming a successful outlet mall) along the Silas Deane corridor could benefit existing merchants and businesses. However, there are only a few such developers still “active” in new projects, the Simon Companies and Premium Outlets being one of the major players. Whether they would have an interest in building near their existing Clinton Crossing property is questionable.

3. Hospitality Sector

Hartford County has 87 hospitality properties containing 9,750 rooms, according to data obtained from Smith Travel Research. Approximately 85.0% of the rooms were in 62 national brand properties in the county, including two under construction with 536 rooms. A new Marriott Hotel containing 417 rooms is under construction adjacent to the new convention center and science center at Adrien’s Landing in downtown Hartford. Another Marriott Courtyard containing 119 rooms is under construction in Farmington. These new properties represent 6.5% of the national brand properties in Hartford County. As shown in Table 12, another 1,817 rooms or 22.0% of the rooms at national brands were constructed between 1999 and 2005, which include a new 96-room Residence Inn (Marriott) in Rocky Hill that recently opened, as shown in Table 12. Another property that opened in 2003 was a 150-room Hilton Garden Inn of Route 3 at Somerset Square in Glastonbury. Another 3,683 rooms or 44.5% of the national brands in Hartford County, were constructed between 1980 and 1998, and the remaining 2,235 rooms were constructed prior to this period (or have no date), as shown in Table 12.

Table 12 – Trends in Hospitality Development in Hartford Co.

	National Brand		Non-Branded		Total	
	#	Rooms	#	Rooms	#	Rooms
Total	62	8,271	25	1,479	87	9,750
Under Const	2	536	0	0	2	536
1999 – 2005	16	1,817	1	91	17	1,908
1980 – 1998	26	3,683	5	409	31	4,092
<1980 or no date	18	2,235	19	979	37	3,214

Source: Smith Travel Research & RKG Associates, Inc.

Rocky Hill had five hospitality properties containing 533 rooms, representing 5.5% of the total room supply in Hartford County. Wethersfield also had five properties but they

contained 346 rooms (3.6% of the inventory), and only two were national brands, as compared to four in Rocky Hill.

Table 13 - Hospitality Properties in Rocky Hill & Wethersfield		
Name	Rooms	Open Date
Rocky Hill		
	533	
Residence Inn	96	Aug 2005
Marriott @ Corporate Ridge	251	Apr 1991
Hampton Inn	99	May 1988
Howard Johnson Express	32	Unk
Great Meadow Inn	55	Jun 1965
Wethersfield		
	346	
Motel 6	144	Jun 1984
Best Western Camelot Inn	109	Sep 1965
Atlantic Inn	32	Jan 1991
Almar Motel	36	Unk
Elm Motel	25	Unk

Source: Smith Travel Research & RKG Associates, Inc.

As shown above the largest property in the two towns is the 251-room Marriott at Corporate Ridge, which opened in 1991. Also, in Rocky Hill is the 99-room Hampton Inn that opened in 1988. The most recent opening in Wethersfield was in 1991 (the 32-room Atlantic Inn).

Summary of Findings - It would likely take another 5 to 10 years, for the need of another 100-or-so-room hotel, in light of the recent opening of the Marriott Residence Inn. However, additional research is recommended if an appropriate site along the corridor with frontage/visibility to I-91 would be redeveloped.

D. Assessment Values and Land Use

The following table presents utilization of land⁷ along the Silas Deane Corridor, in the Rocky Hill portion of the study area and associated assessment values.

Table 14A – Land Use and Assessment Values for the Silas Deane Corridor in Rocky Hill, CT							
Land Use	Parcel Count	Land \$	Total \$	Bldg SF	Total\$/SF	Land SF	Land\$/SF
Hotel/Motel	2	\$524,650	\$3,201,770	60,846	\$53	203,425	\$2.58
Multi-Family	1	\$564,200	\$5,749,610	208,021	\$28	351,094	\$1.61
Office	21	\$3,641,050	\$25,924,750	450,448	\$58	1,360,072	\$2.68
Restaurant	8	\$1,113,000	\$2,975,430	27,544	\$108	315,375	\$3.53
Retail/Mixed Use	43	\$12,618,200	\$41,944,940	760,908	\$55	3,061,501	\$4.12
Service/Convenience	10	\$1,443,750	\$2,574,620	23,972	\$107	241,758	\$5.97
Warehouse	4	\$479,500	\$1,236,550	40,274	\$31	141,444	\$3.39
Undeveloped	12	\$727,930	\$727,930	0	NA	2,083,910	\$0.35
Unspecified	2	\$280,000	\$1,418,370	0	NA	30,056	\$9.32
TOTAL	103	\$21,392,280	\$85,753,970	1,572,013	\$53	7,788,635	\$2.75

Source : Rocky Hill Assessor and RKG

⁷ This reflects the level of parcel specific detail and land utilizations as provided by the Rocky Hill Assessor.

According to data from the local Assessor, there are slightly more than 100 properties along the Silas Deane Corridor in Rocky Hill, CT. The predominant use of this land, in terms of parcel count and assessment value, is for retail/mixed use and for office uses. The average assessment value for an improved property in Rocky Hill is about \$53/SF, with land valued at \$2.75/SF. The estimated floor area ratio (FAR), which measure the amount or level of development of any given parcel land, is about 20.2% for all uses and varies from 8.7% for restaurants to 59.2% for multi-family uses. In other words, on average there is about 20 SF of building improvement for every 100 SF of land area. The potential for higher density development, or FAR, would indicate increased land utilization, and in the case of residential development, increased consumer-spending demand.

Vacant buildings, led by the former Ames headquarters and Purity, result in the primary utilization of land in the Rocky Hill portion of the Silas Deane Corridor.

**Table 14B - Silas Deane Corridor
Rocky Hill, CT**

Use	SF	Percent
Construction Related	33,709	2.1%
General Merchandiser	189,610	12.1%
Grocery Stores	52,709	3.4%
Auto Related	55,452	3.5%
Apparel	35,530	2.3%
Furniture	1,012	0.1%
Specialty Retail	73,396	4.7%
Eating Places	82,519	5.2%
Liquor	27,323	1.7%
Drug Stores	10,188	0.6%
Finance, Insurance, Real Estate	40,502	2.6%
Entertainment, Media	7,522	0.5%
Hotels	83,100	5.3%
Personal Services	106,240	6.8%
Professional Services	138,264	8.8%
Health Related	78,793	5.0%
Residential	2,391	0.2%
VACANT	521,517	33.2%
Non-Profit, Institutional	32,245	2.1%
TOTAL	1,572,022	100.0%

Source : Rocky Hill Assessor and RKG

The following table presents utilization of land⁸ along the Silas Deane Corridor, in the Wethersfield portion.

Table 15A - Silas Deane Corridor – Wethersfield, CT

Land Use	Parcel Count	Total Assessment	% of Assess	Building SF	Total Assess Per SF	Land Acres	% of Land
Commercial	112	\$90,987,200	75.4%	1,526,239	\$60	153.97	70.1%
Industrial	2	\$3,264,000	2.7%	128,749	\$25	7.86	3.6%
Institutional	1	\$3,610,400	3.0%	7,658	\$471	5.84	2.7%
Municipal	5	\$13,640,600	11.3%	214,320	\$64	25.42	11.6%
Utilities	6	\$869,100	0.7%	NA	\$2	11.64	5.3%
Vacant Land	6	\$385,000	0.3%	NA	\$3	3.35	1.5%
Condos	3	\$804,200	0.7%	11,904	\$68	0	0.0%
Multi-Family	7	\$4,414,800	3.7%	127,790	\$35	5.72	2.6%
Single-Family	24	\$2,664,400	2.2%	30,027	\$89	5.99	2.7%
TOTAL	166	\$120,639,700	100.0%	2,046,687	\$58	219.79	100.0%

Source : Wethersfield Assessor and RKG

Commercial uses predominate in Wethersfield. Residential uses make up less than 6% of the land area and slightly more than 6% of the assessment value. This is similar to Rocky Hill, where residential uses amount to 5% of the land area and 7% of the assessment. In both communities, the overall presence of residential development is minimal. The Wethersfield build-out, at 2.05 million SF of development is greater than the 1.6 million SF for Rocky Hill; however, overall assessments are relatively similar at \$53/SF (for improved properties) in Rocky Hill and \$58/SF for improved properties in Wethersfield.

The FAR in Wethersfield is about 21.4% for all properties, similar to that for the Rocky Hill portion of the Silas Deane Corridor. The floor area ratio ranges from 3.0% for institutional uses in Wethersfield to 51.3% for multi-family properties

⁸ This reflects the level of parcel specific detail and land utilization as provided by the Wethersfield Assessor. No further breakdown of property type (e.g. retail, service, office, etc.) was available.



III. APPENDIX

Table 16 - Available Commercial/Industrial Properties in Rocky Hill and Wethersfield, CT (Sept. 2005)

Town	Street #	Street	Use	# of Spaces	Space Available	Bldg Size	Rental Rate	Year	Broker	Comments
Rocky Hill	396	Cromwell Ave	Retail	1	16,706	16,706	\$28.00	2006	Gallon	New Strip Center
Rocky Hill	2234	Silas Deane Highway	Retail	1	1,400	44,000	\$16.00	1990s	Gallon	
Rocky Hill	2234	Silas Deane Highway	Basement	1	3,000		\$2.00	1990s	Gallon	
Rocky Hill		Corporate Center 100	Office	1	3,250	107,000	\$19.50	1983	Hulk	
Rocky Hill		Corporate Center 200	Office	1	3,749		\$19.50	1983	Hulk	
Rocky Hill		Corporate Center 200	Office	1	10,881		\$19.50	1983	Hulk	
Rocky Hill	41	Hammer Mill Rd	Industrial	1	9,775	19,550	\$6.87	1988	Sentry	Rocky Hill Industrial Park
Rocky Hill	2162	Silas Deane Highway	Retail	1	2,368	14,000	\$14.00	2000	Malin	
Rocky Hill	101	Corporate Place	Office	1	2,560	30,000	\$18.50	1980	Sentry	
Rocky Hill	549	Cromwell Ave	Office	1	1,250	5,000	\$15.00	2005	Polk	
Rocky Hill	2080	Silas Deane Highway	Office	3	11,881	43,453	\$17.50	1988	Hulk	
Rocky Hill	1080	West Elm	Office	1	16,701	57,000	\$15.00	1980s	Gallon	5 bldg office campus with pad site
Rocky Hill	632	Cromwell Ave	Retail	1	4,000	20,000	\$15.00	1980s	Gallon	In 20k community ctr (Pavilion West)
Rocky Hill	51	Belamose Ave	Dist/WHS	1	5,000	34,980	\$6.00	1978	Mondani	Rocky Hill Industrial Park
Rocky Hill	100	Corporate Drive	Office	3	17,631	107,500	\$17.50	1982	Ostpp	Century Executive Park
Rocky Hill	945	Cromwell Ave	Retail	1	2,400	34,960	\$15.00	1979	Fuchs	
Rocky Hill	400	Capital Boulevard	Office	5	83,822	103,064	\$21.75	2002	Wakefield Cushman & Wakefield &	Corporate Ridge
Rocky Hill	40	Cold Spring Rd	Office	1	21,200	21,200	\$20.00	1983	Wakefield	Cold Spring Business Ctr
Rocky Hill	2189	Silas Deane Highway	Office Retail/Frm	1	920	20,000	\$16.50	1990	Colliers Down Condon	
Rocky Hill	21	New Britain Ave	Bnk	1	2,600		\$14.00	1984	Johnson	
Rocky Hill	1084	Cromwell Ave	Office	1	10,300	26,670	\$12.00	1989	CBRE	
Rocky Hill	70	Inwood Rd	Flex	1	13,500	41,000	\$7.50	1980s	CBRE	10% Office
Rocky Hill	70	Inwood Rd	Flex/Off	1	11,000	41,000	\$10.50	1980s	CBRE	100% Office 2nd floor office space in shopping ctr (Ames)
Rocky Hill	30	Waterchase Dr	Office	1	18,800	109,000	\$11.00	1989	ORL	
Rocky Hill	1845	Silas Deane Hwy	Office	2	800	13,152	\$11.25	1978	Riley	
Rocky Hill	1845	Silas Deane Hwy	Office	2		13,152	\$16.25	1978	Riley	
Rocky Hill	1111	Cromwell Ave	Office	1	15,792	42,000	\$20.00	2003	Collier Condon Dow &	Compass Point Office Complex with Medical
Rocky Hill	845	Brook Street Enterprise Drive (4th Wing)	Office/Flex	2	9,900	115,203	\$16.50	1990	CBRE	I-91 Tech Center
Rocky Hill	500	Wing)	Office	4	50,048	60,000	\$22.00	2005	CBRE	New Wing Just Opened

Rocky Hill	65	Inwood Rd	Flex	1	35,854	35,854	\$8.50	1990s	CBRE	35% office; Signature Bldg
Rocky Hill	175	Capital Boulevard	Office	4	26,067	91,500	\$22.00	1980s	CBRE	
Rocky Hill	2409	Main Street	Retail/Office	2	10,560	10,560	\$6.00	1956	ORL	Portion of Ames (Retail/Office)
Rocky Hill	1850	Silas Deane Highway	Office	1	1,750	7,350	\$12.50	1981	ORL	
Rocky Hill	2049	Silas Deane Highway	Office	1	4,150	26,700	\$14.50	1980s	CBRE	
Rocky Hill	2138	Silas Deane Highway	Office	1	4,400	12,000	\$14.50	1972	CBRE	
Rocky Hill	750	Old Main Street	Office	4	9,254	25,200	\$14.50	1975	ORL	
Rocky Hill	60	Belamose Ave	Industrial	1	100,000	264,000	\$2.50	1929	Collier Dow & Condon	
Rocky Hill	148	Dividend Rd (Bldg D)	Industrial	1	6,500	13,500	\$5.00	1973	ORL	
Rocky Hill	65	Inwood Rd	Flex	1	23,063	35,854	\$8.50	1980s	CBRE	35% office
Rocky Hill	273	Dividend Rd	Flex	1	8,000	28,000	\$7.50	1985	ORL	25% office
Rocky Hill	2418	Main Street	Office	1	217,797	217,797	\$13.75	1970s	Giulano	Ames HQ; Reuse 100k-office, 100k-retail
Wethersfield	1155	Silas Deane Highway	Office	1	12,440	19,000	\$15.75	1970s	Gallon	
Wethersfield	1177	Silas Deane Highway	Office	1	3,500	10,000	\$15.75	1970s	Gallon	
Wethersfield	1206	Silas Deane Highway	Office	1	1,825	1,825	\$22.00	1980	Macaluso	
Wethersfield	1290	Silas Deane Highway	Office	1	2,935	89,792	\$19.50	1980s	Hulk	
Wethersfield	1290	Silas Deane Highway	Office	1	1,415		\$18.00	1980s	Hulk	
Wethersfield	919	Silas Deane Highway	Retail/Office	2	1,200	8,000	\$17.00	1970	Miller	Early Wethersfield Bldg
Wethersfield	919	Silas Deane Highway	Retail/Office	1	750		\$13.60	1970	Miller	Early Wethersfield Bldg
Wethersfield	1155	Silas Deane Highway	Retail/Office	1	6,200	6,200	\$16.00	1991	Brockwell	Fmr Restaurant?
Wethersfield	709	Silas Deane Highway	Retail	1	2,416	15,000	\$19.00	2005	Boynick	
Wethersfield	709	Silas Deane Highway	Retail	1	650		\$22.15	2005	Boynick	w/1.5k-6k SF of Basement
Wethersfield	988	Silas Deane Highway	Retail	1	13,200	13,200	\$12.00	1970s	Boynick	across from Wethersfield SC
Wethersfield	967	Silas Deane Highway	Retail	1	9,000	14,000	\$12.00	1970s	Boynick	
Wethersfield	61	Arrow Rd	Flex	1	40,912	40,912	\$6.00	1967	Mondani	Arrow Rd. IP off Berlin Tnpk
Wethersfield	1000	Silas Deane Highway	Ind-Dist	1	105,000	105,000	\$3.50	1975	Press Cuozzo	fmr. Weight Watchers facility
Wethersfield	644	Silas Deane Highway	Retail	1	2,000	6,842	\$12.00	1957	ORL	
Wethersfield	78	Beaver Rd	Office	1	1,213	17,600	\$15.00	1988	ORL	
Wethersfield	1178	Silas Deane Highway	Retail	1	45,385	45,385	\$5.95	1960s	Mussman	Fun Zone
Wethersfield	370	Silas Deane Highway	Office	2	6,000	9,000	\$13.00	1965	H.Peirce	
Wethersfield	365	Silas Deane Highway	Office	1	1,600	5,940	\$11.00	1988	ORL	
Wethersfield	1323	Silas Deane Highway	Retail	2	3,800	11,000	\$10.00	1980	ORL	
Wethersfield	55	Town Line Rd	Office	1	5,000	15,405	\$13.50	1970	ORL	
Wethersfield	100	Great Meadow Rd	Office	7	35,262	158,522	\$23.00	1984	CBRE	Putnam Park
Wethersfield	100	Great Meadow Rd	Office	1	13,260		\$15.25	1984	CBRE	Putnam Park (Sub-lease)

Wethersfield	1290	Silas Deane Highway	Office	1	8,450	8,450	\$18.00	1980s	H.Peirce
Wethersfield	912	Silas Deane Highway	Office	2	3,620	26,000	\$15.75	1961	ORL
Wethersfield	465	Silas Deane Highway	Office	1	1,460	12,288	\$15.00	1971	ORL
Wethersfield	850	Silas Deane Highway	Office	3	7,100	13,675	\$13.75	1982	Collier Dow & Condon
Wethersfield	1160	Silas Deane Highway	Office	1	1,600	32,000	\$20.00	1987	ORL
Wethersfield	20-30	Beaver Rd	Office	1	2,891	21,000	\$12.50	1970s	ORL

Source: LoopNet.com; CERC SiteFinder & RKG Associates, Inc.