

# Tylerville Opportunities & Constraints Study

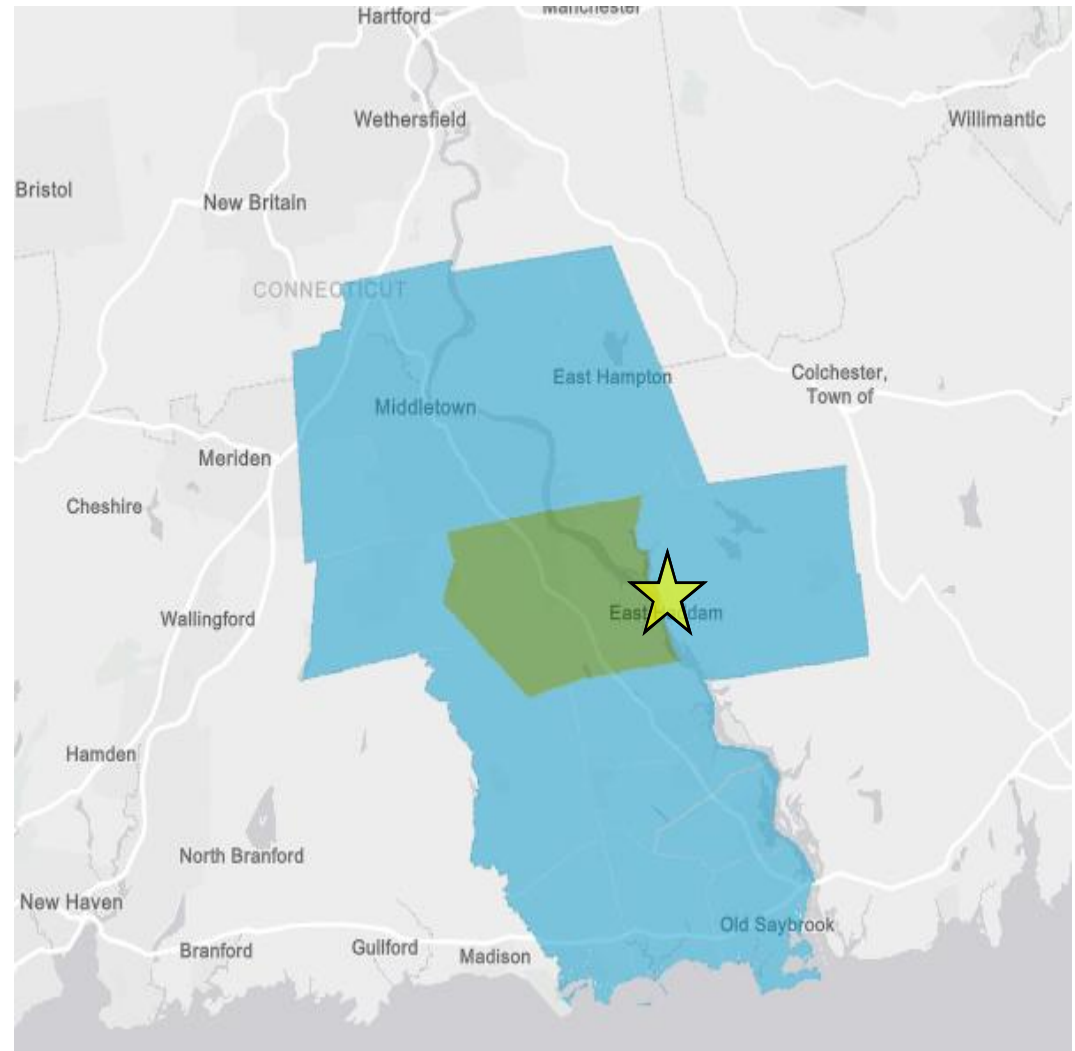
November 17, 2016

# Overview: Opportunities / Constraints

- Market feasibility (From Camoin Associates)
- Utilities / Infrastructure
- Land use
- Mobility / Connectivity
- Brand and image
- Open space
- Development opportunities
- Zoning compatibility

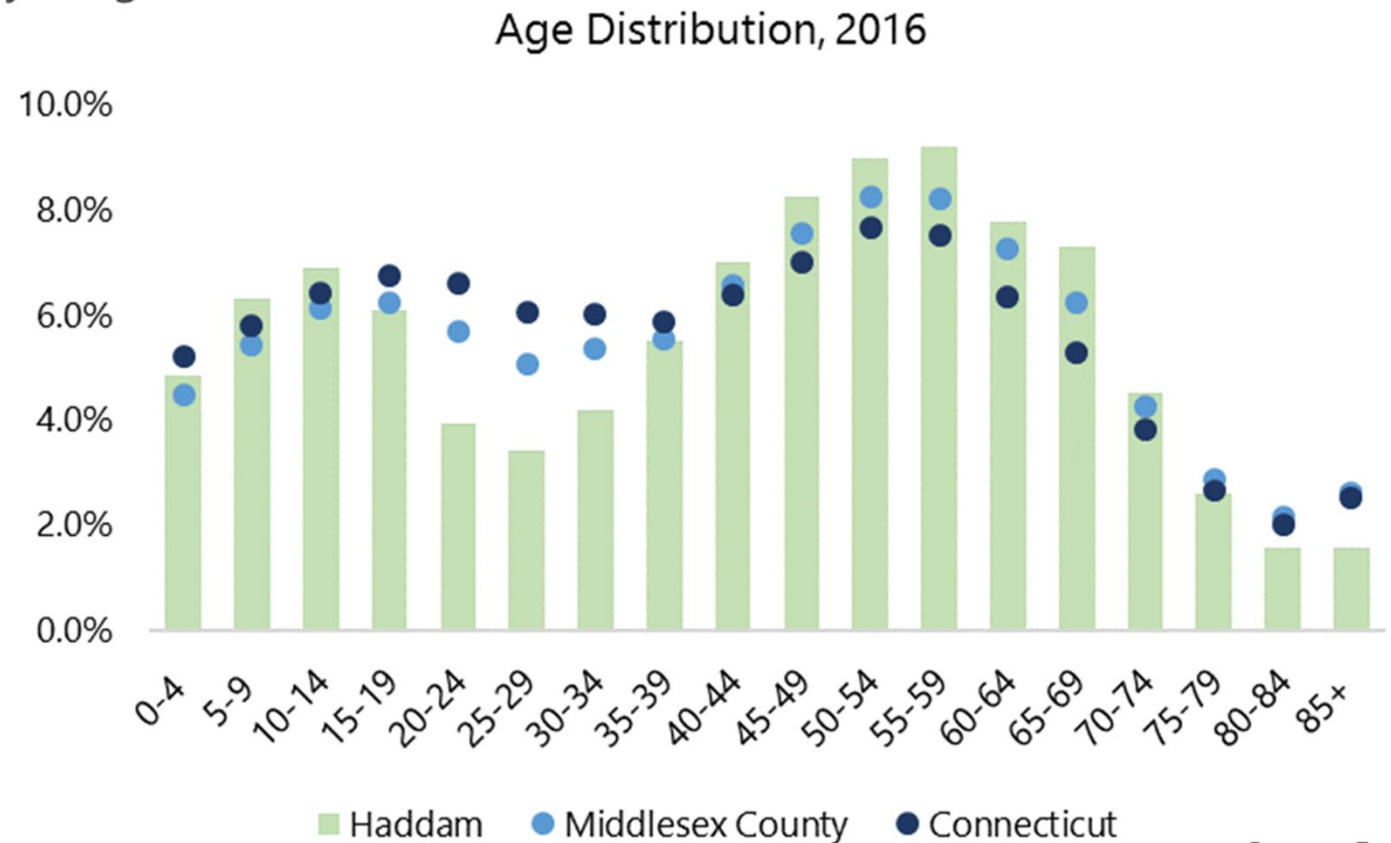
# Context: Market

- ▶ Assessment of supply and demand for:
  - ▶ Retail
  - ▶ Office
  - ▶ Residential
- ▶ Inform strategic decision making around land use regs.
- ▶ Framework for future development



# Local Market Profile

- ▶ Two market segments:
  - ▶ Baby boomers
  - ▶ School age kids
- ▶ Notable lack of young adults



Source: Esri

# Local Market Profile

- ▶ Limited Growth = Limited new demand for services, housing, retail, etc.
- ▶ Aging with little back fill
- ▶ Strong earnings = Spending power

## Quick Facts

Annual population growth

**0.7%**

0.2% – Middlesex  
0.3% – U.S.

Age group that makes up  
half of Haddam's population

**40-to-70**

Median Age

**46**

41 – CT  
37 – US

Households earning over  
\$100,000

**48%**

38.7% - Middlesex  
34.9% - CT

# Residential Market Profile

- ▶ Dominated by single family homes
- ▶ High-price point
- ▶ Low vacancy (4% w/seasonal excl.)
- ▶ Few rentals, limited options for quality
- ▶ Little activity following the recession
  - ▶ 400 Homes built between 2000-2009
  - ▶ 15 new homes built 2010 or later (ACS, 09-14 data)

## Quick Facts

Single family homes

**93%**

72% - Middlesex  
59% - CT

Median Home Value

**\$331,000**

\$297,000 – Middlesex  
\$283,972 – CT

Vacancy Rate

**8.5%**

11.1% - Middlesex  
8.5% - CT

# Residential Market Opportunities

## Multifamily Residential: Market-rate rentals or condo's

- ▶ Opportunities
  - ▶ Affordable relative to existing market
  - ▶ Diversify market, offer something new and unique
  - ▶ Low regional vacancy rates
  - ▶ Growing 55+ possible target market
  - ▶ Favorable national/regional market trends
  - ▶ Lot of activity in Middletown with FedEx Distribution Center (500 jobs)
  - ▶ Natural assets
- ▶ Challenges
  - ▶ Untested market
  - ▶ No downtown, suburban setting
  - ▶ Lack of young adults
  - ▶ Haddam is not on developers' "A-list"

# Office Market Profile

## Haddam/Tylerville

- ▶ Little office space available locally
- ▶ No “Class A” space, mostly Class C

## Middlesex County

- ▶ Market size: 3.4 million SF
- ▶ 250,000 SF currently available
- ▶ 7.2% Vacancy rate, trending down over last 5-years
- ▶ 0 SF currently under construction (reported)
- ▶ 12,000 SF built in last 12 months





# Office Market Opportunity

## Opportunities

- ▶ Growth in office utilizing industries
- ▶ Offer something new in the market
- ▶ Low regional vacancy rates
- ▶ Medical office space is growing sector locally, regionally, and nationally

## Challenges

- ▶ Suburban setting (currently)
- ▶ Public-Private Partnership to test the market

Projected Growth in Office-Utilizing Industries, Middlesex County					
NAICS	Description	2016 Jobs	2026 Jobs	2016 - 2026 Change	2016 - 2026 % Change
11	Crop and Animal Production	447	406	(41)	-9%
21	Mining, Quarrying, and Oil and Gas Extraction	<10	<10	Insf. Data	Insf. Data
22	Utilities	306	282	(24)	-8%
23	Construction	3,436	4,550	1,114	32%
31	Manufacturing	9,415	8,624	(791)	-8%
42	Wholesale Trade	2,251	2,423	172	8%
44	Retail Trade	8,706	9,400	694	8%
48	Transportation and Warehousing	1,502	1,789	287	19%
51	Information	510	289	(221)	-43%
52	Finance and Insurance	1,643	1,509	(134)	-8%
53	Real Estate and Rental and Leasing	491	543	52	11%
54	Professional, Scientific, and Technical Services	2,671	3,099	428	16%
55	Management of Companies and Enterprises	602	778	176	29%
56	Admin/Support & Waste Mgmt/Remediation Svcs	2,962	3,457	495	17%
61	Educational Services	3,792	4,230	438	12%
62	Health Care and Social Assistance	12,255	14,802	2,547	21%
71	Arts, Entertainment, and Recreation	1,260	1,327	67	5%
72	Accommodation and Food Services	6,376	6,866	490	8%
81	Other Services (except Public Administration)	3,141	3,616	475	15%
90	Government	10,745	11,163	418	4%
99	Unclassified Industry	17	25	8	47%
	Total, All Industries	72,535	79,183	6,648	9%
	Total, Office-Utilizing Industries	11,530	12,748	1,218	11%

Source: EMSI QCEW + Non-QCEW Employees, 2016.2. Self-employed excluded.

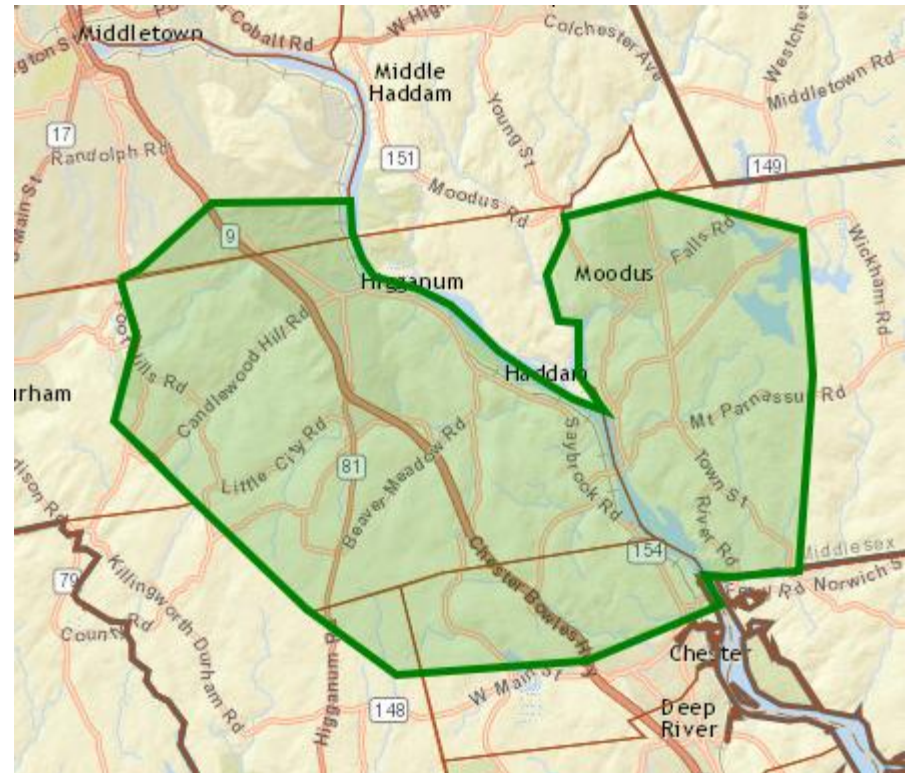
# Retail & Services Market Profile

Several centers with different identities:

- ▶ Tylerville – Niche businesses serving regional market, large metros
- ▶ Higganum – Serves local markets north
- ▶ Town Center – Public services (Jail, Library, Town Hall, Historic Society, Health Center, etc.)

## Retail Trade Area

- ▶ Strong spending power
- ▶ Traffic counts – Average daily: 10,700 Bridge Rd.
- ▶ Lack of “rooftops”
- ▶ Homogenous consumer preferences



# Retail & Services Market Profile

## 1D Savvy Suburbanites



Household  
Married Couples

Housing  
Single Family



Households: 3,592,861

4

Prof/Mgmt  
College Degree  
White

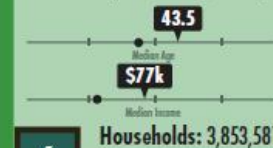
- Enjoy good food, wine
- Carry first, second mortgages
- DIY gardening, home remodeling
- Shop, bank online
- Prefer late-model SUVs minivans, station wagons

## 6A Green Acres



Household  
Married Couples

Housing  
Single Family



Households: 3,853,581

6

Prof/Mgmt  
College Degree  
White

- Are member of veterans' club, fraternal order
- Bank, pay bills online
- Do home improvement projects
- Watch TV by satellite
- Own truck/SUV

## 5A Comfortable Empty Nesters



Household  
Married Couples

Housing  
Single Family



Households: 2,988,619

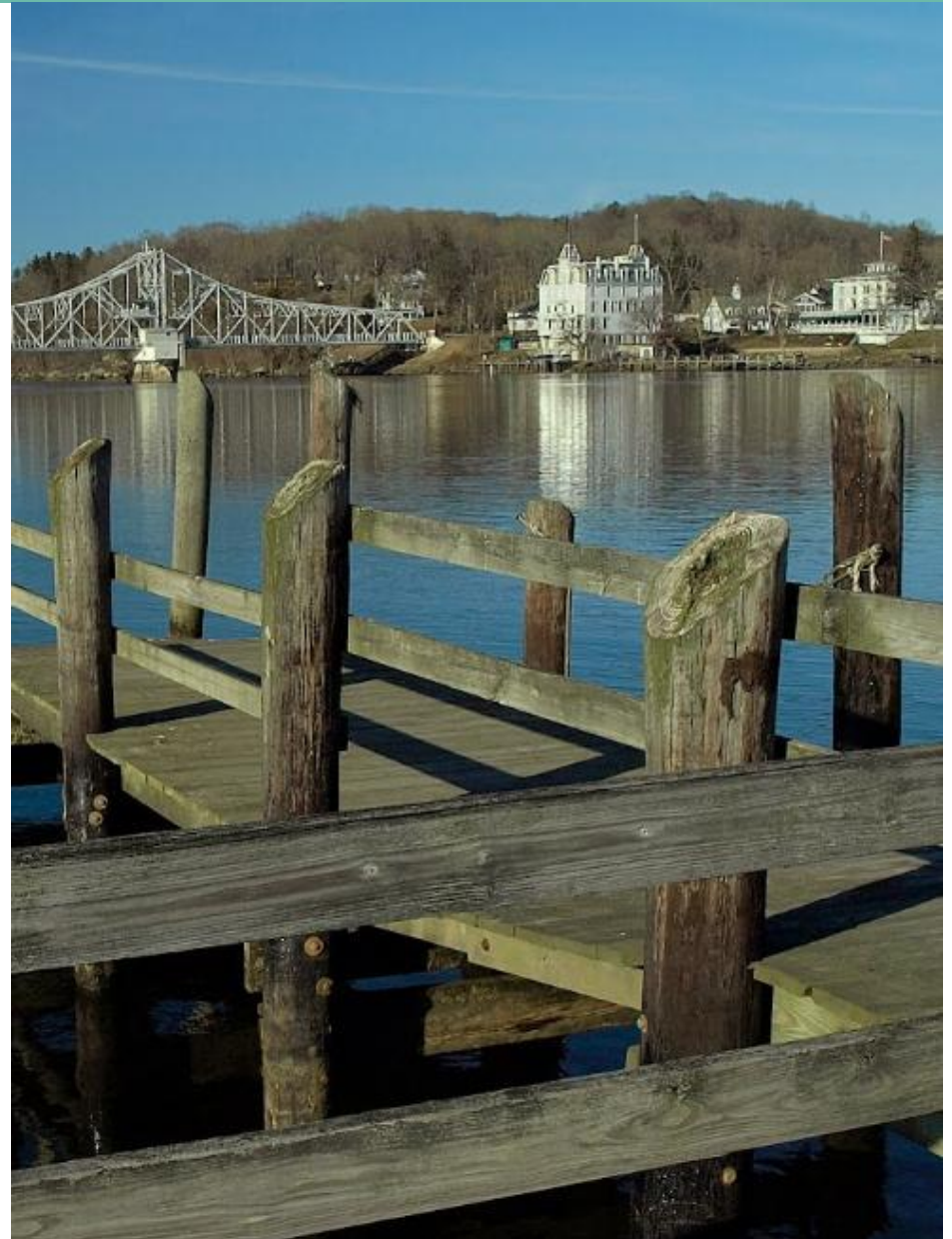
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Prof/Mgmt  
College Degree  
White

- Play golf; ski; work out regularly
- Save/Invest prudently
- Prefer to eat at home
- Listen to sports radio; watch sports on TV
- Own 1-2 vehicles

# Tourism Profile

- ▶ Small market, heavily seasonal
- ▶ Significant sector regionally & statewide
- ▶ Regional draw (1-2 hours)
- ▶ Identity: “Get away from the city”
- ▶ Driven by few large anchors nearby:
  - ▶ Gillette Castle
  - ▶ Essex Steam Train & Riverboat
  - ▶ Goodspeed Opera House
  - ▶ Niche Retail Businesses
- ▶ B&B's draw people locally
- ▶ Natural assets
- ▶ Trend is steady, some businesses seeing slight decline
- ▶ Tourists are looking for:
  - ▶ Places to eat
  - ▶ 2<sup>nd</sup> activity





# Retail Market Opportunities

New Retail Business Potential					
A	B	C	D	E	F
NAICS	Industry Group	Retail Gap	25% Leakage Recapture (C × 25%)	Average Sales per Business (CT)	Potential New Businesses (D / E)
7221	Full-Service Restaurants	\$ 9,827,946	\$ 2,456,987	\$ 502,532	4.9
448	Clothing & Clothing Accessories Stores	\$ 20,180,598	\$ 5,045,150	\$ 1,040,566	4.8
7222	Limited-Service Eating Places	\$ 10,593,717	\$ 2,648,429	\$ 692,075	3.8
4481	Clothing Stores	\$ 14,633,122	\$ 3,658,281	\$ 1,114,487	3.3
443	Electronics & Appliance Stores	\$ 19,953,365	\$ 4,988,341	\$ 1,763,768	2.8
4539	Other Miscellaneous Store Retailers	\$ 7,913,094	\$ 1,978,274	\$ 868,377	2.3
4451	Grocery Stores	\$ 48,384,872	\$ 12,096,218	\$ 5,934,025	2.0
4511	Sporting Goods/Hobby/Musical Instr Stores	\$ 7,897,583	\$ 1,974,396	\$ 1,048,862	1.9
4461	Health & Personal Care Stores	\$ 15,399,633	\$ 3,849,908	\$ 2,147,837	1.8
4411	Automobile Dealers	\$ 62,115,720	\$ 15,528,930	\$ 10,135,854	1.5
4532	Office Supplies, Stationery & Gift Stores	\$ 3,560,614	\$ 890,154	\$ 623,728	1.4
452	General Merchandise Stores	\$ 46,950,203	\$ 11,737,551	\$ 9,214,791	1.3
4413	Auto Parts, Accessories & Tire Stores	\$ 4,054,964	\$ 1,013,741	\$ 859,251	1.2
4422	Home Furnishings Stores	\$ 4,444,167	\$ 1,111,042	\$ 1,036,568	1.1

Note: Table includes retail categories in which at least one new business could be supported

Source: Esri, Camoin Associates

# Retail Market Opportunities

## Restaurant

### ► Opportunities

- Significant spending leakage in full- and limited-service
- All interviewees agreed!
- Offer high-quality, something different
- Lots of local agriculture - farm to table opportunities
- Proximity to Goodspeed Opera House

### ► Challenges

- Difficult business, need to identify right team - ideally national and local experience
- Suburban location
- Winter down-time

# Other Opportunities

## Maker Environment

### ► Opportunities

- Small business growth
- Unique local niche retail/service businesses
- Potential to help local businesses grow
- Tylerville Brand?

### ► Challenges

- No downtown, suburban setting
- Requires low price-points
- Higher churn rates of small startup-style
- Would need focused market analysis



# Other Notables

## Hurdles to Overcome

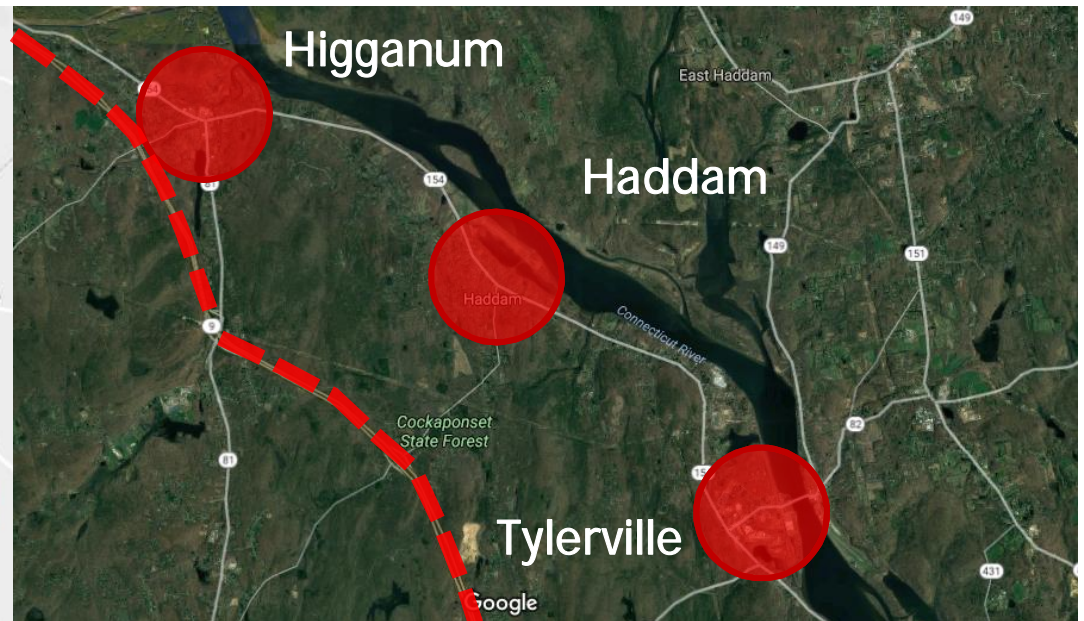
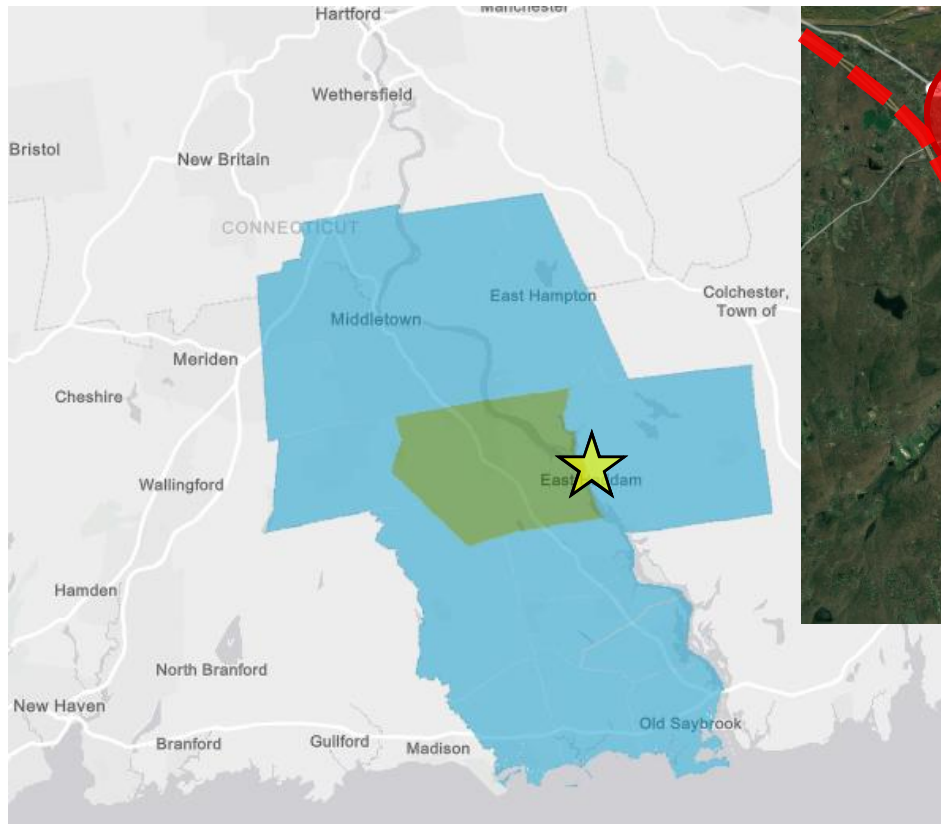
- ▶ Groundwater contamination
- ▶ Quality and availability of space
- ▶ “Multiple Haddams”
- ▶ Mill Rate
- ▶ Sense of place
- ▶ Alternative transportation
- ▶ Sewer capacity
- ▶ Telecommunications infrastructure

## Strengths to build on

- ▶ Traffic counts
- ▶ Maker business network
- ▶ Natural assets
- ▶ Proximity to attractions
- ▶ Business-friendly reputation

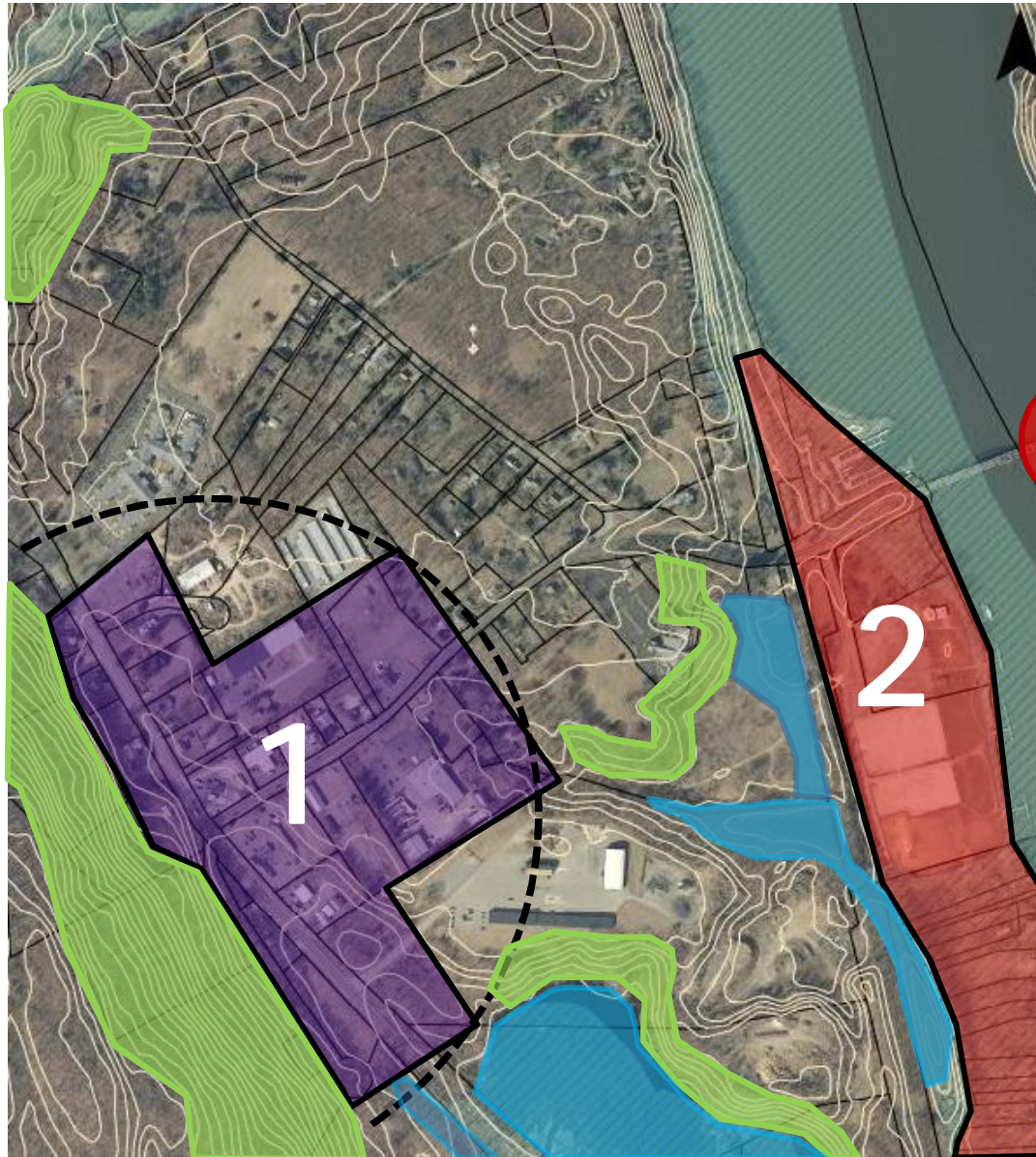


# Context: Land Use



- Market region
- Highway access
- Major routes
- Three villages

# Study Area Context



- 1 Mixed use village
- 2 Recreation / ecology
  - Marina, Cruises,
  - Potential Rail Connectivity
- 3 Entertainment / theater
  - Goodspeed

3

## Study Area: 1. Mixed Use Village

- ¼ mile walking radius from intersection
- Bi-Town cooperation
  - Haddam / East Haddam



Steep Slopes



Environmental sensitivity

# Infrastructure

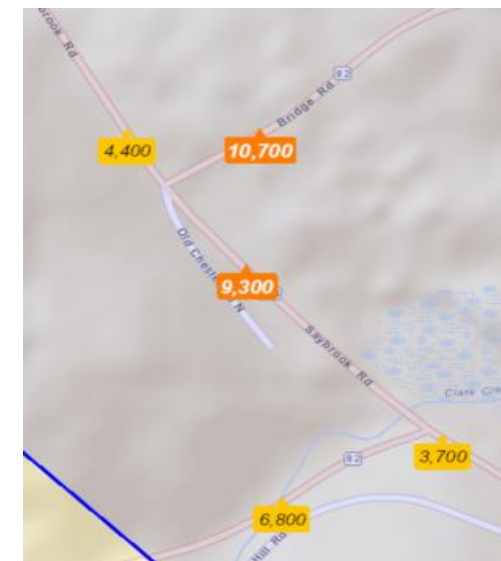
- Groundwater contamination assumed resolved. New water main connection from Chester (2020)
- Study area remains on septic
  - Develop septic suitability study to determine potential development build out feasibility
  - Investigate community septic systems and leach field alternatives
  - Investigate feasibility of package treatment plant
  - Investigate feasibility of sanitary connectivity to available systems.
    - *Incentive housing study concluded lack of density due to septic limitations.*
- Poor telecommunications an impediment
  - Town actively investigating “last mile” telecommunication options.
  - Improvements expected by Spring 2017.
  - Pursue high volume fiber optic service to expand business opportunities



# Market Opportunities and Constraints

## Constraints:

- Commercial space is dated and of “marginal quality”.
- All office space occupied
- Retail vacancy = 4.6%
- “Multiple Haddams”
  - Lack of unifying identity
  - Commercial Competition with Higganum (perception or reality?)
  - Opportunity for villages to complement versus compete.
- Infrastructure constraints effects market
  - Town must show active physical improvements in order to remove development uncertainty and incentive economic development.
- “Not strong demand for any single use”



Source: Esri

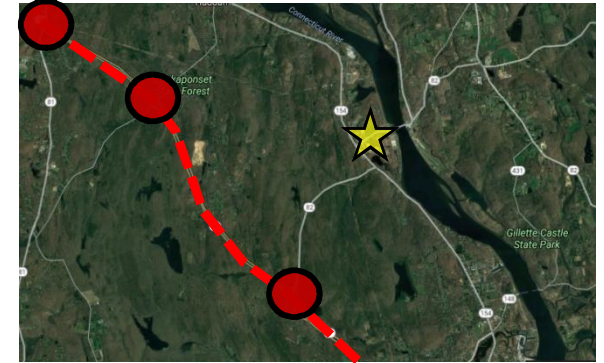
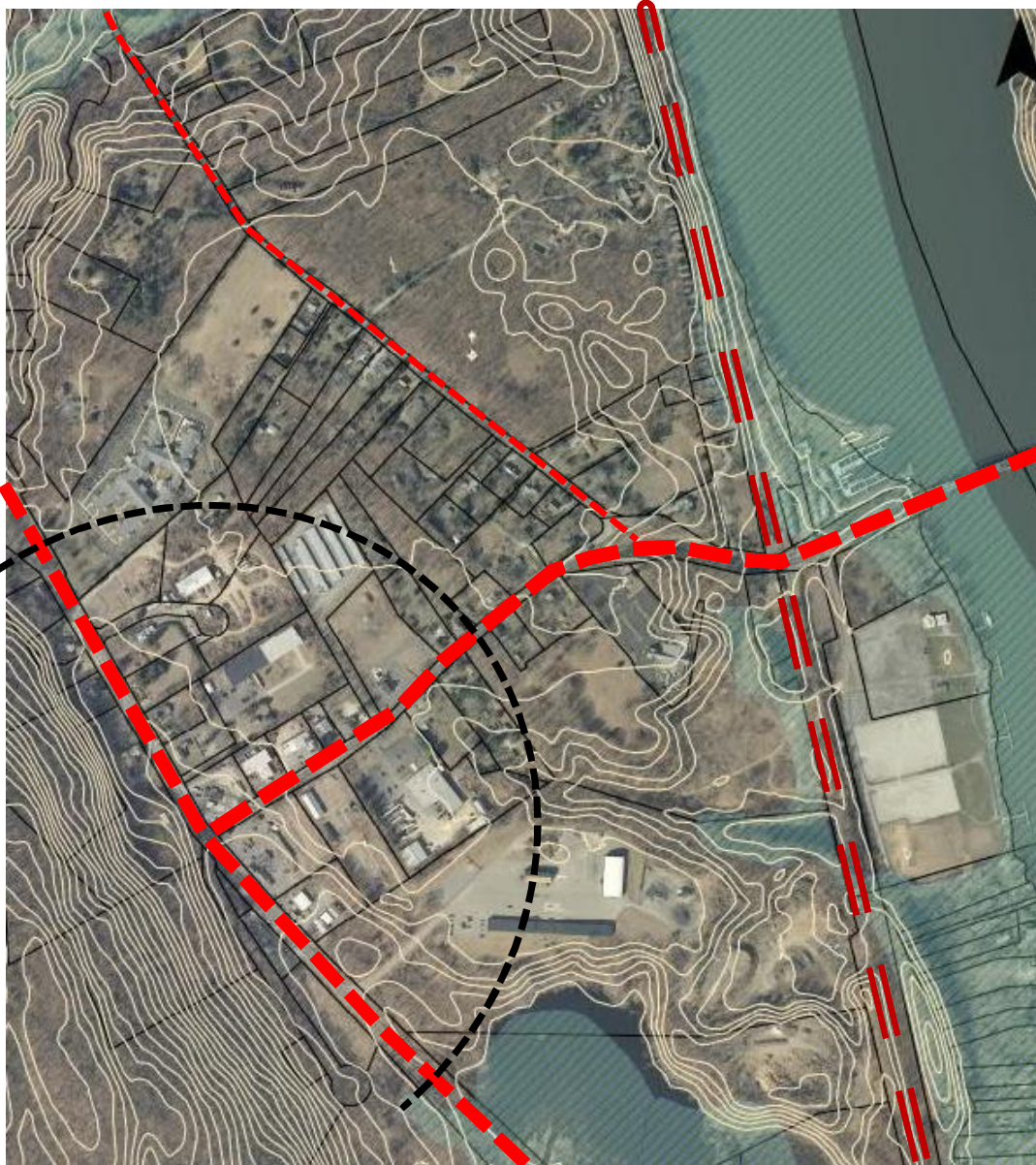
## Strengths

- Traffic counts (+/-10,000 ADT) Highest in Haddam
  - Attractive to smaller retailers
- Existing maker businesses (unique entrepreneurial spirit)
- Proximity to natural assets and attractions
- Business friendly reputation

# Market Recommendations

- High quality restaurants
- Some newer quality office space (minimal)
- Multi Family Residential
  - Complement to commercial uses
  - Untapped market in Tylerville
  - 20 – 30 units to start
- Provide expansion opportunities and retail components of existing maker spaces.... “Baker Space”
- Mixed use development
  - Market rate apartments / condos target to empty nesters
  - Market rate apartments targeted to young professionals
  - Small, niche retail
  - Maker space with sales component
  - Quality commercial office space specifically medical office
- Partner with private sector (Public Private Partnerships)
  - Blend private equity with public grant and low interest loan opportunities

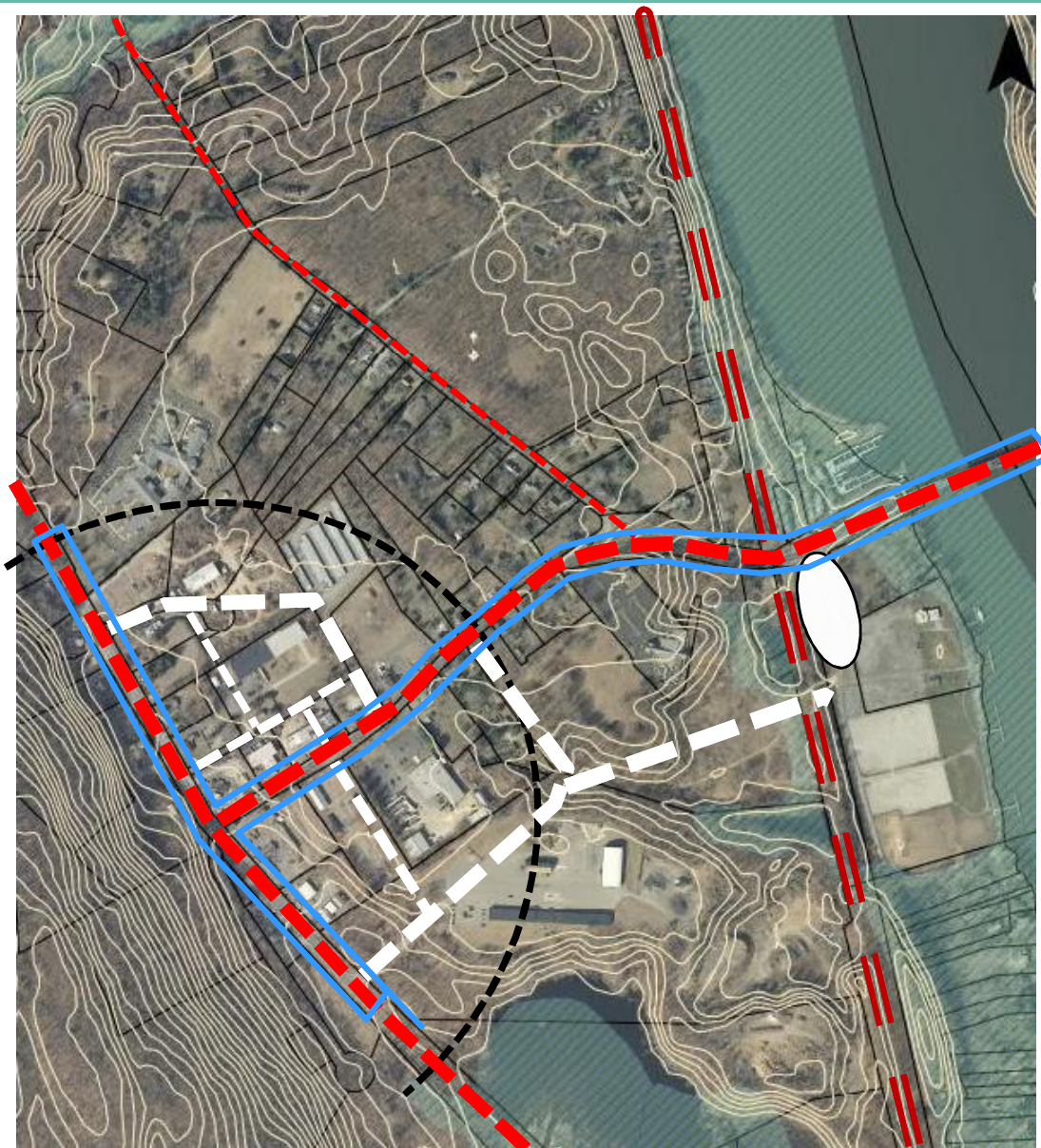
# Study Area Mobility / Connectivity



- Highway access and routes
- Primary and secondary roads
- Dial a ride and 9 town transit (good)
- Lack of multi modal opportunities / Connectivity
  - Lack of sidewalk systems
  - No bicycle facilities
  - No connections across river
- Unconnected internal parcels
- Roundabout at Saybrook and Bridge (DOT)



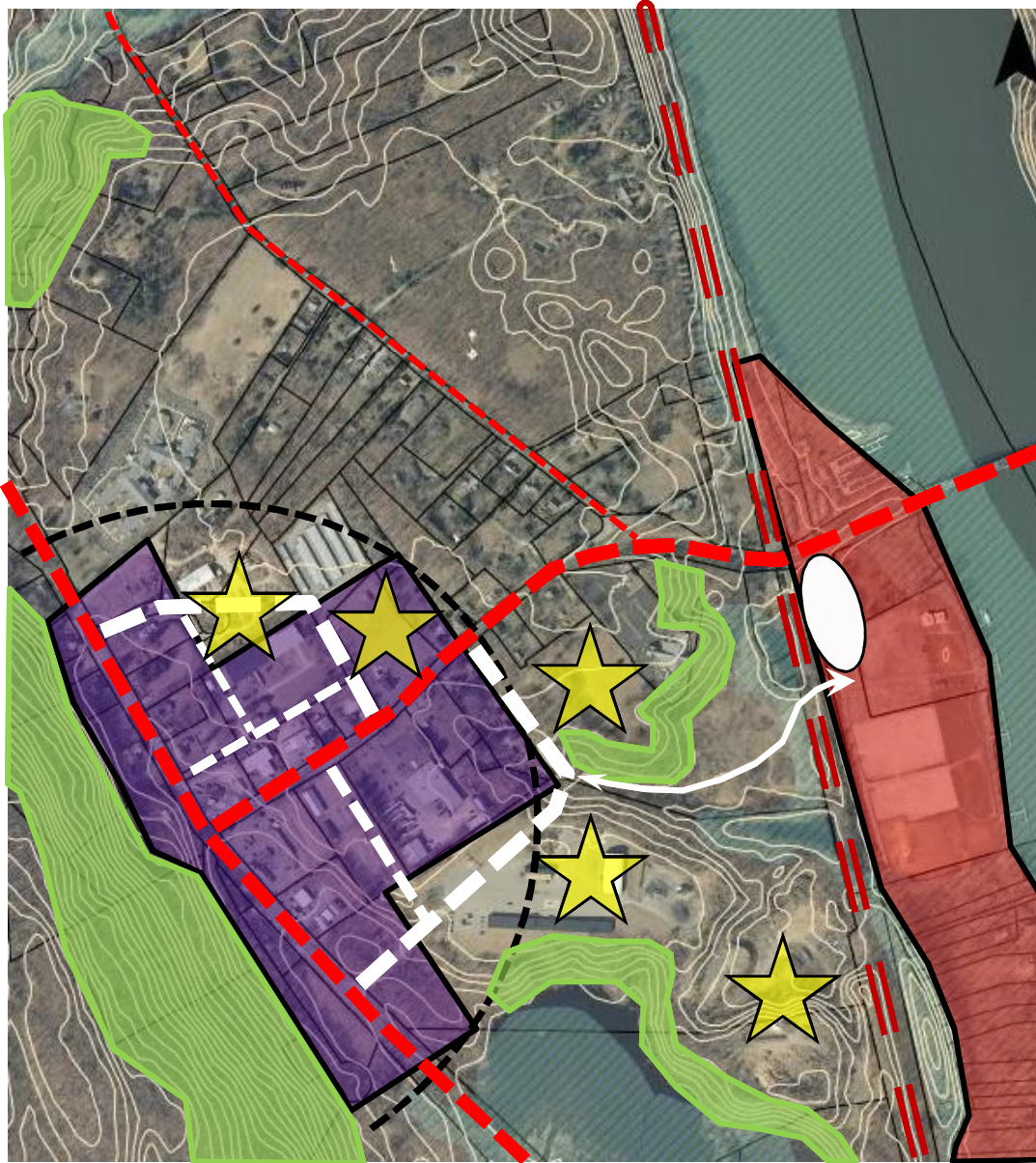
# Study Area Mobility Recommendations



- Increase connectivity
  - Investigate feasibility of bike / ped. connectivity along Bridge and Saybrook.
  - Encourage shared parking and internal connectivity between parcels
  - Approach state for bike / ped access across swing bridge.
- Form internal blocks with connected roads or drives in study area
- Complete streets approach to primary roads (car, bike, ped.). Sidewalks and streetscape required.
- Provide on street parking on all primary roads within ¼ mile of intersection. Traffic calming and retail benefit.

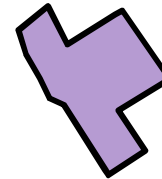


# Study Area Redevelopment Opportunities



## • Internal Redevelopment opportunities

- Primarily multi family developments
- Single land use acceptable if not fronting on primary roads.

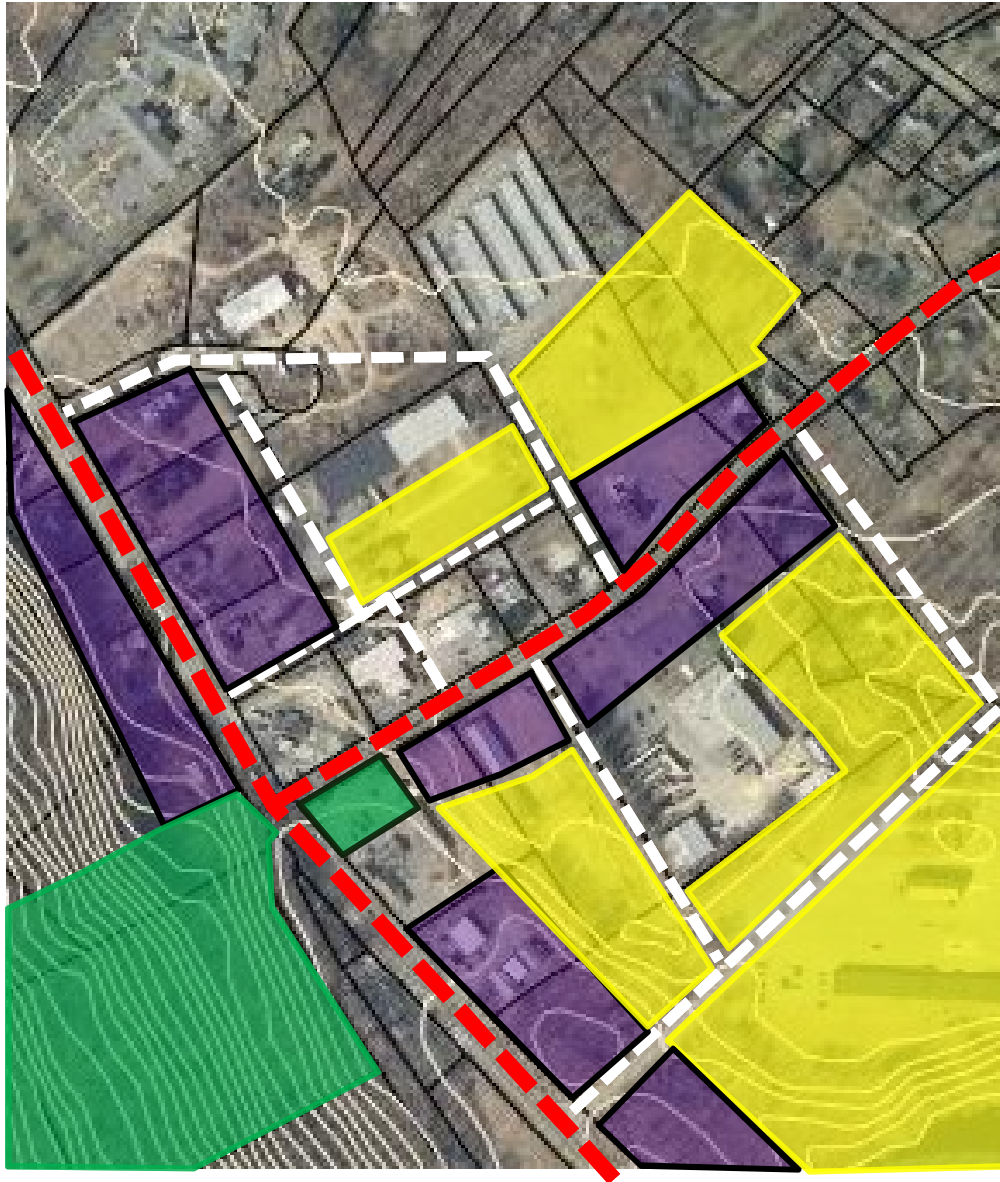


## • Mixed use and infill development opportunities

- Develop “build to” lines along street frontage
- Allow existing business expansion along primary roads
- Connect and share parking
- Promote 2-3 story mixed use structures with retail ground floors.
- Limit ground floor residential.



# Study Area Redevelopment Opportunities



- Develop guidelines to support desired future infill and redevelopment patterns

 • Public open space

 • Mixed use infill and redevelopment

- Encourage small business expansion along road frontage with retail uses
- Promote 2-3 story mixed use structures

 • Secondary infill opportunities

- Multi family residential. Min. 2 stories
- Service or incubator small business
- Single use okay

# Study Area Open Space / Public Realm



- Lack of gateway defining elements
- Lack of common / central gathering /activity space
- Public realm streetscapes non-existent
- No “there” there
- Lacks central focus and organization



# Study Area Open Space / Public Realm



- Develop gateways and wayfinding
  - Unique to Tylerville
- Enhance primary roads with streetscape amenities
  - On street parking
  - Sidewalk networks
  - Street trees and signage
  - Activity Nodes
- Consider a new central square in the parking lot at the south east corner of Saybrook and Bridge St.
  - Rearrange existing parking.
  - Coord. Regular events.
- Consider small gateway park at the western focal point of Bridge Street
  - Highly visible focal point
  - Trails up hill including viewing areas.
  - “Vertical Park” Selective clearing



# Intersection Concept



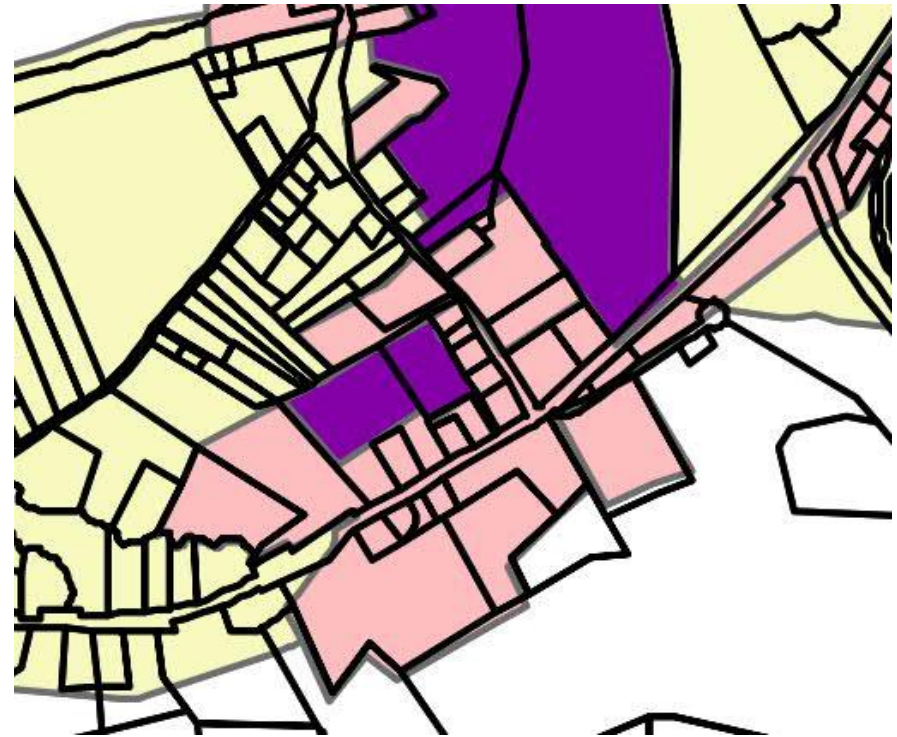
- A. Relocate parking, create new gateway open space
- B. Sidewalks with tree belts and on street parking
- C. Textured crosswalks
- D. Wider walks along buildings in Tylerville Village
- E. Gateway park focal point.
- F. Trails up hillside to viewing platforms
- G. Connectivity to potential future lodging

# Study Area Zoning Goals

- Goals supporting Tylerville economic development
  - Reduced / shared parking
  - Mix of uses
  - Ground floor retail defined
  - Resolution of infrastructure issues
  - Density bonuses
  - Parcel consolidation allowances
  - Clarity and ease of permitting
  - Political will

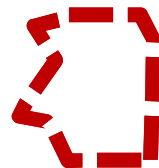
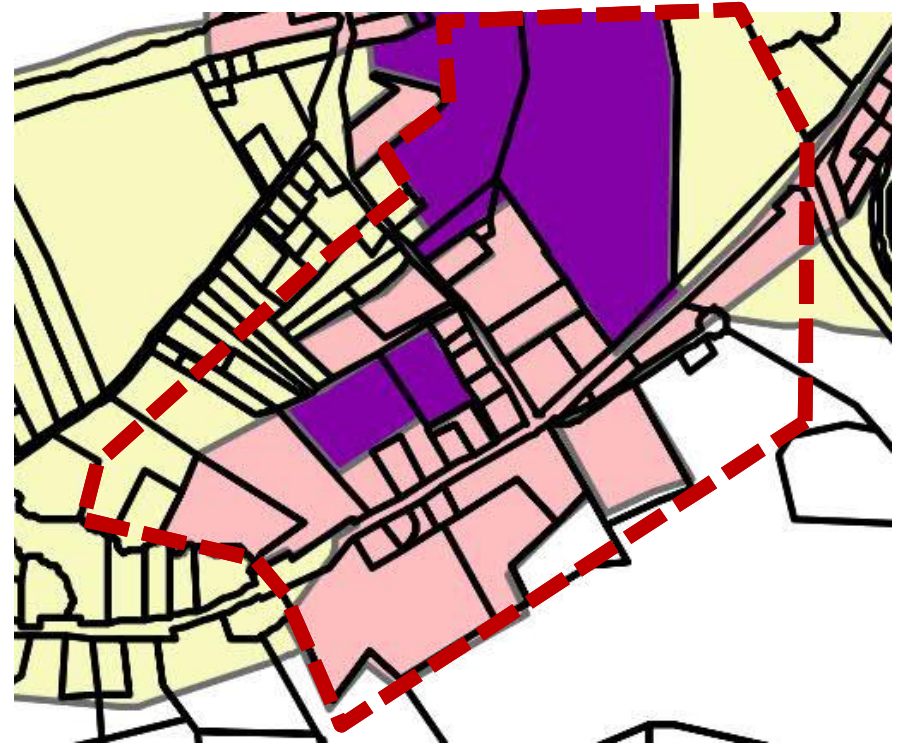
# Study Area Zoning Compatibility

- Relevant zoning sections
  - Residential zones
  - Commercial Zones
  - Industrial Zones
  - Village District (Higganum)
  - Mixed Use Within A Zone
  - H.O.D. overlay
- General Observations
  - No single resource specific to Tylerville
    - Higganum has Village District
  - No guarantee of desired redevelopment patterns particularly along major routes



# Study Area Zoning Compatibility

- Residential Zone
  - By right or special permit uses not supportive of mixed use higher density.
    - Bed and breakfast exception
- Commercial Zone
  - Allows mixed uses per Section 26
  - Special permit uses not applicable to desired development patterns or uses in Tylerville
  - No bulk requirements supportive of development patterns
  - Commission "may" require buffer to residences. Not applicable in mixed use areas.



Potential special  
district or overlay  
area



C-1 Commercial

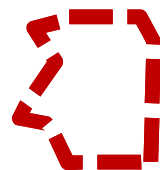
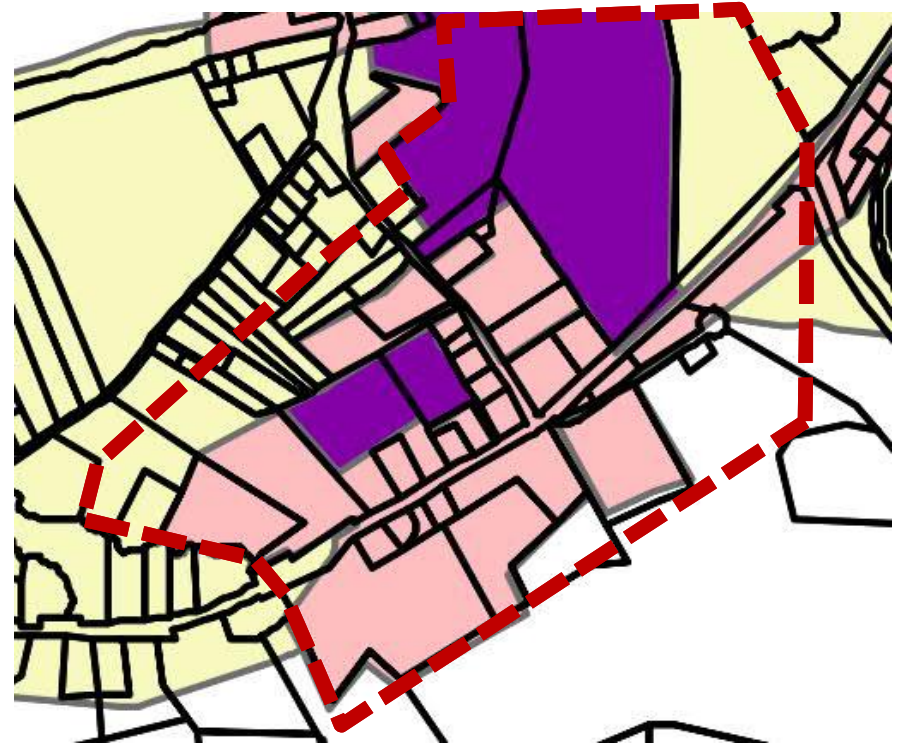
R-2A

IND Industrial



# Study Area Zoning Compatibility

- **Industrial Zones**
  - Located in potential future redevelopment areas: Not applicable
- **Mixed Uses Within A Zone**
  - Defines residential uses in commercial zone (10 DUA)
  - No bulk requirements or guidelines supportive of desired redevelopment patterns, e.g.. Retail located on primary road frontages.
  - No inter-parcel connectivity provisions



Potential special  
district or overlay  
area



C-1 Commercial

R-2A

IND Industrial



# Study Area Zoning Compatibility

- H.O.D. Overlay zone
  - Similar to CTGS 830-g
    - Affordability mandates 40 year deed restriction and “affordability plan” may limit market potential
  - Mandates public financing
  - Mixed Uses in accordance with Section 26 allowed.
    - See notes re: Mixed uses
  - Dictates pro rata phasing
  - Bulk requirements may not support desired development patterns
    - Commercial uses on primary roads
    - Build to lines
    - Coverage

Schedule of Area, Height, Bulk, and Placement Regulations for HOD Overlay Based on Underlying Zone				
	Underlying Zone			
	R-1	R-2	Commercial	Village District
Minimum setback from perimeter of property	20	20	10	8
Minimum setback from existing or proposed access street	30	40	30	10 Maximum
Minimum setback from proposed interior street	10	10	10	8
Minimum separation between buildings	20	20	20	20
Maximum height	40	40	40	40
Maximum height in the Gateway Conservation District	35	35	35	35
Maximum coverage	40%	30%	40%	70%

13B - 23

Consider maximum setbacks on major roads and drives

3 Story pitched roofs may exceed height

Site coverage should be increased to match Village District

# Study Area Zoning Compatibility Conclusion

- Zoning to support vision

- Requires further study and public input

- Goals and objectives developed through “visioning”
- Bulk requirements developed predicated on municipal “vision”
- Zoning strategy established
  - Text amendments to underlying zones
  - New overlay district

- Potential guidelines for Tylerville

- Buildings
  - Along Saybrook and Bridge, 2-3 stories. Retail / commercial first floor
  - Other areas in district - 1-3 stories, no first floor commercial requirement
- Build to lines along primary roads and drives (established from back of walk), 15 feet

- Parking

- Per existing regulations except:
  - For residential projects where a min. 50% of units are one bed room parking could be 1.5/unit

- Residential Density / Open Space

- Dictated by septic capacity
- 15 units per acre
- 250 sf common open space per unit

- Commercial Density

- Dictated by coverage requirements
- 15 units per acre

- Design criteria (requires further study)

- Mandatory drive and walk connectivity to adjacent properties
- Sidewalk widths: 10' minimum on major roads.
- On street parking
- Shared parking / reduced ratios
- Building design standards

# Incentivize Redevelopment Opportunities

- Resolve infrastructure issues
  - Publicize benefits (density)
- Create permit friendly environment
- Implement public improvements
  - Streetscapes and open space
  - Public realm aesthetics
  - Multi modal connectivity to East Haddam and within Tylerville
  - On street parking to count toward total req.
  - Develop gateways to define space
- Develop brand and publicize east.
- Develop design guidelines for Tylerville Center
- Promote existing “baker” business expansion to retail
- Develop property owner consensus on redevelopment opportunities
  - Define multi parcel redevelopment opportunities and publicize
- Pursue relevant grant sources
  - Infrastructure and public realm implementation
  - Grants and low interest loans which support private investment.
    - Promote willingness to form PPP
- Develop clearly defined zoning expectations and permit processes within Tylerville Center

# Appendix – Market Study

# Market Opportunities & Constraints for Tylerville in Haddam, CT

October 2016

Prepared for:

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## About Camoin Associates

Camoin Associates has provided economic development consulting services to municipalities, economic development agencies, and private enterprises since 1999. Through the services offered, Camoin Associates has had the opportunity to serve EDOs and local and state governments from Maine to California; corporations and organizations that include Lowes Home Improvement, FedEx, Volvo (Nova Bus) and the New York Islanders; as well as private developers proposing projects in excess of \$600 million. Our reputation for detailed, place-specific, and accurate analysis has led to projects in 29 states and garnered attention from national media outlets including *Marketplace* (NPR), *Forbes* magazine, and *The Wall Street Journal*. Additionally, our marketing strategies have helped our clients gain both national and local media coverage for their projects in order to build public support and leverage additional funding. The firm currently has offices in Saratoga Springs, NY; Boston, MA; Portland, ME; and Brattleboro, VT. To learn more about our experience and projects in all of our service lines, please visit our website at [www.camoinassociates.com](http://www.camoinassociates.com). You can also find us on Twitter [@camoinassociate](https://twitter.com/camoinassociate) and on [Facebook](https://www.facebook.com/camoinassociate).

## The Project Team

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# Table of Contents

Introduction .....1

Hurdles to Overcome.....2

Strengths to Leverage .....6

Market Opportunities for Tylerville .....8

Other Recommendations.....10

Attachment A: Haddam Jail - Notable Market Observations .....11



## Introduction

The team of Camoin Associates and Fuss and O'Neil has been retained by the Town of Haddam to conduct a supplemental market study and develop zoning district recommendations for the Tylerville area of Haddam, CT. The goal of this project is to identify the types of uses that can succeed in this area and recommend zoning regulations to allow such uses. The Town will also use this information to create public outreach and economic development strategies.

General information and supporting data on the Haddam region can be found in the Haddam Jail Market Analysis, which has been developed concurrently with this study. What follows in this document is a summary of opportunities, challenges, and recommendations specific to the Tylerville area of Haddam. As appropriate, we reference findings from the Haddam Jail Market Analysis (i.e. "Jail Study").

## About Tylerville

Tylerville is an area in the southeastern portion of the Town of Haddam, CT, centered around the intersection of Saybrook Road (Route 154) and Bridge Road (Route 82). It is an area without official boundaries, self-governing power, or taxing authority, though locals tend to identify strongly with Tylerville, in some cases more so than with Haddam as a whole. Tylerville is one of two principal commercial districts within Haddam, the other being Higganum in the northern part of the town. Tylerville is home to a collection of small retail businesses, including limited-service eateries, gas stations, a small grocery store, and specialty shops.

Most of the Tylerville area is plagued by groundwater contamination, which has had a negative impact on the area's ability to attract new business. The Town, in partnership with its State and regional economic development partners, has secured the funding necessary for a major infrastructure project, which will bring public water to the Tylerville area by 2020.

## Approach

The market summary provides a snapshot of Tylerville's strengths and challenges in terms of attracting investment to and fostering economic growth in the area. These observations and recommendations were derived primarily from the consultant team's ongoing work on the Jail Study, which includes a full economic and market trends study led by Camoin Associates. Information and knowledge developed as part of the Jail Study was supplemented with information specific to Tylerville collected through in-person and phone interviews with commercial and/or mixed-use property developers, economic development professionals, and licensed real estate professionals as well as some focused data analysis and market research, which is presented below.

The narrative below begins with a discussion of Tylerville's hurdles that must be overcome in order to grow the local economy, followed by a summary of the area's strengths from which to build. Throughout the hurdles and strengths discussion, we present several market-based opportunities for Tylerville. This summary report concludes with a list of recommendations, which Fuss and O'Neil will consider as they prepare recommendations for a new zoning district in Tylerville.



## Hurdles to Overcome

We begin with a discussion with an overview of general development challenges Tylerville must overcome to attract investment and economic growth.

### Groundwater Contamination

For most projects, the absolute biggest detriment to private sector investment is uncertainty. The more uncertainty there is surrounding an investment, the greater the return must be in order for a developer to take the risk. Alternatively, the more a community can do to reduce uncertainty, the more attractive an investment becomes because some of the risk is mitigated.

Uncertainty can come in many forms from an inefficient permitting process to weak market signals; however, for Tylerville, the contamination of groundwater resulting from historic uses on the Sibley property continues to be the biggest impediment to investment locally. Unknowns surrounding the extent and severity of the contamination in Tylerville has all but stopped any new investment from happening in the area.

As noted above, the Town has been working hard to address this issue and Tylerville will have a municipal system in-place by 2020, relieving Tylerville businesses and residents from relying on potentially contaminated groundwater.

It is important to note that the opportunities and recommendations outlined below were developed assuming that the water project proceeds as currently planned and Tylerville will achieve clean water by 2020.

### Quality and Availability of Space

Much of the commercial space within Tylerville is dated and of marginal quality. According to data from CoStar, there are 19 retail buildings in Tylerville containing a total of 93,800 square feet of rentable space. The median year of construction for these buildings was 1960, with only a handful built since 2000. Of the four office buildings in Tylerville, three are considered Class C and one is Class B. Total rentable area is 10,000 square feet. Three of the buildings were constructed in 1900 or earlier, and one was built in 2005.

According to CoStar, all of the office space is occupied, and retail vacancies are at 4.6% with only 4,300 SF of space available, which is a positive when considered from the supply side. However, some level of vacancy is needed in a healthy real estate market to ensure that potential businesses have opportunities to locate in Tylerville.

### “Multiple Haddams”

Interviews with stakeholders revealed a perception of “multiple Haddams” and a lack of unifying identity among the disparate parts of the town. Tylerville and Higganum are the two main competing areas of town, though other areas such as Haddam Center and Shailerville were identified as contributing to this lack of cohesion. Residents and businesses within the various parts of Haddam tend to only want to support—fiscally and otherwise—their own section of town with little sense of duty and obligation to the town as a whole. There is a lack of understanding around the need to work collectively toward common town interests.

Tylerville businesses in particular reported feeling scorned by other parts of Haddam that fail to recognize the importance of the commercial tax base in Tylerville for sustaining the town’s fiscal health and relieving the residential tax burden on all of Haddam’s residents.

## Mill Rate

Of the 15 municipalities in Middlesex County, Haddam had the sixth highest equalized mill rate in fiscal year 2014.<sup>1</sup> Municipalities closer to the shore generally have lower mill rates. In interviews, the towns of Essex and Chester were called out specifically as being more desirable for development because of their more competitive mill rates. Haddam's FY14 equalized rate of 22.14 is 34% higher than that of neighboring Chester and 55% higher than that of Essex. While the assessed value of a property is likely to be higher in Chester or Essex relative to a comparable property in Haddam, somewhat neutralizing the benefits of a lower mill rate, developers have noted Haddam's mill rate as a factor that discourages development.

Middlesex County Municipalities, Ranked by Equalized Mill Rate FY2014				
Rank	Municipality	Equalized Mill Rate FY 2014	Actual Mill Rate FY 2014	Actual Mill Rate FY 2017
1	Middletown*	28.11	33.80	41.20
2	Middlefield	24.68	33.24	32.84
3	Durham	23.87	32.66	35.31
4	Cromwell*	23.04	27.70	33.30
5	Portland	22.24	31.28	32.51
6	Haddam	22.14	29.48	31.20
7	East Hampton	19.40	26.63	29.44
8	Deep River	18.21	25.08	27.53
9	East Haddam	18.21	26.01	29.35
10	Killingworth	18.04	24.53	25.89
11	Clinton	17.80	25.43	27.14
12	Chester	16.48	21.95	25.57
13	Westbrook	14.59	20.98	23.14
14	Essex	14.27	18.99	21.58
15	Old Saybrook	12.63	15.20	19.26

\*Adjusted to include Fire District

Note: The Equalized Mill Rate, or Effective Tax Rate, is calculated by dividing the adjusted tax levy, as presented in the municipality's Tax Collector's Report, by the Equalized Net Grand List. The Equalized Net Grand List is the estimate of the market value of all taxable property in the municipality. Municipalities historically revalue their grand lists every 10 years; thus, there can be a marked difference between the market value of all property and the assessed value.

Source: CT Office of Policy and Management, Camoin Associates

<sup>1</sup> Source: CT Office of Policy and Budget. Most recent data year for equalized mill rate is FY2014.

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## Sense of Place

From an aesthetics perspective, Tylerville is severely lacking compared to nearby communities. Unlike other parts of the country, Connecticut is brimming with quaint and charming villages with attractive historic buildings and pedestrian-oriented main streets. Nearby East Haddam, Chester, Essex, East Hampton, and Middletown are all examples of varying sizes. Because of this abundance of historic downtowns, visitors to Connecticut have come to expect this in a community.

It is a significant challenge for a community where this is not offered to establish itself as a destination. While Tylerville has a number of interesting retail and dining establishments, the haphazard orientation of the structures and lack of aesthetic cohesion throughout the district prevents passersby from feeling any sense of arrival upon entering the area. To most, Tylerville is not particularly memorable or attractive but offers some basic services for those headed on to a more interesting destination. Few out-of-towners may be aware that the area known as Tylerville even has a name or distinct identity.

## Housing Options

Tylerville is dominated by commercial development with very few residential dwelling units within easy walking distance. While existing businesses seem to be well-patronized by customers from within the greater Haddam region and beyond, there is significant opportunity to serve existing and future local residents. Interviews with developers pointed to the lack of residents in the immediate vicinity of Tylerville as an obstacle to further development. In order to consider a location for retail development, national retailers site selectors often require a minimum resident population within a certain distance of a potential site, a threshold that Tylerville does not meet.

In addition to providing an expanded customer base for new and existing businesses, the provision of new housing in Tylerville can aid in diversifying the extreme lack of housing options within Haddam. Over 92% of housing units in Haddam are single-family homes, which tend to appeal only to a very narrow demographic segment. Moreover, only 15% of housing units are renter-occupied, again limiting the types of people that could call Haddam home. Said another way, when it comes to the local residential market, Haddam has “all of its eggs in one basket.” Multifamily housing, especially rental units, are needed in the town, to diversify and strengthen the housing market. Tylerville presents an opportunity for a mixed-use community, where new housing and businesses could support each other and improve the area overall.

## Alternative Transportation

Tylerville is almost entirely an automobile-oriented place with very limited infrastructure to accommodate pedestrian activity within the district and promote connectivity to nearby areas. Sidewalks and crosswalks are critical to a successful mixed-use area. Not only do they facilitate the flow of potential customers between various businesses, but the presence of pedestrians helps to activate an area and contribute to a sense of vibrancy.

The Bridge Road/Saybrook Road intersection is located about  $\frac{3}{4}$  mile from the center of East Haddam, an existing vibrant center that bustles with activity from the Goodspeed Opera House and various restaurants. With adequate pedestrian infrastructure in place along Bridge Road and across the swing bridge, a pedestrian could traverse this stretch in about 15 minutes while enjoying scenic river views.

## Sewer Capacity

A lack of sewer capacity limits the type and intensity of development that could occur within Tylerville. There is currently no public sewer system, and all properties are on independent septic systems. Developers are planning to address this issue in another part of town by installing a standalone system to support development; however, these systems are very costly and drive up overall development costs significantly.

## Telecommunications Infrastructure

Poor cell phone reception, wireless data access, and slow overall broadband speeds are significant impediments to business growth as well as attraction and retention of new residents in Haddam. The Town is actively weighing different “last-mile” telecommunication infrastructure options to address this issue and hopes to have significant improvements in place by Spring 2017.

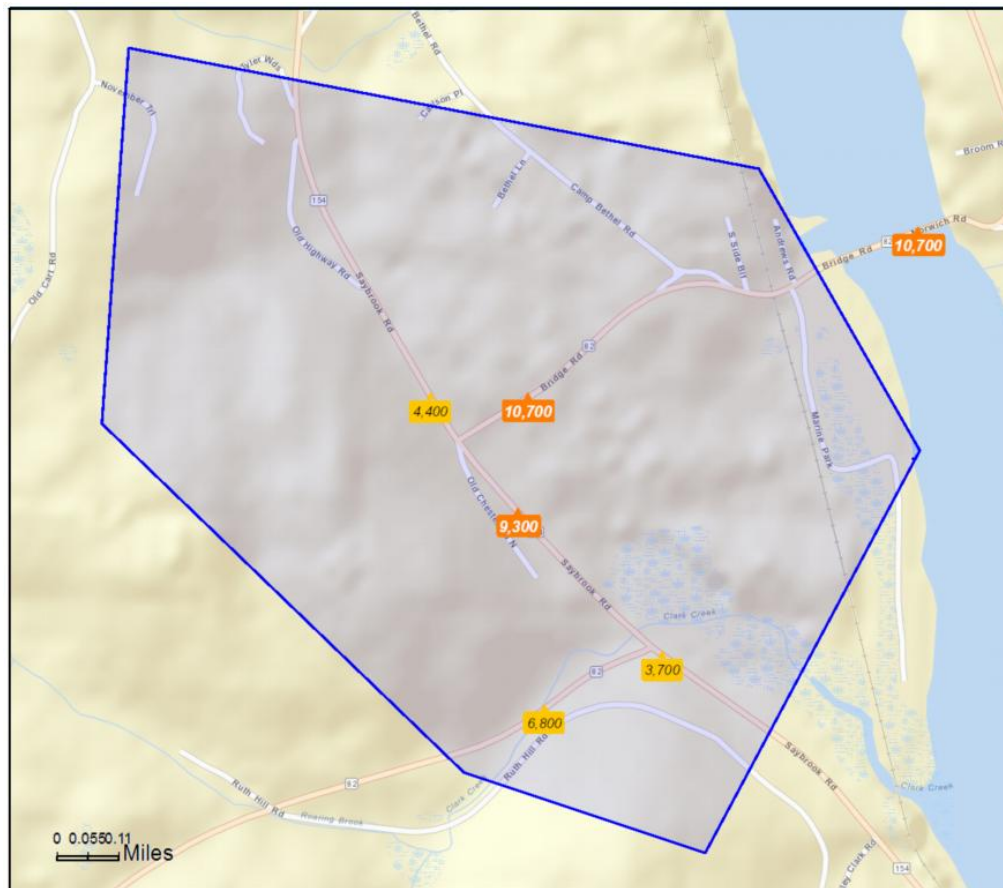
## Strengths to Leverage

The Tylerville area offers several characteristics that present opportunities for economic growth. These are identified below along with key uses based on current market conditions and emerging trends in the town and region.

### Traffic Counts

Tylerville is situated on the west side of the Connecticut River at one of the few bridge crossings in the region. The next closest bridge crossing is the I-95 bridge located over 14 miles south between Old Saybrook and Old Lyme, followed by the crossing 17 miles north between Middletown and Portland. A ferry crossing exists about 4 miles south between Chester and Hadlyme but is not heavily used. The limited number of crossings creates bottlenecks at the bridges, funneling a significant amount traffic over the East Haddam Bridge between Tylerville and East Haddam. Recent traffic counts show an average daily flow of 10,700 vehicles along Bridge Road between Route 154 and the East Haddam Bridge. The portion of Saybrook Road that is co-designated as Route 154 and Route 82 has counts of 9,300 vehicles per day. While this is below the threshold required by many national retailers, these counts are among the highest in the Haddam area and would be attractive for smaller, regional/local retailers.

Traffic Counts in Tylerville, Average Daily Traffic



Source: Esri

## Maker Businesses

Tylerville is home to a number of “maker” businesses, pointing to an entrepreneurial spirit within the community. Among these businesses are Whole Harmony Apothecary, a maker and seller of artisan teas and herbs; Creative Cakes by Donna, a cake designer and seller; and Steady Habit Brewing Company, a microbrewery. These businesses and others in Tylerville are small-scale operations that produce high-quality products and sell to a large geographical area. Customers are drawn from well beyond Haddam and the immediate region to patronize these unique businesses. This cluster of innovative businesses, and associated network of local entrepreneurs working together and supporting each other, is a unique asset within Tylerville that many communities would be lucky to have.

## Natural Assets

By most definitions, Tylerville extends eastward to the banks of the Connecticut River, a critical natural asset that drives much of the tourism and visitation within the region. Eagle Landing State Park, Andrews Marina, and the East Haddam Swing Bridge are points of interest in or near Tylerville where visitors can enjoy the scenic river.

## Proximity to Attractions

In addition to the river itself, Tylerville is situated close by to a number of other area attractions. Given its location on the west side of the bridge, many visitors must pass through Tylerville to reach attractions such as Gillette Castle, the Goodspeed Opera House, and East Haddam restaurants and shops. For this reason, businesses in Tylerville are able to capture spending of visitors passing through.

## Business-Friendly Reputation

During the one-on-one interviews with local business owners and real estate developers, we heard over and over how easy the Town staff is to work with compared to other nearby municipalities, particularly the Planning Department. Being seen as business-friendly by the development and business community is a critical advantage for Haddam. Offering a well-coordinated review process that quickly shepherds projects through, removes layers of uncertainty, and can save the private sector money.



## Market Opportunities for Tylerville

Based on the market observations outline above, and our continuing work in the Town of Haddam, we have identified the following uses as the greatest market opportunities for the Tylerville area.

### High-Quality Restaurant

As part of the Jail Study, Camoin Associates completed a retail gap analysis of the local retail trade area, within which Tylerville is situated. The categories with the greatest opportunity in the local trade area include full and limited service restaurants. The need for a quality eating establishments locally was echoed throughout the interviews. With the close proximity to Goodspeed and high traffic counts, Tylerville is an optimal location for this type of development. Please refer to the Jail Study for details on this opportunity in the Haddam Retail Trade Area.

### Modest Growth in Office-Utilizing Industries Regionally

With few options for commercial space in Tylerville, and modest growth in the types of industry sectors that occupy office space regionally, there may be an opportunity for Tylerville to capture some of this growth with new, quality office space. Refer to the Jail Study for a detailed assessment of the commercial office space market.

### Well-Positioned for Multifamily Residential Development

Tylerville has the opportunity to build on its existing cluster of businesses and complement commercial uses with multi-family residential. Mixed-use development patterns with residential and commercial uses in close proximity offer convenience to residents while providing a built-in customer base to businesses. Residential units—especially multifamily units—are a logical fit for Tylerville, given the dearth of this type of housing in the Haddam area.

On the whole, the population of Middlesex County is very slow-growing. Approximately 175 new households are projected in the county over the next five years.<sup>2</sup> However, while overall growth is sluggish, demographic shifts within the population present market opportunities for specific housing types that are currently in short supply. Essentially all projected household growth can be attributed to 65+ age cohorts. People in this range are typically retirees with grown children and many are seeking to downsize from large single-family homes. They may not yet be ready for a senior community (such as The Saybrook at Haddam), but would like a smaller, lower-maintenance home that is close to shopping and other amenities. Middlesex County is projected to gain over 2,500 households in the 65+ range over the next five years, and with relatively few options for these seniors to downsize, this presents an opportunity for Tylerville to capture a portion of these households.

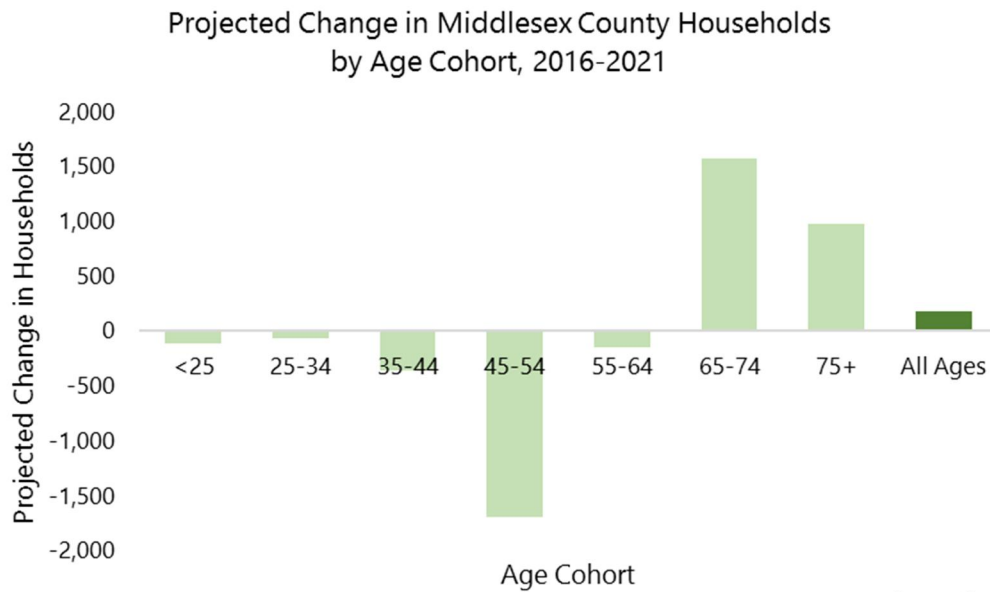
Young adults are another key market for multifamily housing that are critically underserved in the Haddam area. We learned through interviews that there is a significant number of young adults who would like to return to Haddam after college but are unable to find suitable rental housing. Moreover, over 11,000 young adults in Middlesex County between the ages of 18 and 34 live with their parents, or about 41%.<sup>3</sup> A good portion of these young adults would likely move out of their parents' homes and form their own households if they could find affordable housing options.

Based on past trends, Middlesex County is projected to lose about 180 households in the under-35 range in the next five years, as shown in the following chart. However, this trend can be reversed and is not inevitable. New multifamily units in Tylerville could give young adults who grew up in Haddam the ability to stay in or return to town.

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<sup>2</sup> Esri. Demographic and Income Profile. Middlesex County. Accessed September 2016.

<sup>3</sup> American Community Survey. Table B09091. 2015 5-year estimates.



*Source: Esri*

Tylerville is well-positioned to target the young adult and retiree demographics and attract these groups by constructing multifamily rental housing that is well-integrated with existing commercial uses. With a targeted marketing effort, Tylerville could likely support 20 to 30 new housing units to test the market. This would represent an increase in Haddam households of less than 1%, well below the 2% increase projected based on past trends.

### Mixed-Use Development

The market trends noted above tell us that Haddam and specifically Tylerville is experiencing a situation where—with the exception of a high-quality restaurant—there is not strong demand for any single use. Therefore, a new, high-quality product that is completely different from anything in the local real estate market is needed to steer future investment in a new direction.

A mixed-use approach offers several advantages: it supports 24/7 vibrancy of space, it allows development to occur when demand has been lean for one or more uses, and it diversifies the real estate investment by allowing it to better perform (financially) when demand in any one use is cyclic. Additionally, mixed-use development will help to add vibrancy to single-use sites in Tylerville, and parking can be shared.

Potential target markets for a mixed-use project include:

- Market-rate apartments and condos targeted to empty nesters looking to downsize (55-and-up)
- Modern, market-rate apartments for young professionals designed to accommodate an active lifestyle
- Small-scale, niche retail
- Design-create-sell space or “maker” space for growing small businesses
- Quality commercial office space, specifically medical office space

## Other Recommendations

### Increase Connectivity with Streetscape Enhancements

Currently, walking and biking along the streets of Tylerville is not easy. Streetscape improvements such as sidewalks, bike lanes, lighting, signage, etc. would create a more connected feeling and go a long way to improving sense of place for Tylerville. Over time these types of improvements will encourage visitors to stay longer and “explore” the community instead of driving to a single destination and leaving.

A good long-term goal would be to extend this multi-modal connectivity to East Haddam and encourage flow between the two commercial nodes, which are actually less than a mile apart but are perceived to be much farther apart due to the bridge and steep topography of the Connecticut River floodplain.

Another aspect of streetscape improvements from which Tylerville would benefit is stronger landscape design guidelines. For example, there are several properties where the parking lot pavement directly abuts the street without defined lot ingress/egress or any sort of landscape buffer. Higher-quality, consistent landscaping throughout the area would improve aesthetics and cohesiveness.

### Partner with the Private Sector to “Prove” the Market

Acting on “early” or “weak” trends that are difficult to see in a traditional market analysis can be a big risk for the private sector—there is a lot of uncertainty and inherent risk in acting on early trends. The Town’s land use policy and economic development initiatives should focus on incentivizing this type of catalytic project. Strong public-private partnerships will be critical for successful projects. Consider the use of Tax Increment Financing (TIF) and other financing tools to incentivize private-sector development

## Attachment A: Haddam Jail - Notable Market Observations

The following market observations have been derived from data research and analysis as well as one-on-one interviews conducted with real estate professionals, business owners, and local leaders.

### Socioeconomic Characteristics

No population growth = Limited new demand - While the region is not shedding residents, it is not growing substantially either, which means demand for new services or housing may be limited in the local market.

Town's population is bi-modally distributed – There are two large market segments in Haddam: later career (45 to 59 years) and school age children (5 to 19 years) with a notable lack of young adults (20 to 34 years).

Aging Market – Connecticut is the 7<sup>th</sup> oldest state in the Nation and Haddam is 5-years older than the state in terms of median age (and getting older).

Middletown – Offers a very different, more diverse market and may present an opportunity as Haddam's neighbor.

### Residential

Limited activity following the recession – After 2010, the number of new housing units coming online drops off substantially (less than 1% growth). Haddam is not at the top of developer's lists primarily due to high mill rate and lack of a downtown.

Older housing stock dominated by expensive single-family homes – There is a striking lack of diversity in the local housing market in terms of price points and unit type. Very few rentals or affordable options.

### Retail & Services

Strong Household Income = Spending Power – Existing residents earn more on average compared to the county and state, which equates to strong local spending power capable of supporting growth.

Underserved Market – There are few local retailers and services. Residents and visitors travel to other communities to make most purchases and to dine.

Segmented business communities - There appears to be some animosity between the Town's two business centers (Tylerville and Higganum), which will NOT be attractive to outside investors.

Full-service restaurant is needed – All of the data and interviewees agreed!

**Bottom Line:** There is little diversity and not a lot of movement in the market. Immediate opportunities are about re-capture instead of capitalizing on emerging trends or growing markets. Quality will be important. Tying in re-use to Haddam's history and telling a compelling story will be critical.

### Quick Facts

Annual population growth

**0.7%**

0.2% – Middlesex

0.3% – US

Age group that makes up  
half of Haddam's population

**40-to-70**

Median Age

**46**

41 – CT

37 – US

Households earning over  
\$100,000

**48%**

38.7% - Middlesex

34.9% - CT

Single family homes

**93%**

72% - Middlesex

59% - CT

Median Home Value

**\$331,000**

\$297,000 – Middlesex

\$283,972 – CT

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