

Feature Story - January 2006

Connecticut Resurgence

Urban Areas in Midst of New Housing Construction Push

by Adrian MacDonald

Up to two decades of planning have resulted in the construction of three new multifamily housing developments that illustrate Connecticut's urban revitalization.

While a larger, nationwide trend toward stronger urban housing markets is partly fueling this change in Connecticut's cities, the revival in places like downtown Hartford and the SoNo district of Norwalk also stems from careful city planning and significant public funding, which together laid the foundation for broad private investment in inner-city neighborhoods.

Urban renewal projects can often be too complex and costly for private developers to consider without a coordinated effort on the part of public agencies [see sidebar]. Three new developments in the core of two of Connecticut's largest cities - Hartford 21 and Temple Street in Hartford and Maritime Yards in Norwalk - provide a blueprint for how such public-private coordination are working.

The three projects have their residential focus in common but little else. Hartford 21 is a 36-story, \$161 million tower, one of the tallest buildings between New York and Boston. Temple Street Development is a multi-structure \$49.6 million project that will transform an abandoned shopping district. And Maritime Yards, a \$60 million, 197-unit residential complex, will be the latest addition to a six-parcel redevelopment transforming a swath of southern Norwalk.

Hartford 21 on the Rise Downtown

"We wouldn't have invested if it weren't for public funds," said Peter Standish, senior vice president of development for Northland Investment Corp. The firm, based in Newton, Mass., is developing Hartford 21, which broke ground in June, topped off in September, and is set to open this summer.

The tower is part of a six-project portfolio overseen by the Capital City Economic Development Authority, an agency that state officials created in 1998 to spur development in Hartford [see Quick Facts box].

The project was the last of the authority's six "pillars" to start construction. The state agency contributed a \$15 million subsidy, \$15.5 million in subordinated equity, and \$9 million in low-

interest loans.

Hartford 21 replaces an outmoded urban shopping mall owned by Aetna, a major Hartford-based insurance company. The three-story, 200,000-sq.-ft. mall stood in place for decades because the cost per square foot of demolishing and rebuilding on the site was prohibitive for redevelopment.

"The downtown was never big enough to support a mall that size," Standish said. "They couldn't retain anchor tenants. Aetna lost scads of money on it over time."

The L-shaped mall, built in the late 1970s, was part of the Hartford Civic Center complex on that block, which includes the still-operational Civic Center Coliseum that is home to major sporting events. The new tower stands at the corner of the former mall's "L" with an 11,000-sq.-ft. footprint. The project team is renovating the other wings of the old mall to create retail and office space to the north and a parking garage to the west.

"We ripped out everything, down to structure and slabs," said Dan Wilson, project manager for Turner Construction, which is handling the assignment as general contractor out of its Milford, Conn., office.

To fit the tower, Wilson's team cut out a 150- by 150-ft. hole in the existing building, removing three stories and excavating three levels below that. On the rest of the building, crews left only the external façade standing.

The west wing will feature a three-level parking garage above grade, on top of the existing underground three-level garage. The wing will be surrounded on the outside by two levels of street-front retail. The upper floors will have perforated panel walls to hide the garage.

"It was a sensitivity of the city when the design was proposed to camouflage the parking garage," Standish said.

The north wing will feature 93,000 sq. ft. of office space, first-floor retail, an athletic club, and an entry atrium serving the residential tower. The retail space will total 53,000 sq. ft., all at street level.

The tower will add 262 apartments to Hartford's market-rate housing stock, which has been expanding thanks to five years of renewal projects. Rents at Hartford 21 will start at \$1,500 for one-bedroom units, \$2,200 for two bedrooms, and up to \$5,000 for two-bedroom penthouse suites.

Temple Street Project Under Way

Temple Street Development finally began construction last February after four years of negotiations. The \$49.6 million project, which is using a \$4.7 million subsidy from the economic development authority, is expected to be complete by summer.

Without the state subsidy, the Temple Street Development would not have been economical, said Michael Ward, administrator for the Connecticut Housing Finance Authority, an independent state-chartered agency that is financing the developer's primary

loans. Temple Street extends for one block between Main Street and Market Street and for decades was blocked to traffic by a vertical series of glass pedestrian walkways and staircases, known as the "mixmaster." The feature once connected two historic department stores on either side of the street to form a pedestrian mall, but by the 1990s these stores had been shuttered. Under a separate contract, the city is demolishing the mixmaster, with plans to reopen Temple Street to traffic.

The new development takes up the property along the south side of Temple Street. The effort involves renovating the eight-story former Sage-Allen department store as market-rate housing, building a parking garage to serve residents, and constructing housing units intended to serve up to 168 college students, most likely from the nearby University of Hartford. Mark Levine, managing member of 18 Temple Street LLC, has hired Bartlett Brainard & Eacott of Bloomfield, Conn., as general contractor.

On the renovation effort, whose construction cost is \$16 million, the project team is gutting the store's interior to build 78 loft apartments over first-floor retail. It will also restore the building's historic façade.

Quick Facts

"Six Pillars of Progress"

Hartford 21, a 36-story, \$161 million residential tower, is one of six projects - dubbed the "Pillars of Progress" - that state officials in Connecticut envisioned when they created the Capital City Economic Development Authority in 1998 and gave it \$700 million to help spur redevelopment efforts. The other five are:

- the \$481 million Adriaen's Landing convention center, hotel, and parking garage complex completed last June
- the \$60 million conversion of a former department store to expand the campus of Capital Community College, completed in 2004
- a \$39 million, 2,300-space parking garage at Morgan Street, completed in 2003
- the new \$92 million, 40,000-seat Rentschler Field football stadium at the University of Connecticut, completed in 2003
- and ongoing improvements to a waterfront park along the Connecticut River.

"The renovations are tough," said Tom Anderson, project manager for Bartlett Brainard. "We're working close in to other buildings."

Behind the store, along the length of Temple Street, the team will build a \$5 million, three-level, 300-space parking garage. Two of the garage levels are below grade.

On top of the single at-grade garage level, the team is building 42 three-story town houses, arranged in two rows with a plaza connecting them. The town houses, whose construction cost is \$8.9 million, are intended for the student housing, which would also be available for corporate interns during the summer.

The town house units will consist of four bedrooms each with shared kitchen and living space. The team started foundation work for the garage and town houses last fall.

As on Hartford 21, the city required camouflaging of the parking garage, which entails installing a series of granite plaques along the length of Temple Street. The feature depicts historical scenes from Hartford, said Harold Roth, principal for Roth and Moore Architects of New Haven, Conn., which designed the entire project.

The new project complements other abandoned department stores that developers have successfully readapted since 2001 along Main Street. On the north side of Temple Street, the store formerly adjoining Sage-Allen is now a Marriott Residence Inn. North of that, another restored department store forms the centerpiece of Capital Community College's state-funded expansion.

Norwalk Adds New Housing Project

Norwalk, a similar story of revitalization shaped with public assistance is unfolding in the south Norwalk neighborhood, or SoNo.

For more than 20 years, city planners had envisioned a redevelopment of the Reed Putnam Urban Renewal Area, an unused 70-acre industrial site along the shore of the Norwalk River. Only recently did it find a strong-enough market to make any headway.

"The city had a vision, and the market needed time to catch up," said Candace Schaefer, development manager at Spinnaker Real Estate Partners of Stamford, the main developer on the six-parcel Reed Putnam site and other parts of SoNo.

Spinnaker already completed two other developments with public help on the Reed Putnam site, including the \$15 million Maritime Garage and Lofts, a 767-space parking garage surrounded by loft condominiums, shops, offices, and a restaurant - all finished last year under a public-private partnership. The other was the Lock Building, a \$20 million office complex financed with state bonds and completed in 2001.

While Schaefer said the success of the first two developments hinged on the public support, they in turn lifted property values enough to justify Maritime Yards, which Spinnaker broke ground on last summer. The \$60 million, 197-unit residential complex will include an eight-story, steel-frame condominium tower with 61 units, as well as two five-story, wood-frame apartment buildings with 68 units each. The first floors of all three buildings house retail space.

Construction of the foundations was substantially complete by early fall. The team had

begun steel erection and expected to be about 20 percent complete with the complex by last month.

As with the earlier phases, the city is contributing. It sold the four-acre parcel to Spinnaker for \$7.25 million, below the \$11.85 million market price. The city's \$4.6 million "contribution" formally offset various concessions or site costs that Spinnaker was assuming, according to Timothy Sheehan, executive director of the City of Norwalk Redevelopment Agency.

One part of the offset was the \$1.95 million cost of building on the riverbank soil, which consists of sand and fill over layers of soft organic silt as deep as 48 ft. Acting as geotechnical engineer for the city, Boston-based Haley & Aldrich determined that the site was "unsuitable for foundation support" and ultimately recommended pressure-injected footings, also called Franki piles, to support the structure. Another \$420,000 gave credit for the clean-up of industrial contaminants in the soil, predominantly arsenic.

The offset also factored in \$1.39 million in exchange for Spinnaker's commitment to reserve 10 percent of the units for affordable housing - units sold at 25 percent below market rates.

Key Players

Hartford 21

Owner: Northland Investment Corp., Newton, Mass.

Architect: Childs Bertman Tseckares, Boston

General Contractor: Turner Construction, Milford, Conn.

Structural Engineer: Weidlinger Associates, Cambridge, Mass.

M-E-P Engineer: Cosentini Associates, Cambridge, Mass.

Landscape Architect: Geller DeVellis, Boston

Civil Engineer: BSC Group, Glastonbury, Conn.

Temple Street

Developer: 18 Temple Street LLC, Hartford, Conn.

Architect: Roth and Moore, New Haven, Conn.

General Contractor: Bartlett Brainard & Eacott, Bloomfield, Conn.

Maritime Yards

Owner: Maritime Place Parcel 3 LLC, South Norwalk, Conn.

Developer: Spinnaker Real Estate Partners, Stamford, Conn.

Architect: Beinfield Architecture, South Norwalk, Conn.

Structural Engineer: McNamara/Salvia, South Norwalk, Conn.

M-E-P Adviser: Thornton-Tomasetti Group, Trumbull, Conn.

Civil Engineer: Vollmer Associates, Hamden, Conn.

Landscape Architect: Wesley Stout, New Canaan, Conn.

Geotechnical Engineer: Geo Design, Middlebury, Conn.

Urban Planning

by Adrian MacDonald

The resurgence of urban multifamily housing in Connecticut is not solely the result of favorable market conditions. The drive to redevelop core parts of cities such as Hartford and Norwalk had roots in public policy as well.

Connecticut's state government launched a major urban reinvestment program in 1998, focusing largely on the Hartford area but not just on housing, through the creation of the Capital City Economic Development Authority. It gave the new agency \$700 million and a charge to redevelop urban sites, starting with six strategic locations in Hartford capable of jump-starting the city's economy and sparking additional development [see Quick Facts box].

Since 2001, when the first of the authority's projects began construction, total private development around the city has grown to an estimated investment of \$1 billion, said Dean Pagani, a spokesman for the authority. And most of the additional projects - which include renovations of abandoned structures into apartments, condominiums, and retail-office buildings - received no public funding.

Other recent downtown projects include the creation of new movie theaters and a \$54 million revitalization of Constitution Plaza, a downtown office park, using only private funds.

State money is still at the center of the residential boom, however. The first residential deals to get off the ground in 2001 were longstanding projects where initial costs were too high to develop without the state's early involvement.

One example is the recently completed Trumbull on the Park, a renovated and rebuilt 100-unit apartment building with a development cost of \$39 million, to which the authority contributed a \$6 million subsidy. Another prime example is the 36-story, \$161 million Hartford 21 residential tower, which was one of the six strategic sites in the authority's portfolio.