

6.0 DOWNTOWN AND RETAIL DEVELOPMENT



MIDDLETOWN PLAN OF DEVELOPMENT

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6.1 Introduction

Middletown is endowed with a classic downtown encompassing governmental, institutional, educational, commercial, and retail uses. The retail component has struggled over the years due to competition from suburban locations. The downtown remains a pedestrian friendly area with a diverse architectural environment that is instrumental in retaining the city's history, quality of life, and community character. The Plan of Conservation and Development supports the following goals:

- *Focus downtown redevelopment efforts on cultural, educational, and entertainment uses.*
- *Encourage development activity that promotes greater connection and interaction with the Connecticut River riverfront.*
- *Support additional retail development within the Central Business District (CBD) and discourage its expansion to areas outside of the CBD.*
- *Plan for high-technology infrastructure that would attract additional commercial investment within the downtown area.*

6.2 Existing Commercial Areas

The Central Business District (CBD) has maintained its role as the major commercial area of the City, due primarily to planning policies that have discouraged retail expansion along the main arterials leading into Middletown. Only the plazas along Washington Street and South Main Street and the smaller-scale business areas on Newfield Street, Route 17, and Saybrook Road provide limited opportunities for shopping and commercial activity. Five existing commercial zones are keyed to Figure 6.1, showing both developed and undeveloped parcels. In 1998, the Planning and Zoning Commission created the Newfield Planned Commercial Zone along the Newfield Street corridor. This area has approximately 220 developed acres and 137 undeveloped acres.

(a) Downtown Area

The CBD extends from Hartford Avenue and Spring Street to the north, down to Union and Church Streets to the south. The Connecticut River and High Street define the eastern and western borders, respectively. Downtown's central focus is Main Street, a particularly wide four-lane road with diagonal parking on both sides of the street. Significant lengths of Main Street are lined with well-maintained, historic buildings that give Downtown a special quality and character. Additional assets include:

- a mix of office, residential and institutional uses that help to create a degree of activity throughout the day. The presence of municipal offices and the courthouse is particularly important in this regard.
- the proximity of the River and Harbor Park, despite the limited and indirect pedestrian access that presently exists to the waterfront.
- the presence of Wesleyan University, immediately west of Downtown, which adds stability to the CBD. However, Wesleyan's purchasing power could be improved in the downtown area.

Downtown's major weakness stems from the lack of strong retail activity, combined with a disproportionate share of social service and institutional uses. Traffic congestion (particularly at the Washington Street intersection with Main Street) and the appearance of the Downtown area were additional problems cited in the residents' survey carried out in August 1999. The continued involvement and connection with Wesleyan University also needs to be addressed.

A number of actions have been undertaken by the city over the past decade that have reinforced the role and importance of the downtown area. These actions include:

- Preparation of the Downtown Visions 2000 and Beyond report, which was adopted as part of the 1990 Plan and is referenced as a part of this Plan.
- A detailed downtown market analysis (the Mullin Report).
- Establishment of the Main Street program for Downtown (1997-2001).
- Attraction and construction of a new movie complex and police station with retail frontage.
- Renovation of the historic armory building along Main Street into a hotel.
- Preparation of studies for long-term improvements related to riverfront access, including the Route 9 reconstruction project.
- A Downtown Business Taxing District (DBD) April, 2001. This taxing district will provide a reliable source of funds for improvements in the downtown.

(b) Washington Street (Route 66) Corridor

Two commercial areas, less than one-quarter mile apart, are located along Route 66 leading into Downtown. Both areas provide a mix of retail and service uses, including fast food outlets and automotive services. The district further west includes two retail plazas, with Washington Plaza, on the north side of Route 66, being the stronger and including Staples and Waldbaum stores. The



Washington Plaza, Route 66

commercial area nearer Downtown includes smaller-scale business uses that are typically found in strip commercial districts. Both areas are characteristic of strip retail corridors found along urban highways. Unrestricted signage, multiple curb cuts, the lack of pedestrian amenities and minimum landscape treatment has combined to produce a poor quality image for this major entry into the City, an issue that was addressed in the Plan of Development prepared by the City in 1990.

(c) Route 17 and Saybrook Road



Commercial area along Saybrook Road

Two other business zones are located to the south of Downtown. Mixed retail and commercial service uses occur within the B-2 Zone located along the South Main Street (Route 17) corridor, between Norfolk Street and Durwin Street. To the east, scattered business uses occur within the zone bounded by Randolph Road, Saybrook Road, and Route 9.

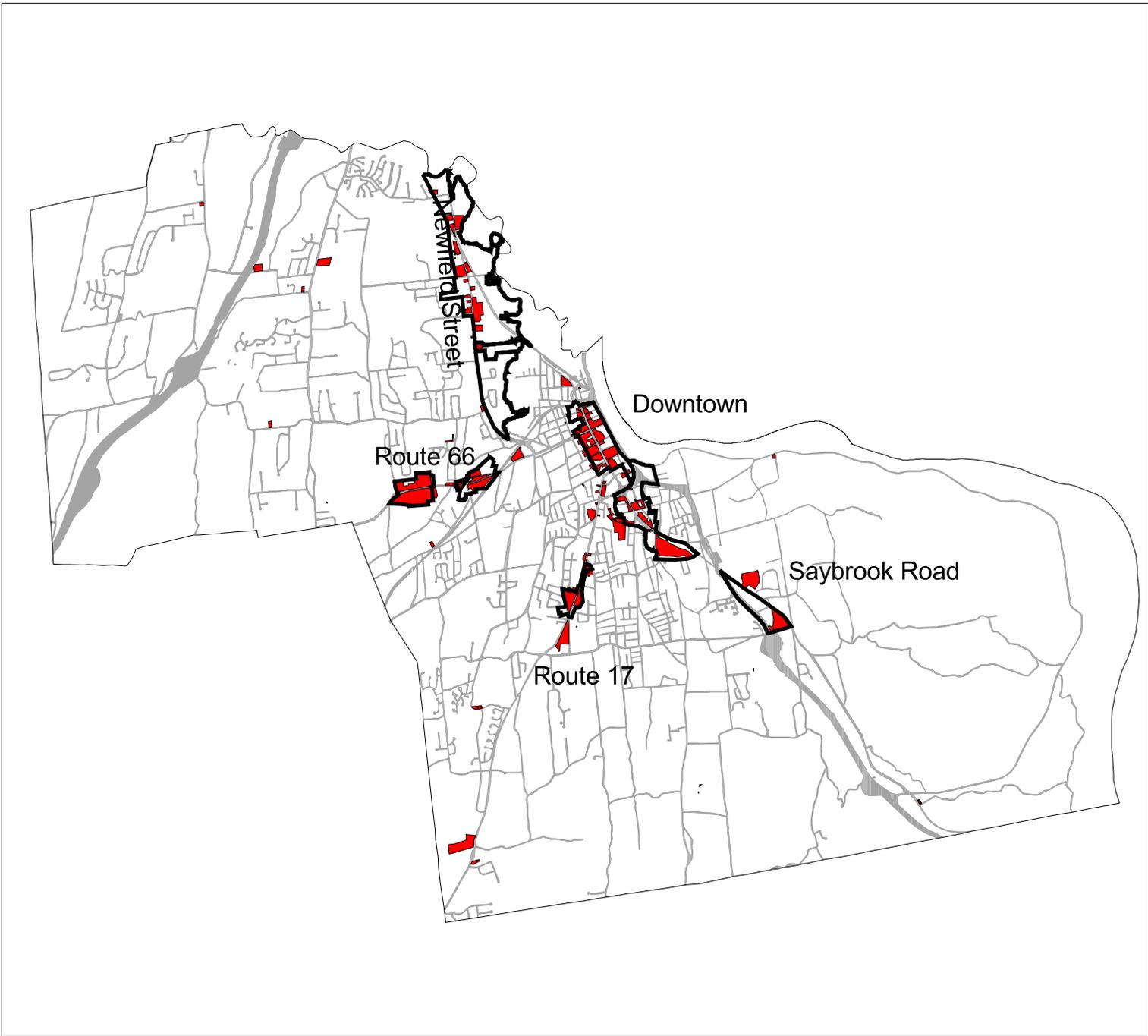
(d) Newfield Planned Commercial

In 1998, a city-sponsored study recommended that the area north of Congdon Street along Newfield Street should be classified as a Planned Commercial/Industrial zone. As a result, 356 acres were rezoned to create the Newfield Planned Commercial (NPC) zone. A number of commercial establishments have been built here, many auto-related, and the uses are similar to existing commercial areas in Cromwell. There is considerable vacant land in this zone, though its proximity to the Mattabasset River means that a good portion of the land has environmental constraints.

6.3 Office Property Market Indicators

Middletown is a secondary office market characterized by relatively little Class A office space and a regional market orientation in most office activities. Limited headquarter or front office functions are present, though Aetna/US Health Care, the nation's largest healthcare and insurance company, has consolidated its 5,000 employee group operation here, and Middlesex Mutual, a successful regional property casualty insurer, is located in the City. Other notable new firms, like Aerospace Technologies, combine office, R& D, and production functions on site in multifunctional structures.

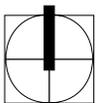
The City's largest private operations are located in Class A office space, while multi-tenanted Class B and C office buildings are relatively few in number. Class A office space represents the prestigious office buildings with excellent access and visibility, high-quality finishes, and high rents. Class B office space competes for a wide-range of users and typically pay average market rents. Class B buildings have finishes that are fair to good for the area and systems that are adequate, but the building does not compete with Class A office space at the same occupancy cost. Class C office space users look for functional space and typically pay rents below market



**MIDDLETOWN PLAN OF DEVELOPMENT
Middletown, CT**

Figure 6.1 Commercial Areas

- Developed Commercial
- Zoned Commercial



0 5000 10000 15000 Feet

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averages. One large building – the former Weekly Reader building, a 90,000 square foot 3-storey structure on Long Hill Road – has recently been sold and has been leased. Eight Downtown properties contain small leases ranging from 800 to 7,000 square feet. While the majority of leases are located in the Downtown, the periphery of the CBD (E. Main and Main Street Extension) contains four available properties. The IT zone has several small office leases, as well as several flexible office/industrial properties, and two industrial sites (totaling 80 acres) offered for office development.

According to Cushman & Wakefield, 18 percent of Middletown’s tracked office inventory (700,000 square feet) is currently vacant. While this excludes more marginal office properties and flexible leases, as well as the City’s two public office buildings – city hall and the courthouse – the inventory appears accurate with respect to Class A and Class B commercial office structures. In 1999, the 250,000 square foot Class A sector in Middletown posted a healthy 2.3 percent vacancy rate. The current asking rate for Class A buildings is \$19 per square foot, while the average rental rate is \$16 per square foot.

Table 6.1
Available Properties in Existing Office Buildings & Office/Flex Buildings

Office Buildings=-				
# Properties	Zone	Square Feet	Rents	A/C
10	(1) CBD	75,930	\$10-\$13	2 yes; 1 n/a
1	(4) B-2 Zone	1,720	n/a	n/a
4	CBD Periphery	44,400	n/a	n/a
2	IT Zone	2,670	\$19	n/a
17 Total		124,720		
Office/Industrial Flex Buildings=-				
2	IT Zone	36,000	n/a	n/a

Source: INFORM unpublished data; Cerc.com, ReMax, Cushman & Wakefield web sites.

Given Middletown's airport and interstate access -- as well as its historic, cultural, architectural, and educational resources -- it should be possible to attract a more diversified office sector drawing from information-technology and niche-market professional firms by means of aggressive marketing strategies and support programs.

Together with Cromwell, Berlin, Rocky Hill and Wethersfield, Middletown comprises the *Southern submarket* of the Greater Hartford office market. Collectively, the area started the 2000 decade with sustained signs of improvement in real estate markets as direct office vacancy rates tightened to lowest levels among Hartford’s suburban submarkets (excepting the *Western* suburbs). The *Southern submarket* consists of 2.7 million square feet of detached office space in multi/user buildings, of which 258,000 square feet are directly available. Middletown accounts for one quarter of the inventory but roughly half of the available space.

At a submarket vacancy rate of 9.7 percent by the end of 1st Quarter 2000, the *Southern* area compares favorably to vacancy conditions in the Hartford CBD (20.5%), and the *Northern* and *Eastern submarkets* (12.6% and 10.1% respectively). Direct vacancy rates are lowest in the *Western submarket*, now at 4.4 percent. Relative to occupancy conditions at the start of 1999, the *Southern submarket* leased roughly one quarter million square feet of office space, causing overall vacancy rates to drop from 15.7 percent to 11.2 percent. Fully half of the year-to-date

leases were in Class A structures, renting at \$20 per square foot, while the bulk of remaining leases were in Class B space, renting at \$16 per square foot. Companies accounting for the most space absorption in the *Southern submarket* over the past 15 months included Fireman’s Fund, Compaq, the Connecticut Society of CPAs, Honeywell and the Rocky Hill Dialysis Center. Leasing activity was led by Rocky Hill’s Corporate Ridge office development.

Given trends in the broader office market and conditions in the nearby *Southern* suburbs, Middletown stands to attract new office space users if speculative Class A corporate office developments are provided. The rollout of demand from financial services and information technology firms tends to be oriented southward along I-91 or westward along the I-84 corridor. Over the past three years both submarkets have tightened office space availabilities to below-normal conditions. Prime sites exist in Middletown for providing Class A office properties, developed either as compact “*smart*” buildings in an urban setting, spacious office suites for corporate divisions valuing freeway access, or secluded campuses with river views for office research parks. The Greater Hartford office market is regarded by the real estate industry as one of the last value opportunities for purchasing Class A properties at less than replacement cost and refitting office buildings for “*telecom*” tenants. Such buildings with good ceiling heights, heavy floor loads, and adequate electrical power are prime locations for telecom businesses and their associated computer equipment.

6.4 Retail Property Market Indicators

Though the extent of Middletown’s retail property inventory is not known, roughly 120,000 square feet of floorspace lie vacant at present, according to records maintained by Main Street Middletown and INFORM. The vast majority of this idle space is located on Main Street (60%), followed by Washington Street (18%), East Main and South Main streets (14%). As visible sites on arterials in or through the CBD, these vacancies detract from the economic vitality of the City. Reported rentals range from \$9 to \$23 per square foot, by most accounts not a deterrent in operating costs for moderate to upscale merchandisers.

**Table 6.2
Available Retail Properties in Existing Commercial Buildings**

Commercial Buildings				
# Properties	Area	Square Feet	Rents	Prior Uses
5	(1) CBD	28,400	\$7-\$12	Restaurants, Hardware, Clothing
2	(2) Washington St	54,800	\$7-\$12	Grossman’s
1	CBD Periphery	9,400	n/a	n/a
1	Westfield	2,480	n/a	n/a
9 Total		95,080		

Source: INFORM unpublished data; Cerc.com, ReMax, Cushman & Wakefield web sites.

6.5 Summary

Middletown is located in Hartford's second most desirable market for suburban office development and is well situated in the I-91/Connecticut River Valley corridor for relocation and attraction of financial services and telecommunications oriented information technology (IT) firms. But Middletown lacks the speculative office development with a range of available Class A space that can convert market potential to actual leases. For Middletown to more aggressively pursue its economic development goals and advance new initiatives, energies need to be focused on these targets of opportunity: light industry / office market, and Downtown development.

Major Assets

- A functioning, healthy, historic downtown.
- Organized by the Main Street Middletown board of directors, Middletown approved a business improvement district for the downtown area. The Downtown Business District (DBD) passed by referendum in April, 2001. The existence of the DBD will result in a vibrant organization of business and property owners within the district who will coordinate revitalization and economic development opportunities.
- Connecticut Riverfront adjacent to the central business district and new opportunities for development and improved connections between the riverfront and the CBD.

Issues and Opportunities

(a) Light Industry / Office Market

- Construction of a “*smart*” office building similar to the Middlesex Mutual building should be encouraged Downtown, equipped with fiber optic broad band telecommunications, redundant electrical capacity, adequate air conditioning and other special requirements of IT firms, in a multi-story Class A structure designed for flexible marketing to a sizeable anchor and/or related smaller firms. The building should be prominently sited to take advantage of CBD amenities and river views.
- A speculative corporate office park should be promoted in the IT or IOP zones to attract biotech lab space and regional office functions of national market firms that are oriented toward sales or processing functions in the “New Atlantic Triangle”, utilizing the I-91/I-95/I-84 corridors, Bradley and Tweed airports for access. The park should be clearly separated from the light industry development, and may benefit from nearby hotel development.
- The I-3 Zone should be considered for low-density, environmentally-sensitive, high-tech research and development of industrial and corporate office uses, as well as an expanded Pratt & Whitney Aircraft facility.

(b) Downtown Development

Main Street, the central spine of Downtown Middletown, is effectively partitioned into three divisions:

- North of Washington Street, Main Street has an “urban village” character, according to the *Downtown Market Area Plan*. This stretch should no longer accommodate social service agencies, but develop instead as a neighborhood commercial zone with a special emphasis on arts and crafts.



Main Street, looking south from Washington Street

- In the central portion, between Washington and Union streets, the highest and best uses of Downtown should be prevalent: up-scale retail, entertainment and ethnic dining. This stretch clearly could support a hotel, professional offices, special retail stores, franchise apparel stores, bookshops, music stores, and home furnishing outlets.
- South of Union Street, Main Street extension and Saybrook Road is transformed into a health care corridor, dominated by Middlesex Hospital, with outpatient care assisted-living facilities, and a pending building for doctor’s offices. The zoning along Saybrook Road should reinforce the expanding health care needs here.

New development and other initiatives should support this tripartite division, in the following manner:

- **Establish downtown as a cultural and entertainment center by promoting international restaurants, galleries, performing arts, and supporting retail uses.**

At the gateway to Main Street, on Washington, cultural and other activities focusing on children could be concentrated in proximity to Kidcity Museum, Russell Library, and Odd

Fellows Playhouse. Such a cultural district might draw upon the fine arts and film arts strengths of Wesleyan University by providing gallery spaces for exhibition.

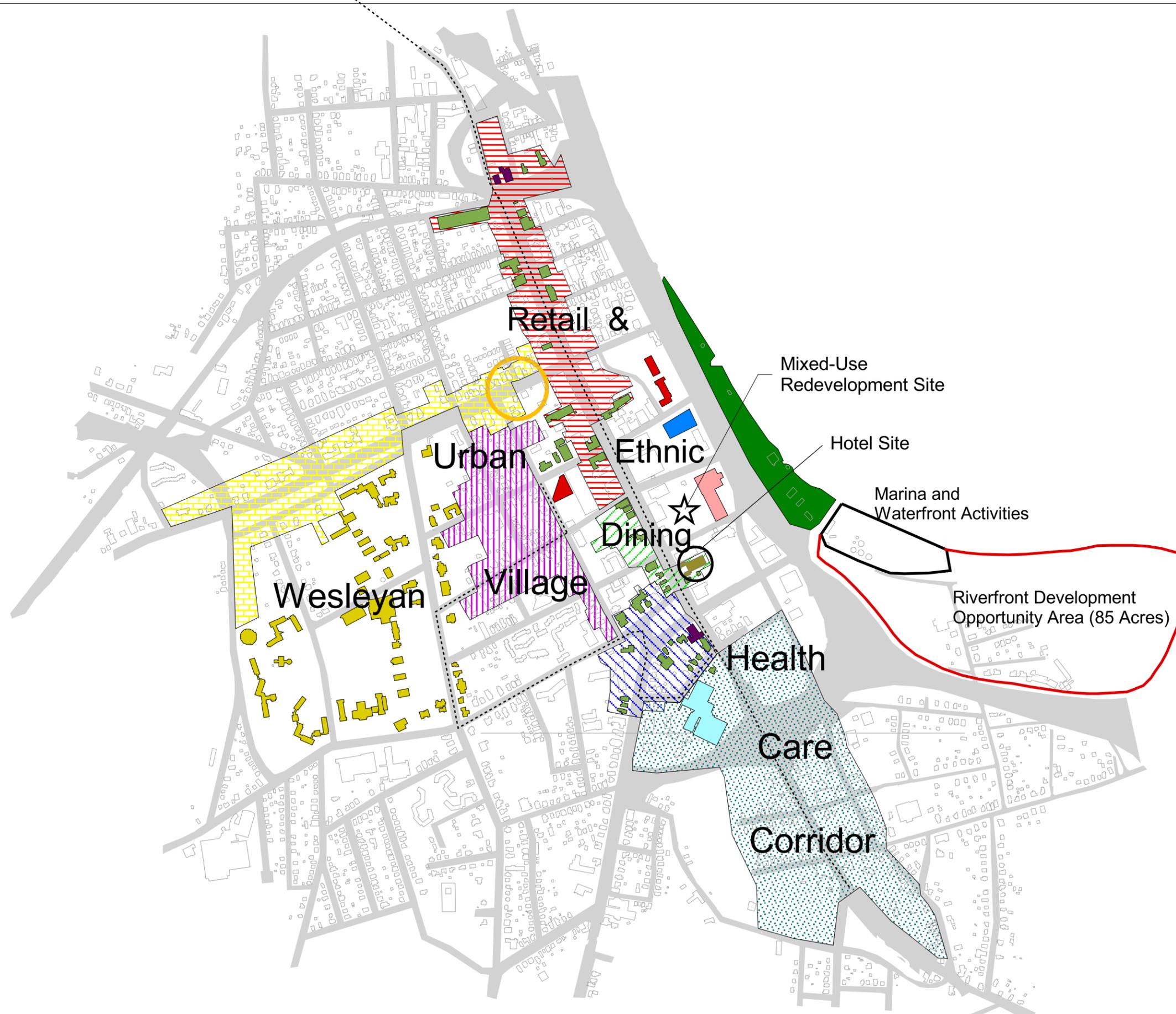
- **Improve physical and visual links between downtown and the riverfront, consistent with the recommendations contained in *Downtown Visions 2000 and Beyond*.**

The central portion of downtown should contain a formal entry to Harbor Park and the riverfront. The potential development of the Peterson Oil site on the riverfront might include a waterfront hotel, an indoor recreation facility, a marina or other water-dependent transportation services. Studies are currently underway to examine the potential for new mixed uses, including recreational facilities such as a marina, for an 88-acre riverfront site immediately south of Harbor Park. This potential development area includes the Peterson Oil Company site and the wastewater treatment plant property. Improved linkages to Union Street and Harbor Park would connect the riverfront development area to the downtown.

Figure 6.2

City of Middletown

Central Business District Area



- Courthouse
- Offices
- Cinema
- Churches
- Wesleyan
- Historic Buildings
- Hospital
- Harbor Park
- Fiber Optic Line
- Health Care Corridor
- Cultural Activities
- Historic Districts
 - Broad Street
 - Main Street
 - Metro South
 - South Green
 - Washington St.



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