

A TECHNICAL ASSISTANCE PANEL REPORT

Revitalizing Chicopee's West End Neighborhood

Chicopee, Massachusetts



October 23, 2012



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Executive Summary

Under the direction of the Urban Land Institute's Boston District Council, the Chicopee Technical Assistance Panel (TAP) convened in Chicopee, Massachusetts in October 2012, bringing together stakeholders, City planners, community leaders, and a panel of real estate, planning, and development professionals for a day-long session focused on identifying opportunities and strategies for revitalizing the residential and commercial areas in Chicopee's West End neighborhood. The report that follows, which summarizes the TAP recommendations, is comprised of four chapters.

Chapter 1: ULI and the TAP Process gives an overview of the Urban Land Institute's Boston District Council and its Technical Assistance Panels (TAPs) and provides a detailed list of participants in the Chicopee West End Neighborhood Revitalization TAP including City officials, stakeholders, and the panel of land use and development professionals.

Chapter 2: Background and Assignment gives background information about the West End neighborhood, provides an overview of the City's planning efforts to date, including a summary of the West End Brownfields Area-Wide Plan, and the City of Chicopee's objectives for the TAP, as stated in its initial application.

Chapter 3: Recommendations: Cabotville presents the Panel's evaluation of redevelopment plans for the Cabotville Industrial Park site, including observations about why the project is stalled and suggestions for moving the project forward.

Chapter 4: Recommendations: District-Wide outlines some general implementation recommendations for improving the downtown business climate through marketing and a no-fee business association, as well as specific recommendations for key components of the neighborhood including the Delta site, Elms College, not-for-profits, small vacant sites, and the river.

Map showing areas for consideration by the TAP



1. ULI and the TAP Process

Urban Land Institute (ULI)

The Urban Land Institute is a 501(c)(3) nonprofit research and education organization supported by its members. Founded in 1936, the institute now has nearly 30,000 members worldwide representing the entire spectrum of land use and real estate development disciplines, working in private enterprise and public service, including developers, architects, planners, lawyers, bankers, economic development professionals, among others.

As the pre-eminent, multidisciplinary real estate forum, ULI facilitates the open exchange of ideas, information, and experience among local, national, and international industry leaders and policy makers dedicated to creating better places. The mission of the Urban Land Institute is to provide leadership in the responsible use of land and to help sustain and create thriving communities. The Boston District Council serves the six New England states and has over 1,000 members.

Technical Assistance Panels (TAPs)

The ULI Boston Real Estate Advisory Committee convenes Technical Assistance Panels (TAPs) at the request of public officials and local stakeholders of communities and nonprofit organizations facing complex land use challenges who benefit from planning and development professionals providing pro bono recommendations. At the TAP, a group of diverse professionals specially assembled with expertise in the issues posed typically spends one to two days visiting and analyzing existing conditions, identifying specific planning and development

issues, and formulating realistic and actionable recommendations to move initiatives forward in a way consistent with the applicant's goals and objectives.

MassDevelopment Support

MassDevelopment is the state's finance and development authority. Both a lender and developer, the agency works with businesses, nonprofits, and local, state, and federal officials and agencies to strengthen the Massachusetts economy. Through these collaborations, MassDevelopment helps create jobs, increase the number of housing units, eliminate blight, and address factors limiting economic growth including transportation, energy, and infrastructure deficiencies.

Recognizing the alignment between ULI Boston's Technical Assistance Panels and MassDevelopment's mission to support sustainable redevelopment across the Commonwealth, in 2011 the two organizations partnered to support TAPs in four Gateway Cities throughout the Commonwealth. The success of that initial year's collaboration led to continued support in 2012. The Chicopee TAP was the fifth sponsored by MassDevelopment to date.

MassDevelopment partnered with ULI Boston to sponsor the Chicopee TAP, under the direction of Jim Lydon, Senior Vice President at MassDevelopment.

Panel Members

ULI Boston convened a panel of volunteers whose members represent a range of the disciplines associated with the challenges of moving forward on the findings of the West End Brownfields Area-Wide Plan to bring about the revitalization of Chicopee's West End neighborhood.

Disciplines represented included architecture and planning, land development, civil and structural engineering, historic preservation and reuse, and market feasibility. Members were selected with the intent of convening a robust array of professional expertise relevant to the City's objectives for this TAP. The following is the list of panelists:

- Barbara Boylan, Planning and Development Consultant (TAP Co-Chair)
- Edmund Starzec, Real Estate Consultant, MassDevelopment (TAP Co-Chair)
- Sean McDonnell, Historic Development Consultant, Architectural Heritage Foundation
- Mark Dickinson, Development Consultant, Dickinson Development Corporation
- John Schmid, Civil Engineer, Nitsch Engineering
- Nicholas Hornig, Architect/Planner, Chan Krieger/NBBJ
- Lisa Davey, Structural Engineer, Thornton Tomasetti
- Frank Mahady, Economic Planning Consultant, FXM Associates

Also in attendance was Jennifer Murphy, Assistant Secretary for Gateway Cities from the Massachusetts Executive Office of Housing and Economic Development.

Virginia Quinn served as a consulting technical writer, while Michelle Landers of ULI Boston provided organizational and technical support in preparation for and during the TAP event.

Lee Pouliot of the Chicopee Office of Community Development served as primary contact for ULI Boston for the City. Tom Haberlin, Economic Development Director for the City of Chicopee, was also instrumental in organizing the West End Revitalization TAP.

Stakeholders

The TAP benefited from the participation of a diverse group of stakeholders—policy makers, City staff, business owners, property owners, and representatives of area institutions—who met with the Panel and shared information, ideas, and opinions on a range of issues affecting the revitalization of the West End neighborhood.

Stakeholders at the session included:

- Michael Bissonnette, Mayor, City of Chicopee
- Tony Cignoli, Consultant
- Tony Ravosa, Consultant
- Ken Buckland, Principal, Cecil Group
- Gail Sherman, President, Chicopee Chamber of Commerce
- Patrick Gottschlicht, Owner, Munich Haus restaurant
- Kathleen Lingenburg, Director of Housing, City of Chicopee
- Kate Brown, Director of Planning and Development, City of Chicopee
- Carl Dietz, Director of Community Development, City of Chicopee
- Michael Ben, Project Manager, 200 Tillery LLC (owner of Cabotville Mill Complex)
- Chuck Swider, Councilor, City of Chicopee
- John Keller, Vice President of Student Affairs and Dean of Students, Elms College
- Kevin Edwards, Vice President of Institutional Advancement, Elms College

TAP Process

The Chicopee TAP was held on October 23, 2012 at the Chicopee Public Library. In the morning, Mayor Michael Bissonnette, Lee Pouliot of the Chicopee Office of Community Development, and Tom Haberlin, Chicopee Economic Development Director, welcomed the Panelists at the library, then led a bus tour of the West End. The tour included stops at the Canal Path, the Ames Privilege apartments, the Cabotville Industrial Park, Delta Park, and the former Uniroyal Tire complex.

After the tour, the ULI panel interviewed a diverse series of stakeholders to gain a better understanding of the relevant issues, dynamics, and opportunities in the West End neighborhood. The panelists then engaged in an intensive charrette to develop recommendations addressing some of the critical issues associated with revitalization of the area. The TAP concluded with a presentation that was shared with City staff and members of the community at a public meeting that evening at the historic Edward Bellamy house. The Powerpoint presentation is available electronically at the ULI Boston website <http://boston.uli.org>.



2. Background and Assignment

The West End Neighborhood

Chicopee's West End neighborhood is one of the oldest industrial communities in the United States. Ideally situated near the confluence of the Chicopee and Connecticut Rivers, the area's earliest factories were built before 1820. Around 1830, the Dwight Canal was completed, providing water power and barge access for rapidly expanding textile, munitions and shoe manufacturers. As the industrial base increased, a densely built residential neighborhood grew towards the nearby Center Street corridor to serve the mill worker population. This blue-collar neighborhood of mostly Irish, French-Canadian and Polish immigrants thrived for over a century. However, during the past several decades, aging facilities and suburban competition have caused industrial establishments to vacate the mills, leaving behind large, vacant industrial structures and a community searching for environmental and economic solutions.

Today, the West End is the City's most challenged and underserved neighborhood. The district is home to an estimated 1,351 people, roughly two percent of Chicopee's population. Poverty and housing affordability are problems in the neighborhood.

Of the 997 housing units within the neighborhood, nearly 11 percent are vacant, almost double the City vacancy rate. This problem, combined with the underutilization of many other properties, is a symptom of the overall decline of the West End since the mid to late 1950s. The West End has additionally suffered from a lack of investment in the form of new development during the last decade. Nearly 90 percent of all housing units were built before 1940.



In addition to a lack of current investment, the neighborhood suffered from the demolition of a major bridge connecting the West End to West Springfield across the Connecticut River. The bridge was decommissioned in the early 1980s and was subsequently demolished when plans to convert it to pedestrian-only use failed. The bridge had been a key connection between the two communities; its loss resulted in a significant decrease in outside visitors to the West End.

The legacy of the West End's industrial history is a high concentration of Brownfields and underutilized properties within the neighborhood. The West End contains about 5.4 percent of all sites in Chicopee reported under the Commonwealth's Voluntary Cleanup Program (VCP). On a per capita basis, the area has 49 percent more reported waste sites (of all categories) than the Massachusetts rate. Moreover, parcels containing known Brownfields cover at least 35.3 percent (67.08 acres) of the neighborhood's land area, presenting a tremendous challenge to (and opportunity for) revitalization efforts. The entire West End

neighborhood is no more than 100 yards from the nearest reported contaminated site.

Recent Activity

Fifteen Brownfields, representing approximately 67 acres (35 percent) of the West End, were identified and studied for redevelopment potential through an EPA Brownfields Area-Wide Planning (AWP) Pilot Grant.

The West End Brownfields AWP was substantially completed in April 2012. The AWP seeks to reinvigorate and spark reinvestment in the West End by mitigating local environmental conditions at Brownfields and re-branding the area as an attractive, green neighborhood where people can live, work, play, and learn. Through realistic strategies and market-driven initiatives, it particularly aims to assess, clean up, and return key West End Brownfields to productive use over the next three to five years. It provides an overall market assessment that identifies potential demand for industrial/commercial space and rental housing units, potential niche market commercial users and appropriate target segments for mill building residences (the reuse of two former mills complexes is a priority effort identified in the plan). It further addresses limitations in the neighborhood's infrastructure and recommends public improvements that will facilitate private property redevelopment in the West End.

The AWP's Implementation Strategy prioritizes a number of initial, short-term steps that should be taken to promote the overall vision and advance the plan's objectives. This strategy also prioritizes interventions at Brownfields where the potential of neighborhood scale impacts are the greatest: i.e. reuse of the former mills as mixed-use developments would bring new residents to the neighborhood, support new businesses while having a spillover effect on the neighborhood and

increase the value of infill projects on smaller Brownfields and other underutilized properties.

City of Chicopee's Objectives for the TAP

While the City is aggressively pursuing the completion of the Plan's initial implementation steps by, for example, winning an EPA Community-wide Assessment Grant in FY 2012, the West End AWP Vision still faces challenges. The City asked the Panel to address a range of issues related to the revitalization of the West End neighborhood, including:

Land Use and Planning

- While the West End Brownfields Area-Wide Plan successfully details appropriate reuse strategies for the 15 identified Brownfields, the City lacks control over most of these sites. Some landowners have participated in the planning process while others have not. How can the City engage these landowners and get buy-in to the Plan's vision while working with them to initiate assessment activities and any required cleanup actions?
- A key stakeholder that was unresponsive during the planning process is the Pan Am Railway, which owns the rail line through the neighborhood. With upgrade projects underway to prepare this specific line for high-speed rail, the City has this one opportunity to improve access to two significant Brownfields, where redevelopment potential hinges on improved access. A dialogue must be established with the railroad to facilitate a discussion regarding this issue – one that leads to a collaborative solution.

Market Feasibility Analysis

- Chicopee Center is often referred to as stagnant, vacant, or dead. However, the Marketing Analysis completed for the West End AWP indicates strong demand and potential for residential development geared

toward specific demographics and niche market demands for industrial/commercial space. A retail gap analysis also identified potential opportunities that are likely overshadowed by the Center's negative narrative. How can these potential demands be communicated and capitalized upon to realize "real" development investment in the West End?

Financial Analysis and Structuring

- Based on weak market conditions and a perceived lack of development demand in Chicopee, the City realizes private developers will be considering all potential incentives to finance projects. What would a "Kit of Parts" consist of that the City could communicate to potential developers? What additional public interventions could the City pursue to further incentivize the private market?

Structuring Private/Public Partnerships

- A key objective of the West End Brownfields AWP is to rebrand the area as an attractive, green neighborhood where people can live, work, play, and learn. How can the City partner with private stakeholders to develop and finance an aggressive marketing campaign that not only entices property owners to invest in their properties but also builds interest in developers looking for a "next" project?

Adaptive Reuse of Buildings

- The AWP hinges on the successful conversion of two mill complexes to mixed use projects. Plans for the Cabotville conversion have stalled. How can the City and Cabotville's owner identify the challenges stalling the project and reach agreements to allow the conversion to move forward?

Development Process, Permitting, and Community Relations

- Community sentiment and interest during the planning process revealed a common challenge with community-driven planning: planning fatigue. West End residents are especially fatigued and have no faith in seeing any of the AWP's ideas realized. How can the City counter this narrative? What needs to occur in the neighborhood to show the City's commitment to implementing the AWP?

3. Recommendations: Cabotville

Why is the Cabotville site critical to the district?

The Cabotville site is critical to the success of development efforts in the West End of Chicopee. The buildings occupy a prominent location on the Chicopee River near the main intersection in downtown Chicopee and adjacent to the highly visible and successful Ames Privilege apartment project and the new Route 116 bridge.

The redevelopment and revitalization potential is huge because the buildings present an opportunity to create at least 227 new apartments in Building 1, along with “sprucing up” the commercial buildings which currently house over 60 businesses, including incubator space for approximately 10 arts-related studios or businesses.



Cabotville’s proximity to the Ames Privilege development means that any street-level retail businesses can immediately draw on a sizeable nearby residential population. The 227 apartments proposed for Building 1 can help satisfy the area’s pent-up demand as demonstrated by the Ames Privilege’s waiting list.

Why is the Cabotville redevelopment stalled?

It appears that the process has been stalled as a result of several factors, including the economic downturn of the last four years. Additionally, although plans were drawn up and some critical remediation and repairs undertaken by the current owner in preparation for redevelopment, disagreements ensued over building and fire code issues; and the need for upgraded domestic and fire suppression water service to the renovated buildings has stalled the process because of costs.



What can move Cabotville forward?

In order to move the project forward, the City needs to work with the owner to help offset these unbudgeted costs by helping the owner obtain tax credits (either New Markets, brownfield, or historic preservation, if applicable), or possibly by providing a TIF (tax increment financing) for tax relief in the early years of the project. Funding for the additional water service infrastructure costs may be available through the MassWorks Infrastructure Program, based on the owner’s

commitment to complete the project in a defined way which meets the city's needs and requirements.

In return for these efforts, the owner may be more willing to cooperate by providing access that allows for the extension of the Canal Path, providing utility easements where appropriate, removing outlying buildings to create parking or open space, and cleaning and painting the exterior of the commercial buildings while the apartments are being developed.

Pro Forma

The pro forma on the following pages was put together quickly as part of the TAP charrette and is intended only to illustrate one possible scenario for moving the Cabotville project forward.

The Panel assumed \$10,000,000 in equity, with the units intended as market rate rentals—no LIHTC (Low Income Housing Tax Credits). That would be the only way to justify the equity, because without LIHTC, the condominiums could be sold out at some future date, after the historic credits had expired.

Regarding the commercial property, current gross rents were assumed to be about \$900,000. It was understood that the commercial tenants occupy either parts of the building not suitable for housing or, for those located in parts of the building suitable for housing, that there is sufficient space to relocate them within the Cabotville complex.



Aerial view of the Cabotville Industrial Park

Cabotville Site Proforma Summary

Cabotville Mill Building 1

Chicopee, MA

10/23/12

Sources and Uses of Funds

Uses

Acquisition	5,000,000	10% of project cost
Owners improvements, to date	5,000,000	10%
Hard Costs	33,148,000	67%
Soft Costs	3,042,634	6%
Overhead Costs and Fees	3,095,000	6%
Total Uses of Funds (Project Cost)	49,285,634	

Sources

Equity:		
Federal Historic Tax Credits (20%)	5,628,900	11% of project cost
State Historic Tax Credits (20%)	5,176,000	11%
Equity	11,000,000	22%
Other Equity, grants donations	1,000,000	2%
Debt	24,760,734	50%
Debt- 2nd mortgage	-	
Deferred Developer Fee	1,720,000	3%
Total Sources of Funds	49,285,634	

Cabotville Site Proforma

Cabotville Mill Building 1
Chicopee, MA

Pro Forma Financial Statement						
	1	2	3	4	5	6
Lease Year-->						
Residential and Commercial						
Revenue						
Gross Potential Rent	3,510,000	3,615,300	3,723,759	3,835,472	3,950,536	4,069,052
Gross Potential Rent	125,000	128,750	132,613	136,591	140,689	144,909
Building 2 & 3 income	900,000	927,000	954,810	983,454	1,012,958	1,043,347
Gross Potential Rent	4,535,000	4,671,050	4,811,182	4,955,517	5,104,182	5,257,308
Vacancy	1,755,000	361,530	372,376	383,547	395,054	406,905
Vacancy	62,500	12,875	13,261	13,659	14,069	14,491
Vacancy	1,817,500	374,405	385,637	397,206	409,122	421,396
Effective Gross Rent	2,717,500	4,296,645	4,425,544	4,558,311	4,695,060	4,835,912
OpEx Reimbursements	15,000	25,000	27,500	30,250	33,275	36,603
Total Revenue	2,732,500	4,321,645	4,453,044	4,588,561	4,728,335	4,872,514
Operating Expenses						
Property Taxes	125,000	125,000	150,000	180,000	216,000	259,200
Management Fee= 4%	108,700	171,866	177,022	182,332	187,802	193,436
Utilities	75,000	125,000	128,750	132,613	136,591	140,689
Maintenance	75,000	75,000	77,250	79,568	81,955	84,413
Bldg Services	25,000	100,000	103,000	106,090	109,273	112,551
Insurance	75,000	77,250	77,250	79,568	81,955	84,413
All Other	125,000	125,000	128,750	132,613	136,591	140,689
Total Operating Expenses	608,700	796,866	842,022	892,782	950,166	1,015,391
Net Operating Income	2,123,800	3,524,779	3,611,023	3,695,778	3,778,169	3,857,123
Debt Service	1,418,538	1,418,538	1,418,538	1,418,538	1,418,538	1,418,538
Net Cash Flow	705,262	2,106,241	2,192,484	2,277,240	2,359,631	2,438,585

4. Recommendations: District-Wide

Implementation Recommendations

Downtown Marketing–Staffing and Retail Recruitment

In October 2011, FXM Associates completed a commercial market assessment, including a retail opportunity/gap analysis, showing the potential demand for various types of retail development within the Downtown/West End area. The City should follow up on the recommendations made in that report, and implement an aggressive retail recruitment strategy to attract businesses in the identified gap categories.

The West End would benefit from hiring a “Chicopee Champion,” a full-time staff person focused on aggressively searching out successful businesses in surrounding areas, demonstrating to them the likelihood of success of an additional location in the West End, and perhaps offering incentives. Such a position could possibly be funded with Community Development Block Grant money.

The work of this “Champion” will be particularly effective if it is supplemented with outreach done by owners of existing successful West End businesses. Some owners are already doing this: one restaurateur in particular was eager to attract other dining establishments to the neighborhood, understanding that a critical mass of restaurants there would bring more customers to his own business. More organized efforts to develop stronger leadership among downtown business owners will also benefit the entire area.

Downtown Business Association–No Fee BID

A Business Improvement District (BID) is frequently proposed as an effective way to fund improvements such as street cleaning, security, streetscape enhancements, and marketing, through

the assessment to participating businesses of a dedicated fee; but that fee can be an impediment to participation, particularly for struggling businesses.

As an alternative, West End business owners could establish a voluntary, no-fee Downtown Business Association that would help unite them in order to gain many of the benefits of a BID without the associated cost. The group could meet monthly to focus on common issues such as access, parking, streetscape, signage, and safety, as well as to work on developing a consistent message/identity for the neighborhood. They could consider pursuing a Green Community designation which, among other benefits, would enable the purchase of solar compactors to take care of street litter.

As an organized group, the West End businesses can better position themselves to tap into the considerable potential the addition of over 200 housing units at Cabotville will bring to the neighborhood.





Conceptual sketch showing district-wide and site-specific recommendations

This is a conceptual sketch showing possible locations for new infill development that would repair the current “gaps” in the urban fabric created by vacant lots and under-utilized parking lots. This would result in a built- densification of the West End that would make it an inviting neighborhood in which to live and to do business once more.

Existing parking should be consolidated in a central location, to release land for development. New buildings should be built up to the sidewalk,

rather than set back behind parking spaces. Windows and glazing to the ground-floor level façades would allow for increased interaction between pedestrians on the street and the internal functions of the buildings. Whether retail, office, or residential uses, increased “eyes on the street” and visible internal activities would revitalize Chicopee’s downtown streets, and in turn increase a sense of security and vitality.

Site-Specific Recommendations

Delta Site

The Delta site presents a wonderful open space opportunity for passive recreational use and public waterfront access; the possibility of a boat launch and/or marina should be considered. The limitation here is the low railroad overpass, in disrepair and too narrow to allow access by emergency vehicles. The key to capitalizing on this potentially dynamic site will be engaging the cooperation of Pan Am Railways, owner of the overpass, which may best be achieved by procuring the active support of senators, congressional representatives, and state legislators.



Elms College

Elms College is a local higher educational institution with 1,500 undergraduate and graduate students that is outgrowing its landlocked campus adjacent to Chicopee center. There is a potential need for additional academic space (the business school in particular), as well as a potential demand for off-campus housing by graduate students and staff.

Because the West End is a relatively short (10-15 minute) walk from the campus, the opportunity exists to make the neighborhood a destination for students by determining the kinds of businesses that appeal to them (restaurants, entertainment, targeted retail, fitness-related), then encouraging those businesses to locate there. The college has a

strong community service component; perhaps mutually beneficial linkages (service days, adopt-a-flower-box, etc.) could be created between the students and the West End business community.

Not-For-Profits

Many cities benefit from the active participation of not-for-profit institutions in the day-to-day life of their neighborhoods. Encouraging organizations like the YMCA, the Boys and Girls Clubs, and the Valley Opportunity Council to operate facilities in the West End would bring additional services, activities, and employees to the downtown area.

Masonic Hall and Small Sites

Attention should also be paid to the smaller vacant sites, the “broken teeth” that are scattered between larger areas of active use. Although small, they contribute to an overall impression of an area in decline. In Boston, for example, a program to erect picket fences in front of abandoned lots went far to improve the perception of neighborhood vigor.



In particular, the former Mobil parcel on Center Street is a prominent “gateway” site which could be activated as a park or farmers’ market. Collegian Court on Park Street was recently sold; perhaps it could be developed into a new restaurant, joining with the Munich Haus to lay a foundation for making the West End a dining destination.

The Riverfront

Cities and towns throughout the Commonwealth have discovered that their waterfronts can become catalysts for revitalization. Chicopee's downtown has an untapped asset in its frontage along the Chicopee River. Currently, the river is isolated from the neighborhood; it is not even visible from street level because of the flood barrier. Creating visual access points at strategic locations along the riverfront, perhaps from bridges or other natural high points, would help capitalize on this significant resource. Improving physical access for recreational uses such as fishing and boating could draw both residents and visitors to the area.

