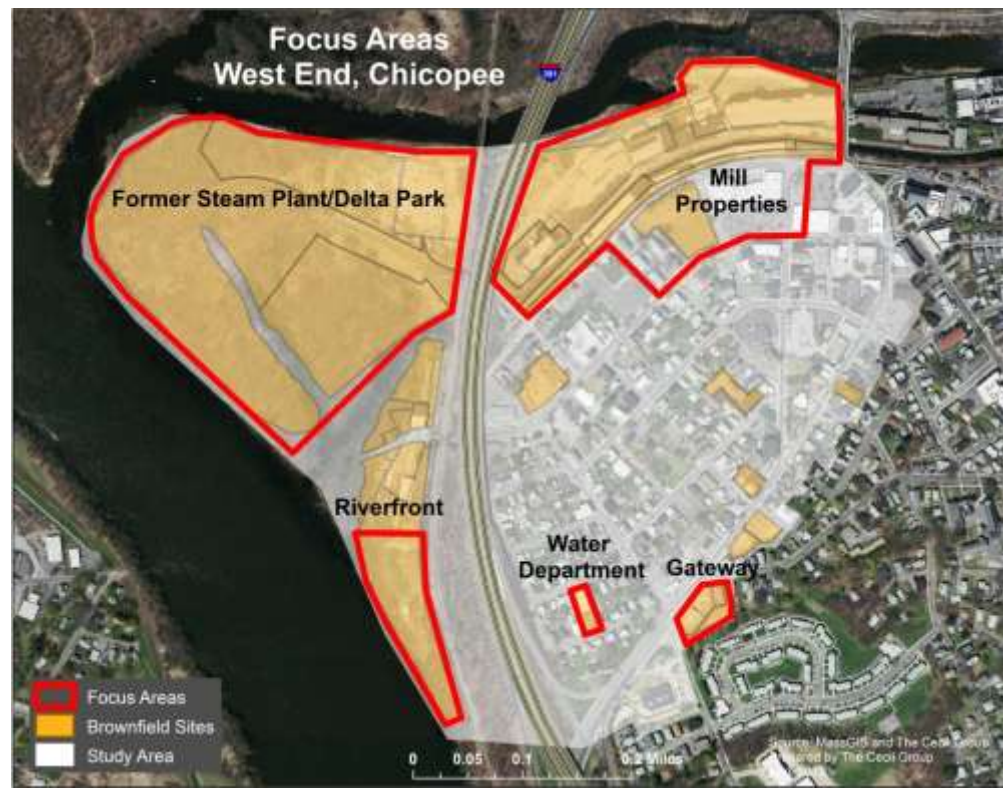


# ULI Boston Technical Assistance Panel (TAP) Program

## West End Chicopee MA



## **Mission**

To provide leadership in the responsible use of land and in creating and sustaining thriving communities worldwide.

ULI is a research and education institution with over 35,000 members worldwide representing the entire spectrum of land use and real estate development disciplines, working in private enterprise and public service.

## **ULI at the local level**

- Boston District Council covers nearly all of New England
- 1,100 Members—developers, architects, planners, public officials, financiers, students, etc.

## **Emphasis on sharing best practices and providing outreach to community**

- Over 2,000 attendees last year
- UrbanPlan High School Program
- Technical Assistance Panels
- Trends in Real Estate Conference

## Technical Assistance Panels (TAPs)

A Technical Assistance Panel (**TAP**) brings together of a group of ULI members with a range of professional expertise to provide focused, collaborative consultation to a local government or qualifying non-profit organization.

ULI Boston's TAP program is sponsored by



### **This TAP**

- Sponsored by the City of Chicopee Office of Community Development and MassDevelopment
- This panel looked at the full range of options from an unbiased perspective.
- Panelists include experts in the fields of architecture, development, engineering, market analysis and planning.
- **Panelists have donated their time**
- Final Deliverable – Written report (within 6 weeks) will be available at <http://boston.uli.org>

## TAP Panelists

### TAP Co-Chairs

Barbara Boylan – Real Estate Consultant

Ed Starzec - MassDevelopment

### TAP Panelists

Lisa Davey, Thornton Tomasetti

Mark Dickinson, Dickinson Development Corp

Nick Hornig, Chan Krieger / NBBJ

Frank Mahady, FXM Associates

Sean McDonnell, Architectural Heritage Foundation

John Schmid, Nitsch Engineering, Inc.

Virginia Quinn – Report Writer

Michelle Landers – ULI Boston



# The Process

## Site Visit:

- Stops included: Chicopee Canal Walk/Riverwalk
- Ames Privilege
- Cabotville Mill
- Delta Park
- Chicopee Center
- RiverMills



## Panel interviewed stakeholders today including:

- Elected Officials, Local Business Owners, Consultants, City Staff, Academic Administrators, Property Owners

# Site Tour



# The Panel's Assignment

## **Address the following issues:**

- **Land Use & Planning**
- **Market Feasibility Analysis**
- **Financial Analysis and Structuring**
- **Structuring Public Private Partnerships**
- **Adaptive Reuse of Buildings**
- **Development Process, Permitting and Community Relations**

## Cabotville/Lyman Site

## District Wide





# Recommendations Cabotville/Lyman Site

## Why is it critical?

- Prominent Location – Chicopee River near the main intersection in downtown and adjacent to Ames Privilege and Route 116 Bridge
- Revitalization Potential – 227 new apartments in Building 1 along with “sprucing up” the commercial buildings (60 businesses, 10 art studios)



## Why is it stalled?

- Poor Economy
- Building and Fire Code Issues
- Water Service requirements

## What moves it forward?

- City must work with owner to offset costs through tax credits (new market, brownfield, or historic if applicable)
- City may provide a TIF for tax relief in the early years of the project
- Explore funding additional water service infrastructure costs (MassWorks)
- Provide easements where appropriate
- Remove outlying buildings to create parking
- Clean and paint exterior of commercial buildings

# Cabotville/Lyman Site Proforma

## Cabotville Mill Building 1

Chicopee, MA

10/23/12

<b>Sources and Uses of Funds</b>
----------------------------------

### 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		
Debt- 2nd mortgage	-	
Deferred Developer Fee	1,720,000	3%
Total Sources of Funds	49,285,634	

# Cabotville/Lyman Site Proforma

**Cabotville Mill Building 1**  
Chicopee, MA

## Pro Forma Financial Statement

Lease Year-->		1	2	3	4	5	6	7
<b>Residential and Commercial Revenue</b>								
Gross Potential Rent		3,510,000	3,615,300	3,723,759	3,835,472	3,950,536	4,069,052	4,191,124
Gross Potential Rent	commercial	125,000	128,750	132,613	136,591	140,689	144,909	149,257
Building 2 & 3 income	commercial\	900,000	927,000	954,810	983,454	1,012,958	1,043,347	1,074,647
<b>Gross Potential Rent</b>		<b>4,535,000</b>	<b>4,671,050</b>	<b>4,811,182</b>	<b>4,955,517</b>	<b>5,104,182</b>	<b>5,257,308</b>	<b>5,415,027</b>
Vacancy	0	1,755,000	361,530	372,376	383,547	395,054	406,905	419,112
Vacancy	commercial	62,500	12,875	13,261	13,659	14,069	14,491	14,926
<b>Vacancy</b>	<b>Total</b>	<b>1,817,500</b>	<b>374,405</b>	<b>385,637</b>	<b>397,206</b>	<b>409,122</b>	<b>421,396</b>	<b>434,038</b>
<b>Effective Gross Rent</b>		<b>2,717,500</b>	<b>4,296,645</b>	<b>4,425,544</b>	<b>4,558,311</b>	<b>4,695,060</b>	<b>4,835,912</b>	<b>4,980,989</b>
OpEx Reimbursements		15,000	25,000	27,500	30,250	33,275	36,603	40,263
<b>Total Revenue</b>		<b>2,732,500</b>	<b>4,321,645</b>	<b>4,453,044</b>	<b>4,588,561</b>	<b>4,728,335</b>	<b>4,872,514</b>	<b>5,021,252</b>
<b>Operating Expenses</b>								
Property Taxes		125,000	125,000	150,000	180,000	216,000	259,200	311,040
Management Fee= 4%		108,700	171,866	177,022	182,332	187,802	193,436	199,240
Utilities		75,000	125,000	128,750	132,613	136,591	140,689	144,909
Maintenance		75,000	75,000	77,250	79,568	81,955	84,413	86,946
Bldg Services		25,000	100,000	103,000	106,090	109,273	112,551	115,927
Insurance		75,000	75,000	77,250	79,568	81,955	84,413	86,946
All Other		125,000	125,000	128,750	132,613	136,591	140,689	144,909
<b>Total Operating Expenses</b>		<b>608,700</b>	<b>796,866</b>	<b>842,022</b>	<b>892,782</b>	<b>950,166</b>	<b>1,015,391</b>	<b>1,089,917</b>
<b>Net Operating Income</b>		<b>2,123,800</b>	<b>3,524,779</b>	<b>3,611,023</b>	<b>3,695,778</b>	<b>3,778,169</b>	<b>3,857,123</b>	<b>3,931,335</b>
Debt Service		3,008,285	3,008,285	3,008,285	3,008,285	3,008,285	3,008,285	3,008,285
<b>Net Cash Flow</b>		<b>(884,485)</b>	<b>516,494</b>	<b>602,738</b>	<b>687,494</b>	<b>769,884</b>	<b>848,839</b>	<b>923,051</b>

# Recommendations District Wide



# Recommendations District Wide



## Implementation Recommendations

### **Downtown Marketing – Staffing and Retail Recruitment**

- Follow upon recommendations of October 2011 report
- Implement aggressive retail recruitment plan for gap areas
- Approach successful businesses in surrounding area to consider expanding into Chicopee
- May require additional full-time person a Chicopee Champion
- Consistent message needed

### **Downtown Business Association – No Fee BID**

- Unite as a group focused on downtown issues access, parking, streetscape, signage, safety
- Consider Green Community designation for solar compactors
- Not a BID, no assessment
- Assist in marketing efforts

## Specific Sites/Uses

### Delta Site – Marina/Open Space

- Focus on improving access and views
- Engage Pan Am Rail via Congressmen, Senators and State Legislators
- Consider boat launch/marina/passive recreation use
- Additional public waterfront access

### Elms College – Housing & Business School

- Local college with 1500 students outgrowing campus adjacent to Center
- Create destination for students - additional restaurants, yoga/fitness facility, targeted retail
- Create linkages - service day, adopt a flower box
- Residential opportunity - housing needed for grad students and staff
- Potential for additional institutional space - business school, etc.



# Recommendations District Wide

## Specific Sites/Uses

### Not For Profits

- Bring additional services, activity, and employees to the downtown area
- Examples include YMCA, youth rec center, VOC

### Masonic Hall & Small Sites - “Broken Teeth”

- Downtown Gateway Parcel at Mobil site...park, farmers market
- Retail or institutional use...Elms College?
- Collegian Court - sold recently, potential new destination restaurant

### Capitalize on River – Create views, canoe launch

- Enhance river access for recreation - fishing and boat launching
- Provide visual access points at strategic locations

# Questions?

