

DOWNTOWN NORWICH REVITALIZATION PROGRAMS:

PROJECT PLAN

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PROJECT PLAN

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INTRODUCTION

On August 2, 2010 City Council passed a resolution appointing NCDC “*the Development Agency to develop and approve a development plan (the “Plan”) for the Downtown Revitalization Initiative consistent with the City’s Plan of Conservation and Development and the City’s efforts to revitalize the downtown by bringing business, commerce and employment opportunity to the area as set forth in the proposed \$3.380 million appropriation and bond ordinance submitted to the City Council.*” In November 2010, citizens voted and approved that bonding ordinance. The resulting three programs are known as the Downtown Revitalization Initiative.

NCDC will be held accountable for the implementation of the programs and the appropriate use of the associated funds. The three programs are designed to work in concert with a renewed focus from all areas and disciplines of the City including Planning, Building Officials, Police, Fire, Public Works, Parking Commission and others. They will create an environment that will stimulate the downtown economy by encouraging building owners and business owners alike.

The programs include:

- Code Correction Assistance - This program is designed to use funds to create code compliant upper floor spaces that can be marketed and used as commercial or residential space.
- Commercial Lease Rebate Program - The program is designed to use funds to build an economically attractive market that will attract and encourage businesses to establish an operating presence downtown.
- Revolving Loan Fund - This program is designed to use funds to stimulate the downtown economy by assisting businesses in creating jobs downtown.

Downtown Norwich is known by several names: Chelsea Central District, Chelsea Central Zoning District, Hollyhock Island, Chelsea Landing and Downtown. The geographic area that is the subject of this Plan is specifically described in section 2, and will be called the “Downtown Revitalization Area”, or “Downtown”.

SECTION 1: PROGRAM SCOPE

Economic revitalization, including employment, cannot occur Downtown unless there is usable, affordable space occupied with businesses and residents who will spend money in the Revitalization Area.

There are approximately 1,300,000 square feet of mixed-use urban spaces Downtown, of that it is estimated a current vacancy of 250,000 square feet exists, much of which is above street level. Though the reasons that those spaces remain vacant are numerous and complicated, discussions with property owners identify a few common issues. Upper floors require modern fire-life-safety updates and improved access in order to be useable today and obtain a City of Norwich Certificate of Occupancy. The construction costs for sprinklers, floor load adjustment, elevators, handicapped accommodations as well as fees, licensing, permitting, and utility hookups create a negative rate of return given the low lease rates currently commanded in the downtown market. It is often more cost effective for property owners to allow the upper floors of their buildings to remain dark, robbing the community of the vibrant downtown they desire and the economic value they deserve.

Critical to revitalizing the downtown is bringing a sustainable level of economic activity to the streets. Filling upper floors with an additional 250,000 square feet of businesses and residences will begin to bring activity to street level and will begin to create a market for downtown businesses that can stimulate and support that activity. Property owners cannot operate at loss. Norwich must implement logical policies, programs and incentives that will enable business and property owners to be financially able to operate downtown.

The bonding ordinance outlines guidelines that will be followed as the plan is implemented. The basic components of this program, within the adopted bond ordinance, comprise the following three elements:

A. Code Correction Assistance Program - Occupancy Assistance- \$1,840,000

The Code Correction initiative is a grant of up to 50% of the cost of improvements to transform vacant upper floors that are not fully habitable due to building code violations.

This program leverages Public investment with a dollar for dollar co-investment by Private entities. It will address accessibility limitations driven by the nature and age of the downtown buildings, the American with Disabilities Act (ADA), and codes relating to fire, life, and safety issues including, but not limited to sprinklers, floor loading and elevators, etc. This program targets 75,000 square feet of vacant upper floors in downtown and reimburses property owners

for a portion of the cost upon completion of the project and receipt of a Certificate of Occupancy (CO) or other agreed upon milestones. The Code Correction Initiative can be used in combination with other Plan initiatives based upon the eligibility of the owner, the property and its tenants.

B. Lease Rebate Program - Market Stimulation and Support- \$500,000

This initiative is intended to bring business and employers to the Downtown by subsidizing multi-year commercial leases.

Norwich's downtown commercial markets lag comparable urban areas in terms of percent occupied with appropriate uses as well as total amount of useable space. This program is designed to increase the value of downtown locations by decreasing commercial tenant lease rates by up to \$5.00 per Sq Ft through a lease rebate for desired businesses. The purpose of the incentive is twofold: 1) to fill the gap between the below market leases and leases of healthier investment marketplaces; and 2) to concentrate this benefit in a compressed period of time to "make" the market happen in the near-term. This incentive can be used in conjunction with any incentives based upon a combination of the eligibility of the landlord, tenant, and the facility. The initial budget estimate for this Plan component is \$500,000 over the 5-year program timeframe. Program target impact is estimated at 75,000 square feet of space.

C Revolving Loan Fund - Business Enhancement - \$1,040,000

This initiative is intended to incentivize businesses to locate in the Downtown Revitalization Area by providing favorable term financing through a revolving loan fund.

Often, businesses interested in Downtown may be more risky and less "bankable" than established businesses, and more dependent on ultra affordable space. The Downtown has available, and the Plan seeks to increase through the Code Correction Assistance Program, the amount of small and moderate sized spaces suitable to startups. Additionally, large multinational firms have spun-off high-end enterprises, including intellectual property and technical expertise who may be enticed to form new entrepreneurial operations. Norwich's business park has been the home to just such a spin-off. These opportunities are exactly the kind of fit for small spaces potentially available downtown.

Revolving Loans will be made available to screened and qualified businesses that locate Downtown. Through financial mentoring, this program element will actively strive to assist businesses become eligible for more conventional financing at the end of the first five years. This program element has a budget of \$1,000,000; providing funding to 15-40 businesses during the first 5-year period.

SECTION 2: PROJECT PLAN

1. Legal Description of Properties in Project Area

The proposed programs will address properties in the Chelsea Central Zoning District (CC) and the adjacent Hollyhock Island Section of the City. The Downtown Revitalization Area includes approximately 250 individual tax parcels located as follows:

CHELSEA CENTRAL DISTRICT: Inclusive

STREET	FROM LOCATION	TO LOCATION
Arcadia Street	9	22
Bath Street	7	15
Broadway	4	101
Chelsea Harbor Drive	52	150
Chestnut Avenue	2	Franklin Street
Chestnut Street	1	142
Cliff Street	0	38
Cliff Street	31	69 odd numbers only
Church Street	17	85 odd numbers only plus 80
City Landing	0	Main St
Courthouse Square	1	40
Franklin Street	2	346
Hill Street	0	15
Main Street	9	364
Market Street	Main Street	Chelsea Harbor Drive
Myers Alley	Main Street	Franklin Street
Oak Street	7	11
Railroad Avenue	10	
Union Street	23	Broadway odd numbers only
Water Street	52	161
Willow Street	4	Franklin Street

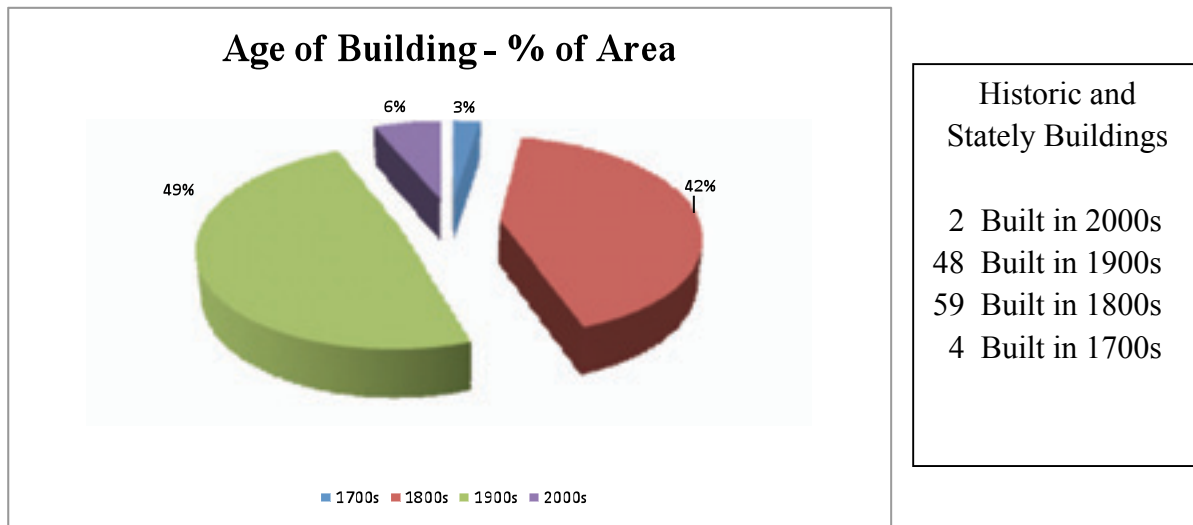
HOLLYHOCK ISLAND; Inclusive

STREET	FROM LOCATION	TO LOCATION
Falls Avenue	5	36 and Hollyhock Island
West Main Street	38	101

The above list of properties and their current use reflect the status carried in the Norwich Assessor’s database as of July 1, 2010. See appendix A for map and property list.

2. Present Condition and Uses

Over the last 30 years, there has been a trend for population bases to return to the older urban cores of America's past. In the last 9 years, author Richard Florida has documented a demographic shift of the growing populations in downtown areas. These urban areas prove to be particularly attractive to the young, educated and technologically savvy component of the newest members of America's society. These portions of the public lament the bland, 'cookie cutter' development in our nation's suburban areas and are nostalgic for the "downtowns" of the past; they being stately, majestic and incredibly sustainable. Many of the remaining buildings in Downtown Norwich are historically relevant, aesthetically pleasing and worthy of renovation. However, historic architecture means old buildings that do not comply with current building codes that make occupying old buildings more difficult and less financially rewarding than many alternatives. In order to attract these urban pioneers to downtown, properties must be readied for occupancy. A large amount of building space in downtown was constructed prior to 1900. Unless recently renovated, these buildings suffer from code issues and lack reasonable access to upper floors, issues that need to be addressed before upper floors can be put to productive use.



While several of the downtown building owners have made façade improvements and code upgrades there are still buildings in prominent and visible locations that are in need of significant repair. Collapsed roofs and broken windows have exposed the interiors to the elements, the results being significant structural damage to some and an elevated risk to others.

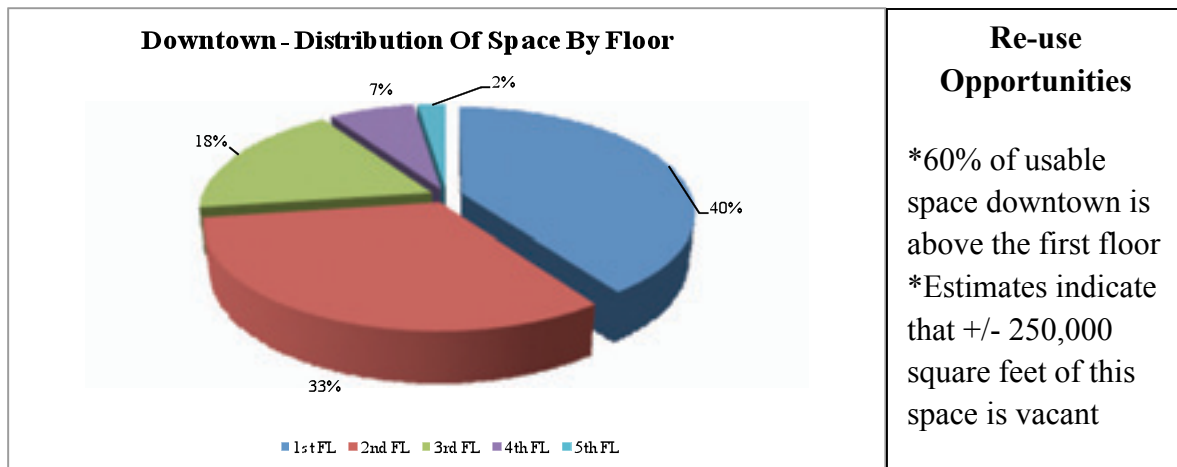
Today, Downtown is primarily filled with law offices, banks, government buildings, social service providers, and some service industries. At street level, many storefronts house operations often associated with a distressed, lower income population: tattoo parlors, pawnshops, check cashing operations, and daily work centers. There are also a few cafes, pubs, and small arts related operations, but not in sufficient number or concentration to attract or sustain an

economically balanced urban population. Few above market priced residential units exist in the downtown. Norwich’s level of affordable housing units is the eighth highest of any community in the State and the third most in the Norwich-New London Metropolitan Area. In a 2000 US Census count of total housing units in Connecticut (1,385,978) and in each community, Norwich had 16,600 total housing units with 18.89% classified as affordable (3,151). This is a rate nearly three times the state’s 2000 average of 7.2% and close to double of the states target of 10% affordable in each community. The downtown area has an estimated 450 to 550 housing units today with two significant properties containing approximately 140 housing units eligible to affordable housing tenants utilizing Section 8 Vouchers as well as numerous 3-10 family rental properties that could apply for voucher status with qualified tenants. Experts like Richard Florida; the Center for New Urbanism and Main Street USA, expect a trend for youthful populations to migrate to urban cores like Norwich for living and working.

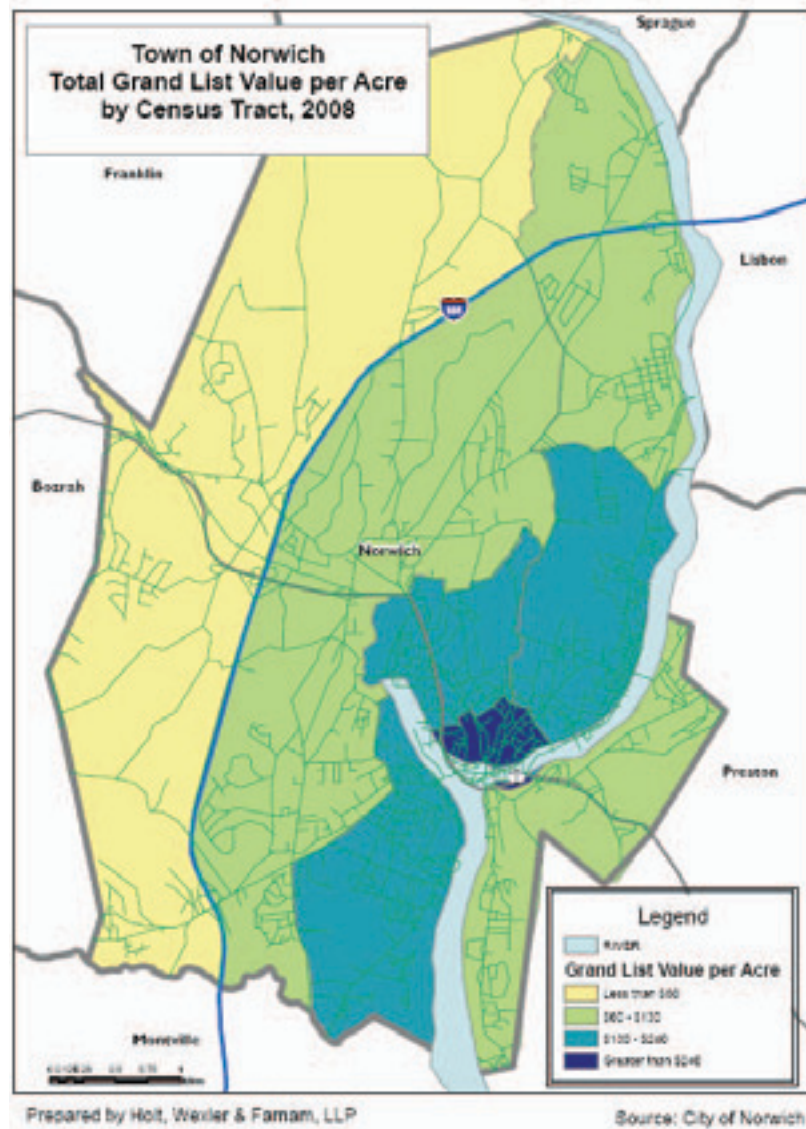
3. Description of Proposed Uses

As stated in the City’s 2002 Plan of Conservation and Development (POCD), “the economic health and appearance of the downtown continues to be of concern to Norwich residents”. The intent of this Plan is to begin to revitalize Downtown by turning previously un-useable spaces into at or above market residential units and employment opportunities, and create a density needed for sustained vitality. The POCD goes on to suggest that revitalization efforts need to fill vacancies with “business uses that complement the City’s downtown business development strategies”. The Plan is designed to fill storefronts and upper floors with business types that support urban living. The Plan does not intend to finance the reconfiguration of existing, code compliant buildings. The proposed programs address the following Downtown issues:

- **Vacancy:** Continued occupancy of key storefronts and buildings is important to the economic viability of Norwich and an overall sense of cohesion and vitality. Vacancies can be attributed to the collective condition of downtown properties and to the apparent lack of investor confidence in the future of downtown. Thin markets for businesses downtown are testament to the difficulties experienced today.



- Underutilized Property: The utilization of buildings in the Downtown has not adapted to the changed role and needs of urban use; many of the buildings in the district can be classified as underutilized in today's market. Often, space in architecturally significant buildings cannot be utilized unless renovated to comply with current building access and safety codes. Owners forego useable, revenue producing space rather than incur the expense necessary for code compliance. As shown below, the Downtown is densely developed and has the highest grand list value per acre anywhere in the City. Even modestly increasing the value of downtown properties will have a net positive impact on the grand list, and as long as property owners are receiving appropriate returns on their investments, will provide a very good return in the marketplace. This will make Norwich a more desirable place to live, work, and invest.



- Deterioration: The downtown is one of the oldest sections of Norwich and contains some of the community's most important and distinctive buildings. Building age alone is not the cause of the level of blight and deterioration that currently exists nor is it a sufficient reason for its spread. There has been limited success in curbing the blighted conditions but no measurable success in implementing strategic public/private investment in the Downtown.

The overarching program goal is to improve the quality of life in Norwich by fostering a vital and economically stable downtown. Moreover, by taking advantage of past and current infrastructure investments, (specifically the soon to be complete Intermodal Transportation Center), public transit will connect the region's population to jobs as well as connect visitors to downtown Norwich as a destination location.

4. Description of the types and locations of present and proposed streets, sidewalks, sanitary sewer, utility and other facilities; and the types and locations of other proposed project improvements.

The bond appropriations will be used to supplement private investment in the downtown including building remediation and rehabilitation; none of the appropriation will be used directly for City infrastructure improvements.

5. Present and Proposed Zoning Classifications of Project Area

Zoning has existed in the City of Norwich since 1925. Presently, the project area is primarily zoned Chelsea Central (CC), with the exception of the area commonly known as Hollyhock Island being zoned Waterfront Development (WD) to the South and Recreational Open Space (ROS) to the North. The intent of the Chelsea Central zoning district is to ensure that development in the project area complements and preserves the City's historic character, that it improves economic conditions and promotes development that is consistent with the goals and objectives of the *Norwich Downtown Plan of Development*. The Chelsea Central zoning district permits a mix of uses, including but not limited to office, retail, museums, theaters, parks, public buildings, and housing on upper floors. Within the Waterfront Development and Recreational Open Space zoning districts, no use of "waterfront" property is permitted unless the use is water-dependent as defined in Section 22a-93 (16) of the Connecticut General Statutes. Permitted uses include public parks, marinas, boat docks, piers, retail sale of boats, restaurants, museums with nautical themes, professional offices, hotels, housing, and transportation facilities.

This plan does not include amending the zoning classifications of the Downtown Revitalization Area. Planning staff has determined that the uses enumerated in the current zoning districts support the proposed Downtown initiatives. Any proposed zoning changes would be in the purview of City Council with recommendations from the Commission on the City Plan.

6. Plan for Relocating Project Area Occupants

The proposed programs target vacant and underutilized spaces; the need to relocate project area occupants is not anticipated. However, if relocation of occupants is part of a proposed project, the owner will be required to address those issues as part of the program application process and NCDC will work with owners to facilitate a smooth transition.

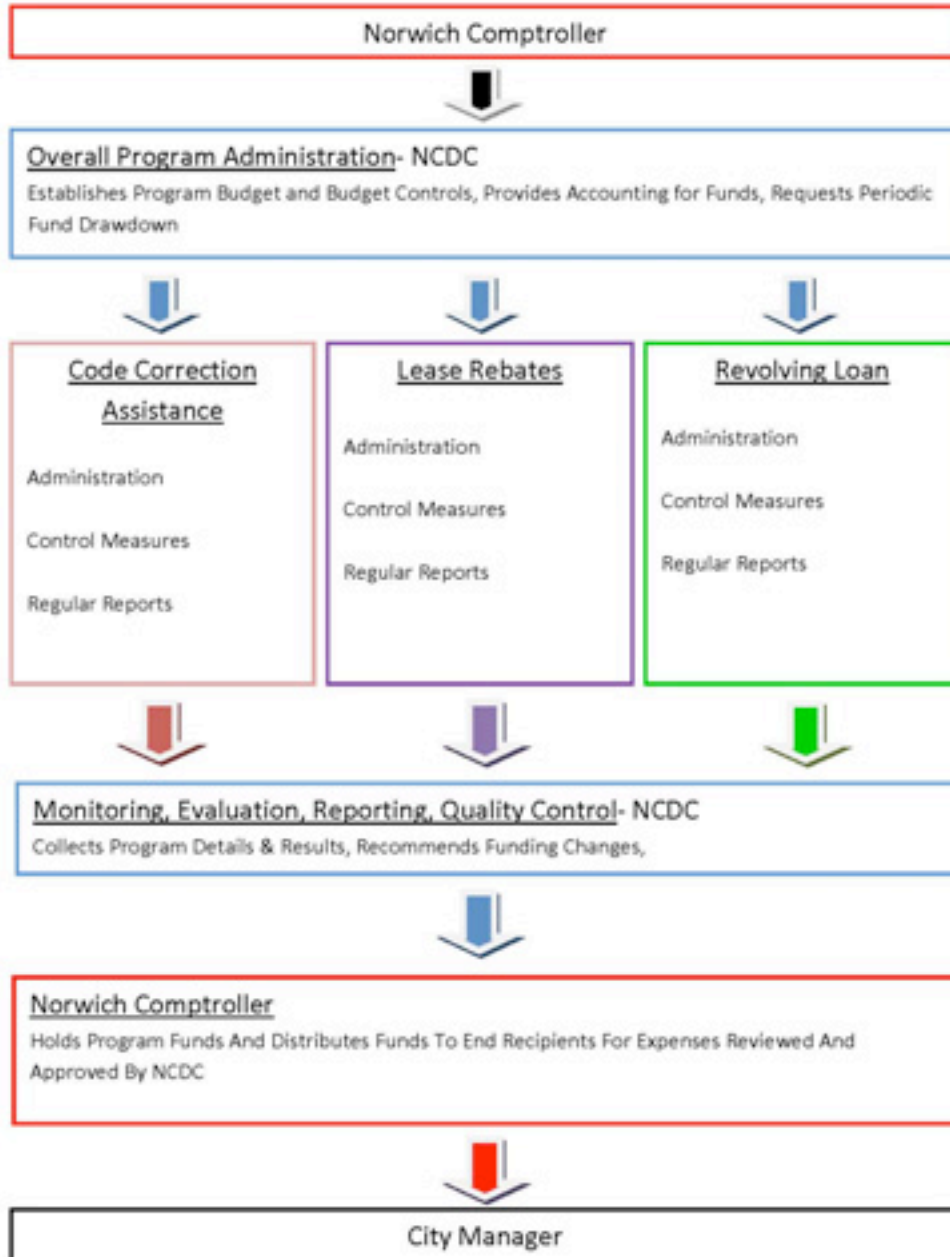
7. Financing Plan

Financing Plan Overview

The bond appropriation will be held by the City's Comptroller, drawn down as directed by NCDC for distribution to the end recipients of the funds and/or to intermediary program contract service providers.

- The level of project funding will be determined by NCDC and a 3-5 person evaluation committee comprised of representatives with expertise in business/administration, engineering, technology, real estate/development, finance/accounting, human resources/employment - exclusive of members of city government and elected officials
- Every effort will be made to ensure that 70% of funds are used to promote businesses that include fabricators, processors, professionals, bio-tech and bio-science industries and Green industries; the remaining 30% could be made available for residential, service, or retail use as zoning allows
- No funds will be used to support City infrastructure improvements or operations
- Funds will not be used to increase or expand the number of social services providers in the downtown
- Funds will be used only for those projects that positively contribute to a modern family oriented urban environment
- The funds can be used in combination with any other program offering based upon the eligibility of the property, the owner, and its tenants
- The process/sequence for funds distribution follows (see following financing plan flow):
 - Request for payment and other relevant supporting materials will be submitted to NCDC for reimbursement on forms and pursuant to procedures established by NCDC to ensure that funds have been expended in accordance with the Plan
 - NCDC reviews, clarifies, approves expenditures and submits monthly requests for fund draw-down to Comptroller
 - Comptroller issues checks to end recipients as directed by NCDC
 - NCDC maintains a record of activities, approvals, and funding requests. Reports on fund drawdowns will be provided to the City Council and others as required.

FINANCING PLAN



8. Administrative Plan

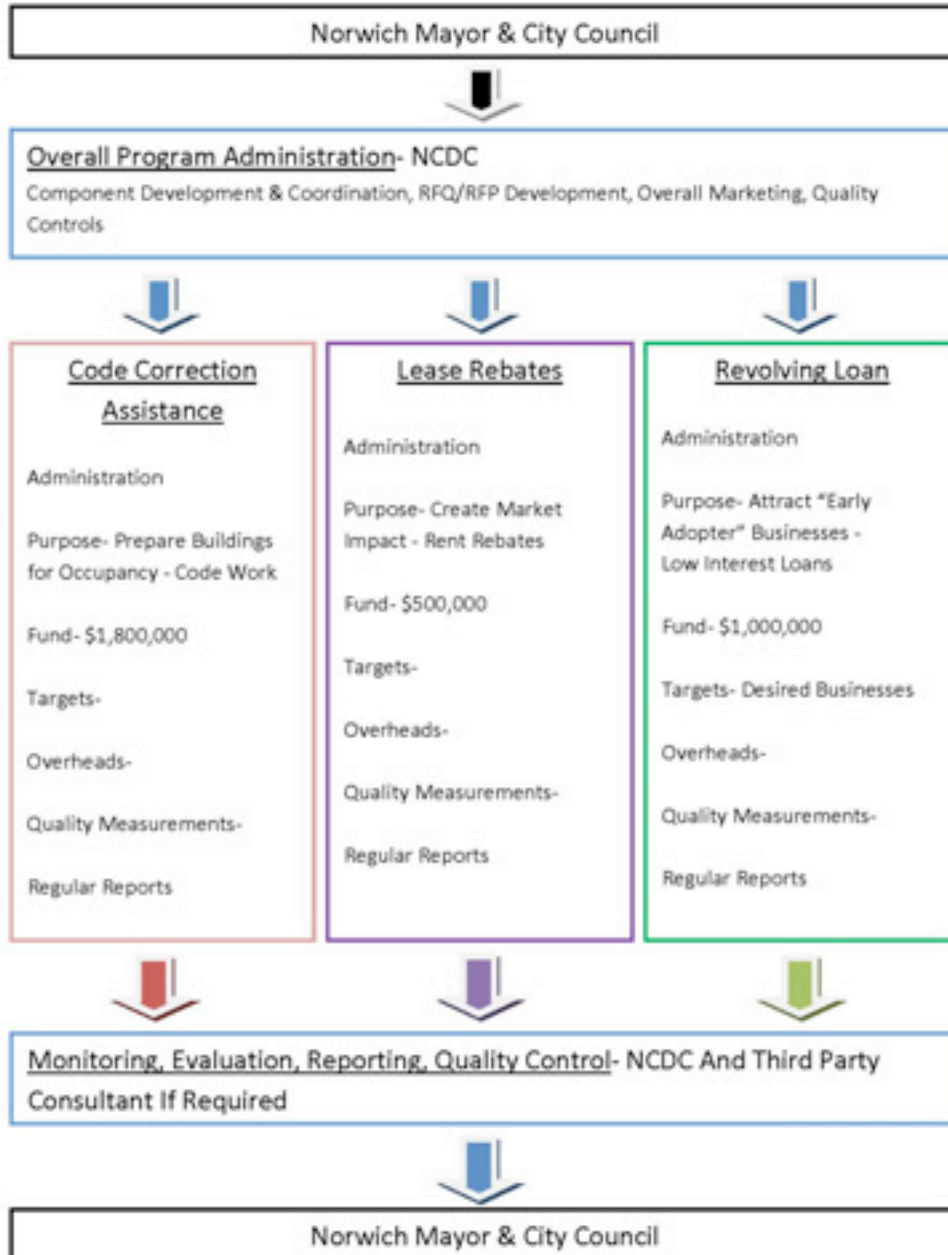
Administrative Plan Overview

The success of the revitalization effort hinges on the ability to receive, process, and evaluate applications for the financial assistance programs quickly and impartially. NCDC has been selected by the City Council to develop and administer the Plan and ensure that City funding is carefully expended to meet Plan objectives. As administrative entity, NCDC will be responsible for program oversight, evaluating and reporting success measures, as well as for coordination among members of City departments doing inspections and other resources required to ensure that each project is proceeding according to the submitted and approved plans. Administrative processes will be agreed to by the City Council and NCDC. To ensure consistency within the administrative process NCDC will seek approval and adoption of this program planning and implementation process from the NCDC Board of Directors, legal counsel, and City Council.

NCDC is or will be staffed and funded to fulfill the mission given to it by the City Council and consistent with the mission of NCDC. Included in that mission is a commitment of *promoting, facilitating, and implementing economic development consistent with the City's plan*. Consistent with its mission, NCDC is prepared to take on the task of administering and monitoring these programs. It is expected that, in the course of this administration, NCDC will incur administrative costs and may utilize the services of third parties (i.e. legal, loan processing firms). Administrative expenses, including those required to develop, market, and monitor the programs, are allowed under bond regulations. Over the five year program term NCDC intends to perform its tasks at minimum cost to the programs using the customary and allowable amount for program expenses. Detailed financial reports will be included in the program's reporting process – monthly for the first year and quarterly for years two through five or as required.

The goal of both the financial and administrative plans is to keep the program activities separate from the political processes. To ensure that separation, applications will be screened by NCDC staff and those that meet the eligibility requirements will be brought to a 3-5 person evaluation committee comprised of representatives with expertise in business/administration, engineering, technology, real estate/development, finance/accounting, and/or human resources/employment - exclusive of members of city government and elected officials. This team, selected by NCDC, will make its recommendations for funding based on the criteria identified and defined within this document. The committee will be aided in its decision making process by the use of ranking/weighting/evaluation tools and a set of pre-determined and defined criteria allowing decisions to be made exclusively on the merits of the request. Final approval and award of individual projects will be made by NCDC program personnel.

ADMINISTRATIVE PLAN



9. Marketability and Proposed Building Use Study

Norwich Downtown Plan of Development, a study commissioned by Norwich's Planning Department and the Commission on the City Plan in 1993 addresses a number of building use issues. The report is a bit dated but the analyses and conclusions are fundamentally still valid.

Residential Uses:

Nearly three decades ago residential use comprised a significant amount of downtown floor area in the form of small rooms and apartments. The closing of the Norwich Hospital, the release of its patients into the downtown, and the subsequent suburban development caused an exodus to the outskirts that drained the downtown of its vitality and its population. Creating at or above market rate housing in the downtown is a critical component to establishing an economically balanced Downtown. Preference is given to using floors above street level and, where feasible, above the second story as residences.

Office Uses:

The downtown will need to maintain office use as a foundational component of its revitalization effort. Several downtown buildings are already fully dedicated to office use; employees from those offices create the daytime 'feet on the street' in the downtown. A goal of the plan is for offices and higher wage technology based entrepreneurial enterprises to populate floors above street level, and preference is given to second floor office occupancy.

Retail Use:

Retail, an important component of downtown revitalization, is targeted to occupy street level storefronts. It is highly unlikely that a large retail business will become an anchor store downtown; the Plan targets retail establishments that complement the upper floor building uses and support the needs of the downtown community as well as assist in making Norwich a destination for visitors. Downtown retail will have at least five markets: residents of the greater downtown area; those working in and around the downtown; those visiting tourist attractions; those using public services; and those needing specialty items.

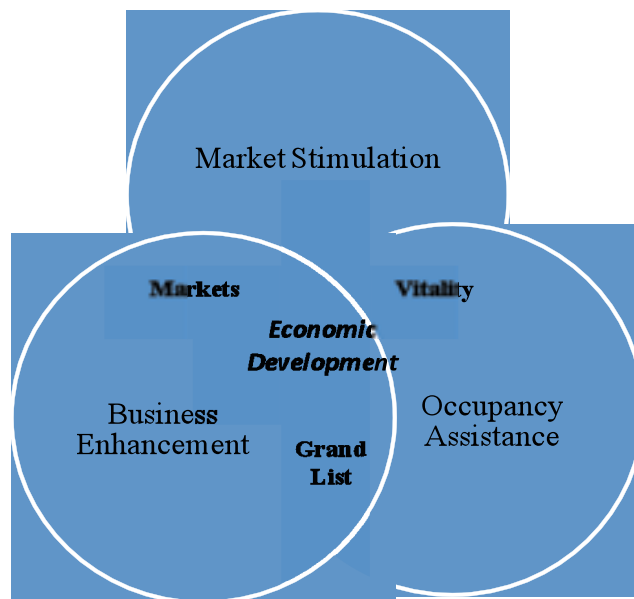
Parking Use:

Parking assets will be much better leveraged with an evolving 24-hour use pattern: residential use overnight and weekends; office use during the workweek; retail use mid morning, evenings and weekends. Parking issues will be brought to the appropriate City Officials as they arise.

10. Economic Benefit Including Jobs and Housing Availability for Those Employees

As expressed throughout this Plan, Norwich has vacant spaces throughout the community but vacancies are especially apparent in the downtown. The reasons are many and difficult to address in a single manner or with a physical "fix". Complex physical, economic and market needs prevents reinvestment and occupation of these spaces. As long as these underperforming

assets are allowed to exist, there is an inherent and very real cost to the entire community (and State!). It is estimated that for every square foot of non-performing asset in downtown, it directly costs the Norwich community a minimum of \$0.64 in lost real estate tax revenue and an additional \$15.00 of missed opportunity in rental income and wealth generation in the community. Downtown Norwich has approximately 250,000 square feet of vacant and underutilized space that directly costs the rest of the community a minimum of \$161,000 annually along with untold value to the region and state. The inter-relationships among the programs stimulate the economy and economic development through Market Stimulation (Commercial Lease Rebates), Business Enhancement (Revolving Loans) and Occupancy Assistance (Code Correction).



Connecticut Office of Policy and Management data shows that Norwich ranks high in the list of cities for number of jobs lost. The jobs that have been regained are not the same types or value of the jobs that were lost. The region's large industry clusters have a history of employment ebb and flow; a recent job shed has created an environment fostering start-up and entrepreneurial businesses that need smaller, affordable spaces. If captured, these businesses would bring jobs to downtown and people to the market rate residential units downtown. It is well known that 'people spend money where they live'; business and population density would become the catalyst for filling the storefronts.

11. Appraisal Report and Title Search

Norwich’s grand list suffers for every square foot of underutilized or sub-code property. The following chart shows that an estimated 250,000 square feet of vacant space in the core downtown is resulting in an average grand list loss of \$0.64 per square foot. Remediating and utilizing these spaces to their best and highest use could add more than \$8 million to the grand list’s value.

Appraised Value Land & Buildings	Usable Feet ²	Average Appraised/Ft ²	Difference in Value Compared to Downtown Average	Currently Lost to Grand List	Lost Annual Revenue @ .02802	Lost Annual Revenue Square Ft @ .02802
Downtown Spaces \$ 86,275,000	1,289,860	\$ 66.89				
Example: 77 - 91 Main Street \$ 1,306,000	38,400	\$ 34.01	\$ 32.88	\$ 1,262,465	(\$24,762)	(\$0.64)
Vacant Downtown Space	250,000		\$ 32.88	\$ 8,219,172	(\$161,211)	(\$0.64)

12. Findings

a. The land and buildings within the boundaries of the project area will be used principally for business purposes including professional, commercial, financial, retail or tourism and for at or above market rate housing.

b. The plan is consistent with the *Norwich Plan of Conservation and Development* adopted in 2002 by the Norwich Planning Commission. It is aligned with the regional Comprehensive Economic Development Strategy (CEDS), and on August 4, 2010, at a general meeting of the Commission on the City Plan, the Commission voted unanimously to support these initiatives as consistent with the *Norwich Plan on Conservation and Development*.

c. The plan is not inimical to any state-wide planning program objectives of the state or state agencies as coordinated by the Secretary of the Office of Policy and Management. The Plan is aligned with the State’s plan for revitalizing urban areas.

d. The project will contribute positively to the economic welfare of the municipality and the State. Developing monitoring and reporting success measures are integral parts of the administrative plan.

13. Program(s) Details

These programs have been conceived to address the concern of Norwich residents regarding the condition and vitality of the Downtown Revitalization Area. The focus of the three programs is to promote reinvestment in the City's infrastructure and create an economic climate that will bring vitality, people, businesses, income balance, and opportunity back to the downtown. It is incumbent on NCDC to ensure that the public funds that support the programs are allocated in a way that will provide the best return on investment. The following details include the overall initiative success measures and the eligibility and selection criteria for each of the programs.

Programs Success Measures

The following measures will be used to evaluate the success of the programs though not all measures apply to all programs there is commonality among components of the initiatives:

- Number of new or expanded businesses
- Number of new at or above market rate residential spaces
- Square feet of space downtown available for occupancy vs. baseline
- Square feet of occupied space vs. baseline
- Increase in Grand List vs. baseline
- Increase in utility sales vs. baseline
- Improvement in commercial lease rates vs. baseline
- Increase in median income vs. baseline
- Number of newly created jobs

Code Correction Assistance Program

Outcomes: This program is designed to stimulate investment in older outdated buildings that are privately owned. The expected outcomes include populating upper-floor space with residential units and/or commercial/office uses that, due to code issues are presently unable to be used to their full economic potential.

Grant Terms

- Maximum grant amount: \$100,000 per eligible project, larger amounts will be considered on a case by case basis
- Funds will be paid to the property owner upon receipt of a Certificate of Occupancy or by other pre-arranged and agreed upon milestones.

Code Correction Eligibility Criteria

Eligible applicants for these funds include owners of property located downtown. The program area includes approximately 250 individual tax parcels. (See section 2 for properties)

Eligible uses for these funds include projects that create usable space on upper floors that are currently code non-compliant and for projects that support permitted uses. In order to be considered for this program the project must meet selection criteria and must:

- Create code compliant residential/office/commercial use spaces above street level in existing buildings only; projects may require a preliminary evaluation by fire and/or building officials
- Be in compliance with City zoning and State building code requirements
- Preserve the historic look, feel, and nature of the downtown.

An effort will be made to ensure that 70% of funds are used to promote businesses that include fabricators, processors, professionals, bio-tech and bio-science industries and Green industries; the remaining 30% could be made available for residential, service, retail business that support a modern family oriented urban living environment and creative community. Other uses will be considered on a case-by-case basis as zoning allows.

Code Correction Application Process

In order to be considered for this program all applicants must be current on utility payments and property taxes on all Norwich properties owned by them; subject properties must be free from encumbrances or liens. Applicants must remain current on taxes and utilities; no payment will be released until taxes and/or utilities are paid. Applicants to the code correction program will submit a completed application form to NCDC that contains as applicable to the project:

- Basic contact information (name, address, phone, e-mail, etc)
- Address, legal description, and assessment number (MBLU) of property
- Proof of ownership
- List of all Norwich properties where applicant holds ownership interest i.e. LLP, LLC, Partnerships, Corporations, Trusts, etc.
- Proof that applicants are current with Norwich taxes
- Proof that applicants are current with Norwich utilities
- Proof that applicant are current with debts on the property
- Status of lease agreements with tenant(s); a letters of intent from both parties is preferred
- Applicant must present construction plans for the project, including budgets, schedules, and details on the code work, approved by Norwich building department, fire officials, and NPU
- Business plan and pro-forma financial statements for the project and proof of funds
- Identification of the holders of any mortgage on the subject property and proof that the mortgage is current, and that no event of default exists.

Project Selection Process

Projects will be evaluated and selected based on a set of weighted factors, priorities, and criteria. (See item 14)

Lease Rebate Program

Outcomes: This program is designed to increase the value of downtown locations by improving commercial lease rates through a declining block of financial assistance for tenants. The intention of this program is to improve the market for downtown spaces. The expected outcomes will be increased business activity in downtown and higher market value for property owners.

Reimbursement Terms

- Maximum amount: \$5 per square foot in any year
- The fund will reimburse tenants quarterly and will require the tenant and property owner to verify that lease payments were made and lease is current
- To remain eligible tenant and property owner must prove that they remain current with taxes and utility payments

Lease Rebate Eligibility Criteria

Eligible applicants for these funds include downtown property, the owners and qualified tenants. The program area includes approximately 250 individual tax parcels. (See section 2 for properties)

Eligible uses for these funds include lease payment reimbursements only. An effort will be made to ensure that 70% of funds are used to promote businesses that include fabricators, processors, professionals, bio-tech and bio-science industries and Green industries; the remaining 30% could be made available for residential, service, retail business that support a modern family oriented urban living environment and creative community. Other uses will be considered on a case-by-case basis as zoning allows.

Lease Rebate Application Process

In order to be considered for this program, applicants (landlord and tenant) will need to submit a completed application form to NCDC that contains as applicable to the project:

- Basic contact information (name, address, phone, e-mail, etc)
- Address of property
- Proof of current certificate of occupancy
- Letter of intent to execute a long-term lease between tenant(s) and property owner
- Proof that applicants are current with Norwich taxes & utilities
- Proof that applicants are current on all mortgages.

Project Selection Process

Projects will be evaluated and selected/rejected based on a set of weighted factors, priorities, and criteria. (See item 14)

Revolving Loan Fund

Outcomes: This program is designed to create an advantage to targeted businesses to open and operate in Downtown Norwich through a Revolving Loan Fund. The expected outcomes include populating the downtown with new and expanding businesses, new employees with higher levels of disposable income; increasing the tax base; and reducing the number of vacancies in downtown buildings.

Loan Terms

- Maximum loan \$100,000, larger amounts will be considered on a case by case basis
- Maximum term 5 years
- A commitment of equity including personal guarantee will be required and will be determined based on a debt to worth ratio and projected cash flow.

Revolving Loan Eligibility Criteria

Eligible applicants for these funds include screened and qualified businesses that may not meet the criteria of conventional financing avenues but with mentoring and leveraging other funding sources, show promise to be eligible for more conventional financing and provide significant value in downtown by the end of the five-year term. These businesses include but are not limited to entrepreneurial, start-up businesses, new to market businesses and expanding current market business. This program is not designed to support municipal or social service delivery projects nor is the intent to be the single program to save failing businesses.

Eligible uses for these funds include projects that support office, commercial, retail, recreation, and water dependent businesses and can include workspace improvements and acquisition of property; a small amount may be reserved for working capital. An effort will be made to ensure that 70% of funds are used to promote businesses that include fabricators, processors, professionals, bio-tech and bio-science industries and Green industries; the remaining 30% could be made available for residential, service, retail business that support a modern family oriented urban living environment and creative community. Other uses will be considered on a case-by-case basis as zoning allows.

Revolving Loan Application Process

In order to be considered for this program all applicants must be current and remain current on utility payments and property taxes at all Norwich properties; properties must be free from lien. Applicants to the revolving loan program will need to submit a completed application form to NCDC that contains as applicable to the project:

- Basic contact information (name, address, phone, e-mail, etc)
- Address, legal description, and assessment number (MBLU) of property
- Proof that applicants are current with Norwich taxes and Norwich utilities
- In order to remain eligible for this funding applicants must submit proof that they remain current on taxes and utility payments
- Proof that applicant has been turned down for conventional financing
- Proof of required collateral or personal guarantee
- Description of proposed use of funds
- Status of lease agreement with landlord and tenant(s), letters of intent are preferred
- Business plan and pro-forma financial statements for the project
- Other documents as required by the entity managing the funds.

Project Selection Process

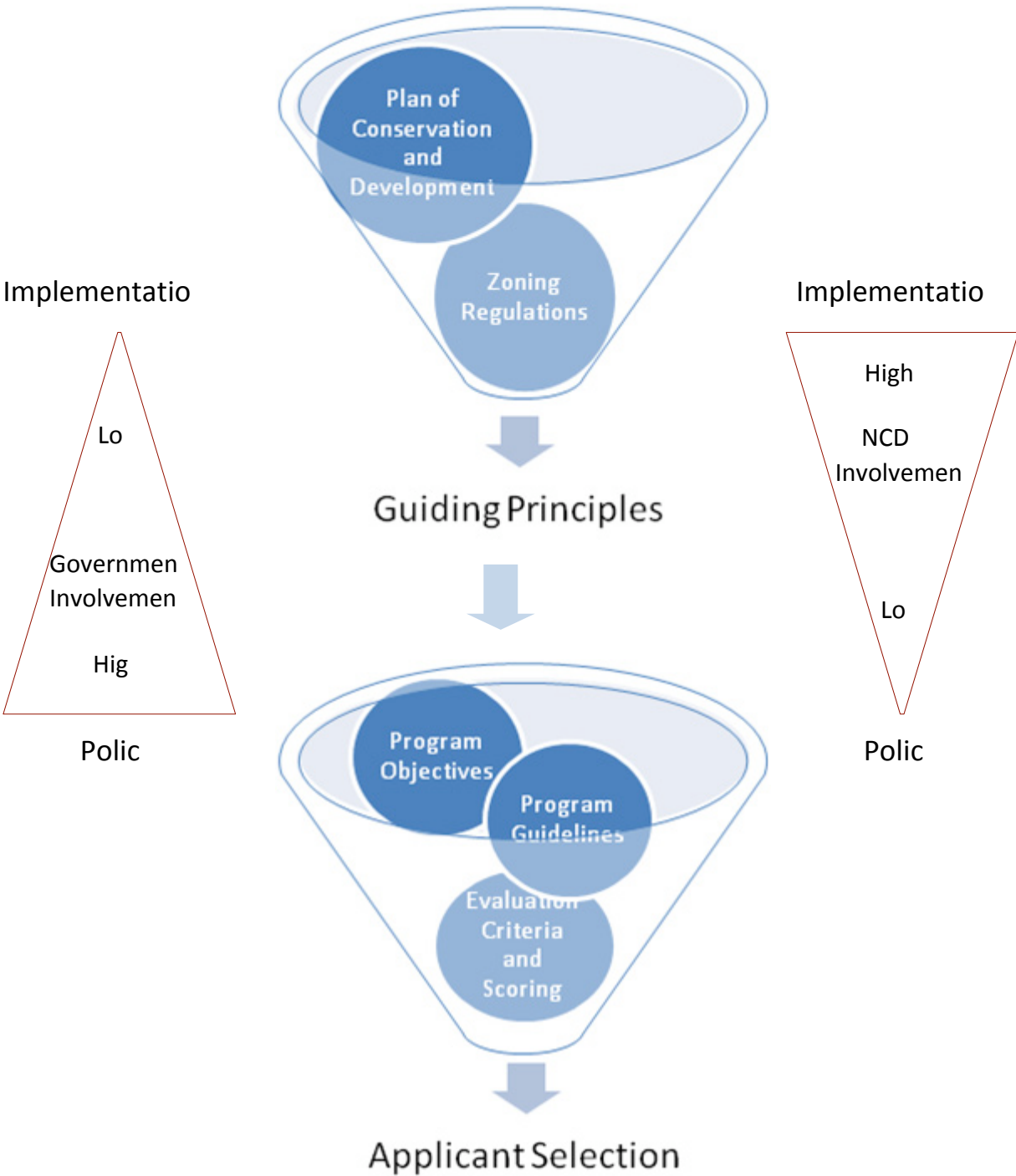
Projects will be selected based on factors and criteria defined by the loan underwriters.

14. Evaluation and Selection Process: Program Implementation Process

The selection of projects and applicants will be guided by the Plan of Conservation and Development, and Zoning Regulations, the City's foremost development documents. These two documents form the foundation for all the evaluation criteria. Weighting factors and priorities will be assigned to the criteria and will include:

- Fiscal impacts
- Employment levels and quality of jobs
- Ability to meet financial obligation
- Community goals.

IMPLEMENTATION PROCESS



The following chart identifies the evaluation criteria and the factors that will allow the evaluation team to make decisions on funding projects based on how well the project satisfies the goals of the approved programs.

Evaluation Item	Weighting Factor	Ranking 1-3	Score	Ranking Criteria* <i>N/A or negative impact should br ranked as zero (0)</i>		
				1	2	3
FISCAL IMPACTS	35%					
Prime Economic Driver	7	0	0	Retail	Mixed Use	Mfg
Real Estate Grand List Increase	10	3	30	0-35%	36-70%	>71%
Personal Property Grand List Increase	3	1	3	0-35%	36-70%	>71%
Use/Impact on Utiity Services	8	3	24	Low elec&gas high sewer discharges	Avg elec&gas domestic water sewer	High elec&gas domestic water sewer
Cost to Government	7	1	7	high	mid	low
EMPLOYMENT	25%					
# Management/Professional jobs	7	1	7	1-3	4-10	>10
#Technical jobs	7	0	0	1-3	4-10	>10
#Labor jobs	6	1	6	1-3	4-10	>10
Job Quality	5	2	10	0-3	4-6	>6
BUSINESS OPERATION	15%					
Local or Corporate Entity	2	3	6	corp	mix	local
Hours of Operations (Week)	4	3	12	40-60	60-80	>80
Strength of Business Plan	6	2	12	1	2	3
At or Above Market Rent	3	2	6	below	at	above
COMMUNITY IMPACT	25%					
Supports City's ED Goals	10	3	30	1	2	3
Complements Surrounding Business	4	3	12	1	2	3
Creates a Positive Image	6	2	12	1	2	3
Helps Diversify the Market	5	3	15	1	2	3
TOTAL SCORE			192			

Evaluation Items were determined through input from Team Norwich as well as numerous Community and Business discussions.

Weighting Factor will be determined using the Analytical Hierarchy Pairwise comparison tool, a statistics based computerized application that results in a numeric comparison and ranking among a defined set of criteria.

Ranking is a numeric indicator that allows the implementation team to rank each proposed project as a “blind” proposal based on the established criteria.

Evaluation Items Defined

Fiscal Impacts

Prime Economic Driver	A business that creates a cultural draw or creates a product and exports it to other areas bringing money into the city (i.e. industrial) as opposed to a business that recirculates money already in the local marketplace (i.e. retail).
Increase Real Estate Grand List	Amount of increase to the real estate grand list based on the increased value of the building after improvements.
Increase Personal Property Grand List	Amount of increase for personal property grand list resulting from business equipments. (FFE)
Use/Impact on Utility Services	Impact to the utility based on the way the business/building/resident use utilities. Heavy use of water and sewer services can drive cost into utility service while electric and gas are more profitable.
Cost to Government	Level to which additional services (safety, education, etc) will be needed to support the project.

Employment

#Management/Professional Jobs	The Program goal is to seek higher skilled, higher paying jobs. Professional and technical jobs imply higher skills and pay, and are weighted more heavily than labor.
# Technical Jobs	See above
# Labor Jobs	See above
Job Quality	Job quality is based on the number and value of employment benefits offered by the business.

Business Operations

Local or Corporate Entity

Local business implies local decision making and more commitment to local success.

Hours of Operation (week)

It is assumed that the longer a business is open, the more trade that business will generate and the more activity it will bring to the downtown.

At or Above Market Rent

This criterion is focused primarily on residential use but since the programs are designed to increase the value of commercial leases, the criterion applies to the commercial areas as well.

Community Impact

Supports City's Development Goals

How well the business plan and project supports the City's Plan of Conservation and Development.

Complements Surrounding Business

How well this business/project supports and fits with businesses in the downtown area.

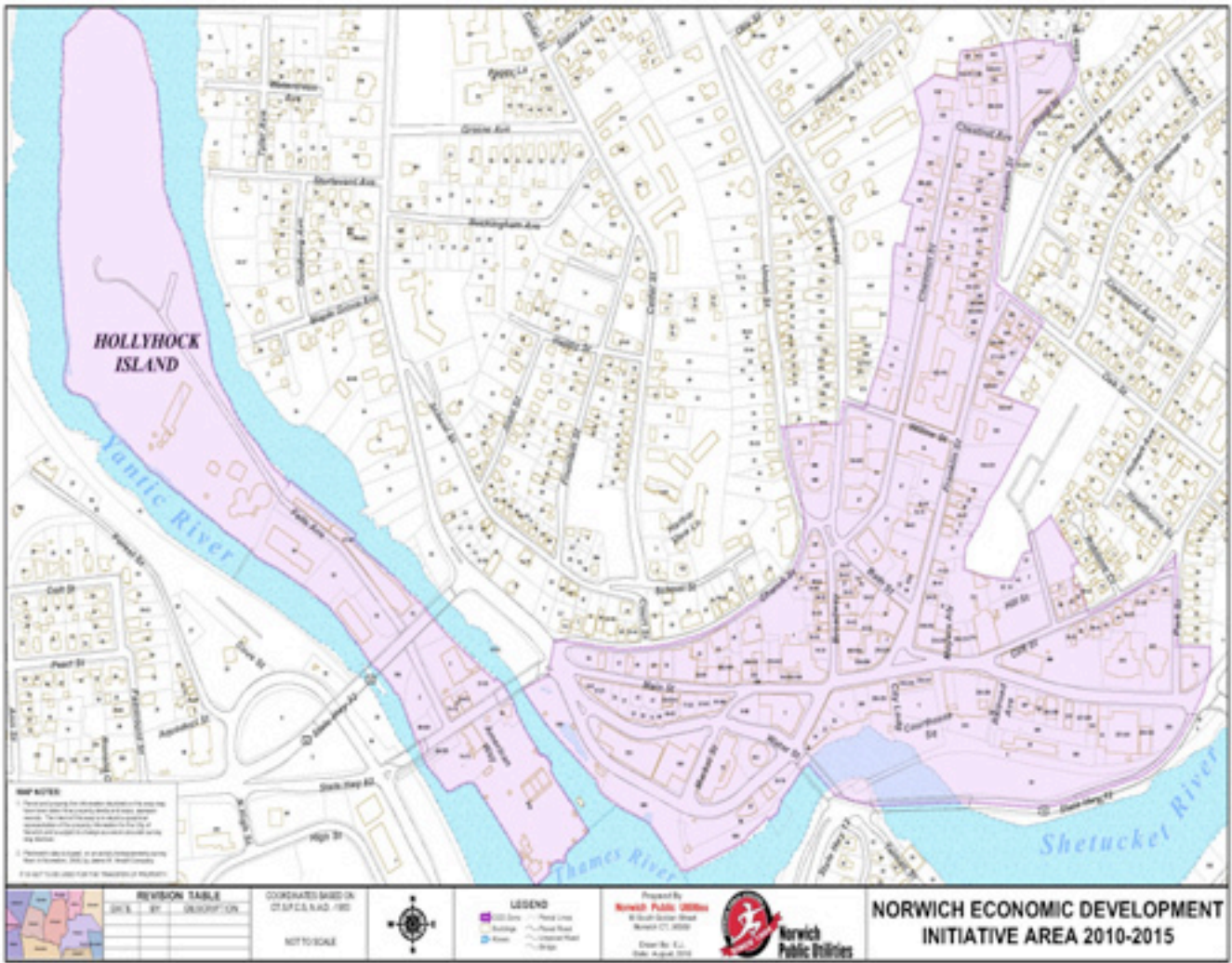
Creates a Positive Image

How well the business addresses the core needs of the marketplace and how it would make the downtown a family oriented urban and walk-able community.

Helps Diversify the Market

Addresses the 'not more of the same' scenario. How well the business/project going to produce new types of commerce?

PROGRAM AREA



Resource List

Norwich Plan of Conservation and Development

Commission on the City Plan 2002

Norwich Downtown Plan of Development

Commission on the City Plan and Planning Department Staff 1993

Renovating in Downtown Norwich - A Guideline

Rose City Renaissance 2008

Economic Growth and Development Provisions From:

The Norwich Harbor Management Plan 2010

A Waterfront Vision and Implementation Strategy for the City of Norwich

Norwich Community Development Corporation Waterfront Development Division 2004

Mayor's Economic Development Organizations Meetings and Workshops

December 2009 through Today

Don Klepper-Smith, Chief Economist

DataCore Partners, LLC and Chairman of Governor's Economic Advisory Council

James B. Farnam, Principal

Holt, Wexler & Farnam, LLP

Robert Santy, President

Connecticut Economic Resource Center, Inc.

Alissa DeJonge, Director of Research

Connecticut Economic Resource Center, Inc.

Matt Nemerson

Connecticut Technology Council

James Coleman

James Coleman Architecture Studio

The plans named as resources form the factual basis and history of the *Downtown Norwich Revitalization Programs: Project Plan* and they are incorporated by reference into this plan. The intent of this plan is to build upon and carry forward the concepts and ideas expressed in other development plans; it is in no way intended to conflict or contradict the desired outcomes expressed by the other authors.