Summary of Findings

The following is a summary of key findings regarding the Wall Street area market conditions and the area's general prospects for revitalization.

1. Market Context

The project area occupies a central location in an affluent market. While the area does not anticipate rapid growth, its affluence, its accessibility to key business locations, and the generally positive outlooks for Fairfield County's economy provide strong assets for new development potential.

2. Residential Market Opportunities

Residential projects offer the strongest opportunities for new development in the project area. Such projects will derive support from ongoing growth in the region's high-income groups.

- The luxury rental apartment market shows signs of saturation, but the market has demonstrated its acceptance of such products in the Wall Street area and throughout coastal Fairfield County.
- Condominium development activity has been limited in recent years, but strong growth among upper-income empty nesters, along with rapid price appreciation in the local market, indicate that this market niche also offers potential.
- Mixed-income projects should also prove viable in the area, as well as live/work products targeting artist, artisan, or professionals seeking to combine dwelling units with small business space.
- Senior housing represents an underserved niche in an area with a growing number of income-qualified senior households.

3. Commercial Development Opportunities

Commercial development opportunities will be limited to ground-floor spaces in residential buildings situated on the project area's major streets. As new residential development proceeds, however, new residents will enhance business opportunities for increasingly desirable tenants in the area's existing street front spaces. These enhanced opportunities will gradually facilitate upgrades to tenant profiles, lease rates, and revenues, thereby contributing to building maintenance and improvements.

4. Prospects for Revitalization

In general, the necessary catalysts for revitalization include public improvements as well as the initial development of new residential projects including apartments, condominiums,

and possibly projects oriented toward artists or live/work uses. Such projects can generate new consumer spending that will in turn support new investments in local businesses and properties. As this progression of investments begins, and as the regional and national economies recover from the current downturn, the project area should begin to attract increasingly desirable businesses and development projects.

Strategic Redevelopment Concepts

- Revitalization based on residential development: In the short-term, the residential market offers the strongest opportunity for new upscale development in the project area. The City should target such development, with the possible inclusion of artist loft housing and senior housing concepts, in order to enhance the general vitality and desirability of the area.
- Catalysts on City-owned properties: Use municipal parking lots not only for parking, but as leverage in attracting public/private projects that can serve as catalysts for further development.

Potential Development Programs

Over the next five years, the project area can offer potentially feasible development opportunities. In a short-term time frame, the strongest opportunities would involve residential projects including:

- Luxury rental apartments, typically in low- to mid-rise (3- to 4-story) buildings. Such buildings would feature extensive amenities -- including ground-floor retail space in some cases -- and would charge high-end rents approximating an average of roughly $1.80 to $2.00 per square foot (2003 dollars). Most projects would offer one- and two-bedroom configurations (including units with den or loft areas), and there would be lesser potential for studio and three-bedroom units. Buildings would typically offer covered parking situated below the building footprint. Typical development densities would approximate 60 units per acre.

- Luxury condominiums in low- to mid-rise (3- to 4-story) buildings. Most condominium projects would seek waterfront settings or other locations adjacent to desirable amenities. Project s would emphasize two- and three-bedroom units; prices would approximate roughly $200 per square foot initially. Buildings would also offer covered parking, typically situated below the building footprint. Typical development densities would approximate 60 units per acre. While this type of project may offer a strong opportunity in the short- as well as long-range future, in the short-term, most projects would feature a smaller scale (e.g., 20 to 60 units) that typical apartment buildings. This opportunity will grow increasingly attractive as the project area gains enhanced recognition as a desirable residential location.

- Other potential residential development opportunities would involve (1) mixed-income housing, and (2) artist loft housing. Mixed-income housing would combine market-rate units with varying components affordable to households with incomes of 60 to 80 percent of the area's median income levels. Artist loft or "live/work" housing may also offer a limited volume of opportunity. Such housing typically features high ceilings and open configurations; most projects of this nature include a substantial subsidized/affordable component. Both of these housing formats would require public funding in various forms, possibly including federal tax credits, tax-exempt bonds, and other local and/or state funding programs.

- Independent living senior housing products: As the project area establishes itself as an attractive residential location, it should prove attractive for various forms of rental, condominium/coop and other market-rate senior housing developments. In general, however, the economics driving such projects require substantially higher development densities (up to three time higher in many cases) than non-age-restricted housing forms. This density requirement is mitigated somewhat by comparatively small sizes for dwelling units and by lower parking requirements, since most units would require only one car (plus visitors). Such developments are not likely to be included among the project area's near-term development projects.

Market Context

The project area occupies a central location in an affluent market, and offers convenient commuter access to employment concentrations throughout Fairfield County, parts of Westchester County (NY) and New York City. While the area does not anticipate rapid growth, its affluence, gradual but ongoing growth, and proximity to key business locations should enable it to support various types of new market-rate development. The discussions in this section present a general overview of community profiles, demographic trends and economic conditions in Norwalk and the broader context of Fairfield County. This regional context frames the general outlook for prospective developments in the project area.

Demographic Trends and Projections

Population and Households

The City and its surroundings are for the most part built-out and do not anticipate rapid growth. Nonetheless, population and household growth are projected to continue at gradual rates. As shown in the exhibit below, both Norwalk and Fairfield are expected to maintain recent growth rates of roughly 0.6 to 0.7 per year. Even at annual growth rates below 1 percent, however, the City of Norwalk is expected to grow by more than 1,000 households over the next five years. To the extent that the project area is successful in creating a redeveloped setting attractive to developers as well as new renters and condominium buyers, the City's growth rates as currently forecasted could increase.

Exhibit 1

GROWTH TRENDS AND PROJECTIONS

NORWALK AND FAIRFIELD COUNTY: 1990-2007

	1990	2000	1990-2000 Avg. Ann. Growth	2002	2007	2002-2007 Avg. Ann. Growth
Population						
Norwalk	78,331	82,951	0.6%	83,807	85,978	0.5%
Fairfield Co.	827,645	882,567	0.6%	894,032	922,213	0.6%
Households:						
Norwalk	30,560	32,711	0.7%	33,127	34,135	0.6%
Fairfield Co.	305,011	324,232	0.6%	328,434	338,747	0.6%

Source: Claritas, Inc.; U.S. Census Bureau.

Household Income Characteristics

Household growth in Norwalk and Fairfield County will focus primarily on upper-income households. As shown in Exhibit 2, the number of households with incomes below $100,000 is expected to decline, while households with incomes in excess of $250,000 are expected to show the highest growth rates. In general, these data offer evidence of an increasingly affluent market area that could most likely support additional upscale housing.

Exhibit 2

HOUSEHOLD INCOME COHORTS

NORWALK AND FAIRFIELD COUNTY: 2002-2007

	Norwalk			Fairfield Co.		
	2002	2007	Change	2002	2007	Change
Less than $25,000	3,848	2,801	-1,047	40,213	31,424	-8,789
$25,000 - $34,999	1,876	1,839	-37	19,605	17,858	-1,747
$35,000 - $49,999	3,414	2,470	-944	31,357	25,636	-5,721
$50,000 - $74,999	6,044	5,394	-650	51,860	45,007	-6,853
$75,000 - $99,999	5,556	4,722	-834	46,411	41,485	-4,926
$100,000 - $149,999	6,159	7,136	977	56,880	61,179	4,299
$150,000 - $249,999	4,800	5,936	1,136	51,518	58,475	6,957
$250,000 - $499,999	1,090	3,065	1,975	19,654	38,447	18,793
$500,000 +	340	772	432	10,936	19,236	8,300
Total	33,127	34,135	1,008	328,434	338,747	10,313

Source: Claritas, Inc.

Median household incomes in Norwalk, the Norwalk/Stamford primary metropolitan statistical area (PMSA) and Fairfield County all exceed the statewide median income. Within the generally affluent Fairfield County market, however, Norwalk's median household income falls somewhat below those of Stamford and the overall county.

Economic Base

Fairfield County's economy rests on employment (compiled by place of work) in services, retail trade and manufacturing. Services represent the largest component of the economy, accounting for more than one-third of all jobs in 2002. Within this broadly defined sector, employment is concentrated in professional sectors such as business services, health services, social services and engineering/management services.

Notwithstanding the current regional and national economic downturn, over the next five years, these sectors are expected to maintain recent patterns of growth. Over the next five years, the overall services sector is expected to grow by more than 17,000 jobs; the dominant, professional services (business, health, social, engineering) categories are projected to grow at rates of 2.0 to 3.5 percent per year.

The finance/real estate/insurance sector is also expected to show significant growth, adding more than 6,000 jobs over the next five years, achieving an annual rate of 2.7 percent per year.

During this same time frame, other significant sectors such as retail trade and government are expected to maintain more modest growth trends, with retail trade increasing at a rate of 1.2 percent annually. The county's manufacturing sector is expected to continue its recent pattern of decline, losing more than 3,000 jobs as manufacturing employment falls from 98,000 in 1990 to roughly 59,000 in 2007

Exhibit 4

EMPLOYMENT TRENDS AND PROJECTIONS (th's of jobs)

FAIRFIELD COUNTY: 1990-2007

	1990	2000	1990-2000 Avg. Ann. Growth #	1990-2000 Avg. Ann. Growth %	Est. 2002	Proj. 2007	2002-2007 Avg. Ann. Growth #	2002-2007 Avg. Ann. Growth %
Industry Group								
Mining	0.26	0.14	-0.01	-5.8%	0.09	0.14	0.01	10.1%
Construction	14.17	15.21	0.10	0.7%	14.82	14.26	-0.11	-0.8%
Manufacturing	97.71	69.47	-2.82	-3.4%	62.04	58.93	-0.62	-1.0%
Transport., Comm. & Public Util.	18.67	18.85	0.02	0.1%	18.88	20.06	0.24	1.2%
Wholesale Trade	24.44	22.36	-0.21	-0.9%	21.04	22.17	0.23	1.1%
Retail Trade	70.47	73.23	0.28	0.4%	70.16	74.48	0.86	1.2%
Finance, Insurance & Real Estate	33.67	42.78	0.91	2.4%	43.19	49.41	1.24	2.7%
Services	112.40	145.62	3.32	2.6%	146.32	163.89	3.52	2.3%
Business services	22.66	38.75	1.61	5.5%	36.78	43.71	1.39	3.5%
Health services	30.97	37.26	0.63	1.9%	38.70	43.85	1.03	2.5%
Social services	7.03	11.32	0.43	4.9%	11.67	12.90	0.24	2.0%
Engineering & mgmt. services	14.14	15.76	0.16	1.1%	16.63	18.75	0.42	2.4%
Government	41.38	46.97	0.56	1.3%	47.07	46.78	-0.06	-0.1%
TOTAL NON-FARM	413.16	434.63	2.15	0.5%	423.60	450.12	5.30	1.2%

Source: economy.com

Development Opportunities

This section presents overview analyses of the general development sectors that may offer opportunities in the project area.

Residential Market

Norwalk's central and strategic location in Fairfield County can enable new residential developments in Norwalk to draw new residents from throughout the county. Accordingly, the following analyses will examine countywide demographic profiles and growth. Investigations of other comparable or competitive properties, however, will focus more closely on directly competitive properties within more locally defined regions.

Rental Market Opportunity

Within a near-term time frame (approximately two to five years), rental apartments present the strongest market opportunity for the project area. The following points support this conclusion:

a. Regional Lifestyle Rental Market

Luxury apartments targeting "lifestyle" renters (high-income households opting for the convenience of upscale rental living arrangements despite possessing the means for purchasing desirable homes) have gained market acceptance in Stamford, Norwalk, and other nearby locations such as Wilton and New Canaan. High-end apartment properties in the region extending from Stamford on the west to Wilton on the north-east will compete for householders commuting to employment destinations in New York, Stamford, Norwalk, and other coastal locations in Fairfield County. In Norwalk, luxury apartments serving this niche (with rents approaching $2/square foot/month) have been successfully absorbed in the project area and nearby locations, indicating the local market's acceptance of such products. While the luxury apartment market in the region currently exhibits signs of weakness, it should regain stability as the economy resumes growth over the next three to five years.

b. Competitive Market

In recent years, a number of new luxury rental developments have been built in the local market area. The following exhibit identifies the luxury rental developments that are most likely to compete with new luxury apartments in the project area.

Exhibit 5

COMPETITIVE LUXURY APARTMENT COMPLEXES

Name	Location	Built	# Units
Merritt River Apartments	Norwalk	2002	227
Clocktower Close	Norwalk	1985	129
Riverview	Norwalk	1991	92
Corset Factory	Norwalk	1980s	81
Trolley Barn	Norwalk	1988	24
Avalon New Canaan	New Canaan	2002	104
Avalon Springs	Wilton	1996	102
Archstone Stamford	Stamford	2002	160
The Fairfield	Stamford	1995	263
Southwood Square	Stamford	2001	315
Avalon Corners	Stamford	1999	195
Avalon Glen	Stamford	1991	238
Avalon Grove	Stamford	1996	402
Avalon on Stamford Harbor	Stamford	2002	323
Park Square West	Stamford	2001	143
Avalon at Greyrock Place	Stamford	2001	306
Avalon Bedford	Stamford	1960	388
Total Units			**3,492**

Source: Bonz/REA, Inc.

In general, monthly rents at most of these apartment complexes range from roughly $1,450 to $2,000 for one-bedroom units and from $1,700 to $2,300 for two-bedroom units. On a per-square foot basis, monthly rents range from $1.50 to $2.25. In general, though, developers perceive that properties in Stamford should command premiums of ten to fifteen percent, on average, to Norwalk properties.

In recent years the market has shown signs of weakness, particularly in Stamford, as vacancy rates have risen and new properties have introduced free rent concessions in their leasing campaigns. Overall, despite recent signs of weakness, properties that have achieved stabilized occupancies have been able to maintain an overall stabilized occupancy rate of 94 percent. When properties in initial lease-up are included, new and unleased units reduce the overall occupancy rate to 89 percent (as would be expected).

Exhibit 6

OCCUPANCY RATES AT COMPETITIVE LUXUTY APARTMENT PROJECTS

Property	City	Built	Total Units	Units Occupied	Units Vacant	Occupancy Rate
Merritt River Apartments	Norwalk	2002	227	93	134	41%
Clocktower Close	Norwalk	1985	129	129	0	100%
Riverview	Norwalk	1991	92	89	3	97%
Corset Factory	Norwalk	1980s	81	73	8	90%
Trolley Barn	Norwalk	1988	24	23	1	92%
Avalon New Canaan	New Canaan	2002	104	83	21	80%
Avalon Springs	Wilton	1996	102	93	9	91%
Archstone Stamford	Stamford	2002	160	159	1	99%
The Fairfield	Stamford	1995	263	242	21	92%
Southwood Square	Stamford	2001	315	309	6	98%
Avalon Corners	Stamford	1999	195	184	11	94%
Avalon Glen	Stamford	1991	238	221	17	93%
Avalon Grove	Stamford	1996	402	382	20	95%
Avalon on Stamford Harbor	Stamford	2002	323	275	48	85%
Park Square West	Stamford	2001	143	137	6	96%
Avalon at Greyrock Place	Stamford	2001	306	266	40	87%
Avalon Bedford	Stamford	1960	388	349	39	90%
					Total Occupancy:	89%
					Occ. Among Stablized Projects [1]:	94%

[1] Excludes units at Merritt River, Avalon New Canaan and Stamford Harbor projects.

Source: Bonz/REA, Inc.

c. Market Demand

Based on an analysis of existing apartment projects, transportation routes, and commuting patterns, the competitive market for a high-quality rental apartment development in the project area could potentially draw residents from throughout Fairfield County.

In order to afford rental housing at a high-quality complex, renters would need to maintain an annual household income of at least $60,000; the largest portion of the market for a Norwalk luxury apartment development would comprise one- and two-person households with annual household incomes of $75,000 or more.

As shown previously in Exhibit 2, while lower and middle-income households are likely to decline in Norwalk and Fairfield County, households in the upper income tiers are expected to show substantial growth. Focusing on income levels for the various age groups, Exhibit 7 shows that, while the income groups below $100,000 are expected to decline over the next five years, such declines will be offset by increases in the $100,000+ income brackets for most age groups (excepting only the 35 to 44 age group).

Exhibit 7

HOUSEHOLD AGE-BY-INCOME TRENDS

FAIRFIELD COUNTY: 2002-2007

Household Age	Annual Income	2002	2007	5-yr. Change
25-34	$50,000 - $74,999	9,858	7,667	-2,191
	$75,000 - $99,999	8,882	7,457	-1,425
	$100,000 +	17,486	23,151	5,665
	Subtotal	***36,226***	***38,275***	***2,049***
35-44	$50,000 - $74,999	12,507	8,817	-3,690
	$75,000 - $99,999	12,090	9,175	-2,915
	$100,000 +	38,668	42,964	4,296
	Subtotal	***63,265***	***60,956***	***-2,309***
45-54	$50,000 - $74,999	9,120	7,840	-1,280
	$75,000 - $99,999	9,620	8,149	-1,471
	$100,000 +	41,474	51,730	10,256
	Subtotal	***60,214***	***67,719***	***7,505***
55-64	$50,000 - $74,999	7,804	7,363	-441
	$75,000 - $99,999	7,297	7,421	124
	$100,000 +	25,077	36,221	11,144
	Subtotal	***40,178***	***51,005***	***10,827***
65-74	$50,000 - $74,999	5,890	5,830	-60
	$75,000 - $99,999	4,347	4,420	73
	$100,000 +	9,460	13,106	3,646
	Subtotal	***19,697***	***23,356***	***3,659***
25-74	$50,000 - $74,999	45,179	37,517	-7,662
(subtotal)	$75,000 - $99,999	42,236	36,622	-5,614
	$100,000 +	132,165	167,172	35,007
	Subtotal	**219,580**	**241,311**	**21,731**

Source: Claritas, Inc.

In estimating demand for luxury rental apartments, our method builds on the preceding demographic projections for the Fairfield County market, refined to take into account household sizes and propensities to rent (based on 2000 Census data for Fairfield County). The first step is to estimate the number of income-qualified renter households in each age group. The next step is to apply renter/owner ratios (based on 2000 census data) specific to the various age groups. The third and final adjustment applied census data to estimate the number of one- and two-person households most likely to rent units in luxury apartment complexes.

As seen in the following exhibit, the target market of lifestyle renters in Fairfield County is projected to increase from roughly 15,300 in 2002 to 17,600 in 2007. This represents a gain of 2,300 households, of which the largest number (950) fall within the 25 to 44 age group, which typically comprises the primary targeted market.

Exhibit 8

POTENTIAL DEMAND FOR LUXURY RENTAL HOUSING

FAIRFIELD COUNTY: 2002-2007

	Estimated 2002 Demand			Estimated 2007 Demand			2002 to 2007 Change		
Primary Market Area[4]	Income Qualified[1]	Number of Renters[2]	Lifestyle Renter[3]	Income Qualified[1]	Number of Renters[2]	Lifestyle Renter[3]	Income Qualified[1]	Number of Renters[2]	Lifestyle Renter[3]
25 - 34	26,368	8,278	5,126	30,608	9,609	5,950	4,240	1,331	824
35 - 44	50,758	7,451	4,614	52,139	7,654	4,739	1,381	203	126
45 - 54	51,094	5,169	3,200	59,879	6,057	3,751	8,785	889	550
55 - 64	32,374	2,780	1,721	43,642	3,747	2,320	11,268	967	599
65 - 74	13,807	1,111	688	17,526	1,410	873	3,719	299	185
Total	174,401	24,788	15,349	203,794	28,478	17,634	29,393	3,689	2,284

Notes:

1. Households with annual incomes in excess of $75,000 based on Claritas data.

2. Percentage of renter households by household age based upon 2000 Census data for Fairfield County,adjusted to apply to households with incomes over $75,000

3. Based on percentage of 1 and 2 person households living in Fairfield County from 2000 Census data

4. Primary Market Area Includes: Fairfield County

Source: U.S. Census; Claritas, Inc.; Bonz/REA, Inc.

Overall, the project area should be able to capture a substantial share of the growing demand discussed above. These estimates of new demand, however, do not include the additional induced demand that would result from the creation of an attractive, vibrant residential downtown area, nor do they reflect new properties' ability to outperform older apartment complexes in Norwalk and its surroundings. Given its central location in the County,

with its convenient access to highways and employment locations, the project area should be able to capture approximately 1,000 to 1,200 new rental dwelling units over a ten-year time frame.

Condominium Opportunity

Condominiums in various attached configurations should also offer development opportunities in the project area. For the most part, condominium projects in the project area will seek properties featuring waterfront locations, historic features, or other amenities. Over time, new improvements introduced to the project area's physical and business environments should strengthen its desirability for increasingly upscale condominium development.

a. Recent Projects

Unlike rental apartment buildings, condominium projects do not continue to compete with new projects after they achieve full absorption. Accordingly, this overview discussion does not involve competitive aspects of specific properties, but simply identifies recent high-quality projects to illustrate the recent activity and performances in the market for new condominiums in Norwalk and its surrounding communities.

Exhibit 9

RECENT CONDOMINIUM PROJECTS: SOUTHWEST FAIRFIELD COUNTY

Name	Address	Location	Built	# Units
Carriage House	105 Richards Ave	Norwalk	1999	66
Harbour Heights	4 Lowe Street	Norwalk	2001	16
Patkarholamy	136 W Cedar	Norwalk	2002	8
Thomas Place	Thomas Place	Norwalk	1997	20
Town Line Center	664 Main Ave	Norwalk	1995	42
Westview Common	29 W Main	Norwalk	2001	15
Mead Common	Mead Street	New Canaan	2000	8
Park Slope	197 Park St	New Canaan	2002	13
Chesterfield	2435 Bedford St	Stamford	2000	41
Franklin Court	85 Franklin St	Stamford	1999	12
Pepper Woods	154 Pepper Ridge	Stamford	2002	14
Riverturn	180 Turn of River Rd	Stamford	1999	70
Victorian Manor	49 Glenbrook Rd	Stamford	2000	27
Vine Meadows	865 High Ridge Road	Stamford	2003	10
Riverside Walk	20 Cross Street	Westport	2003	10
Terra Nova	Terra Nova Circle	Westport	2003	54
Crowne Pond	Crowne Pond Lane	Wilton	2000	26
Perry Green	306 Danbury	Wilton	2000	12
			Total	**464**

As shown above, recent condominium projects in the City of Norwalk have included six projects since 1995. With the exception of the larger Carriage House project, located off Connecticut Avenue on Richards Avenue, these have ranged in size from 8 to 42 dwelling units.

The most recent condominium development in Norwalk has been the Harbour Heights project, located west of South Norwalk on Lowe Street. This 16-unit project sold out within approximately six months, at prices ranging from $240,000 to $290,000, or $180 to $220 per square foot. The larger Carriage House project, built in 1998, is located off Connecticut Avenue on Richards Avenue. Following its initial absorption, resale prices have ranged from $275,000 to $325,000; with most units containing 1,100 to 1,300 square feet, most recent sales prices have averaged $250 per square foot.

Exhibit 10

RECENT CONDOMINIUM PROJECTS: CITY OF NORWALK

		Size			Sales Prices			Price per Square Foot		
Project		Low	High	Average	Low	High	Average	Low	High	Average
Carriage House										
105 Richards Ave.	1 BR	754	754	754	-	-	-	-	-	-
Yr. Built: 1999	2 BR	1,050	1,159	1,112	$240,000	$311,000	$276,056	$211	$284	$248
Total D.U.s: 66	3 BR	-	-	-	-	-	-	-	-	-
Harbour Heights										
4 Lowe Street	1 BR	-	-	-	-	-	-	-	-	-
Yr. Built: 2001	2 BR	1,275	1,360	1,322	$239,500	$290,000	$271,441	$176	$221	$206
Total D.U.s: 16	3 BR	-	-	-	-	-	-	-	-	-
Patkarholamy										
136 W Cedar	1 BR	-	-	-	-	-	-	-	-	-
Yr. Built: 2002	2 BR	950	1,150	1,070	$223,900	$270,000	$252,300	$229	$236	$233
Total D.U.s: 8	3 BR	-	-	-	-	-	-	-	-	-
Thomas Place										
Thomas Place	1 BR	-	-	-	-	-	-	-	-	-
Yr. Built 1997	2 BR	-	-	-	-	-	-	-	-	-
Total D.U.s: 20	3 BR	3,258	4,497	3,515	$1,307,500	$2,400,000	$1,694,167	$392	$534	$439
Town Line Center										
664 Main Ave	1 BR	755	1,118	937	$228,000	$228,000	$228,000	$204	$204	$204
Yr. Built: 1995	2 BR	950	1,120	995	$223,000	$223,000	$223,000	$234	$234	$234
Total D.U.s: 42	3 BR	-	-	-	-	-	-	-	-	-
Westview Common										
29 W Main	1 BR	612	775	694	-	-	-	-	-	-
Yr. Built: 2001	2 BR	1,168	1,225	1,182	$194,500	$239,000	$209,417	$167	$205	$177
Total D.U.s: 15	3 BR	-	-	-	-	-	-	-	-	-

In general, the City of Norwalk's condominium market has shown consistently positive trends over the past ten years. As shown in Exhibit 11, the volume of condominium sales in the City increased to a peak of 674 in the year 2000. While this volume has declined, it has continued to exceed sales volumes achieved prior to 1999. In addition, during this ten-year period, median sale prices have consistently increased – even since 2000 – and achieved an average annual increase of 6.1 percent. These data reflect a generally healthy condominium market in the City.

Exhibit 11
CONDOMINIUM SALES
CITY OF NORWALK: 1993-2003

Year	Number	Median Sale Price
1993	338	$123,000
1994	434	$118,375
1995	464	$112,000
1996	422	$123,750
1997	463	$130,000
1998	582	$138,000
1999	672	$148,000
2000	674	$164,700
2001	607	$185,000
2002	610	$215,000
2003	- -	$235,000
Avg. Annual Increase in Med. Price		6.1%

In and around the project area, the inventory of existing condominiums is limited to a few properties located along High Street. These units are generally older and smaller, built during the 1980s with townhouse or garden apartment configurations; most of these units sell within a range of $150,000 to $200,000 (up to roughly $160 per square foot).

Despite the lack of recent supply, the development community has shown an emerging interest in condominium projects in and around the project area. Prospective projects planned for development along Smith Street target upscale young professional as well as empty nester households, with prices generally targeting a $250,000 to $300,000 price range.

b. Growing Demand

The primary target market for market-rate condominium buyers will consist of upper-income householders from within Fairfield County. Exhibit 12 shows five-year projected growth among Fairfield County households with incomes of $75,000 and higher. Within this income group, the highest growth is expected in the 55 to 64-year old age group, which comprises the largest component of the "empty nester" niche that typically furnishes the strongest source of demand for upscale, urban condominium units. The rapid growth in this age- and income-defined cohort signals an increased opportunity for condominium

units throughout Fairfield County and particularly in conveniently accessible, urbanized locations such as the project area.

Exhibit 12
HOUSEHOLDS WITH INCOMES OF $75,000 OR MORE
FAIRFIELD COUNTY: 2002-2007

Household Age	2002	2007	Change
25-34	26,368	30,608	4,240
35-44	50,758	52,139	1,381
45-54	51,094	59,879	8,785
55-64	32,374	43,642	11,268
65-74	13,807	17,526	3,719
Total: 25-74	174,401	203,794	29,393

Source: Claritas, Inc.

Mixed-Income and Other Residential Niches

In addition to market-rate housing developments, mixed-income projects also present development opportunities. Such projects have proven beneficial to virtually all parties, including:

- Low- and moderate-income residents, who gain affordable housing
- Market-rate residents, to whom mixed-income communities have proven acceptable
- Developers, who derive funding assistance that is often required to facilitate their projects' market-rate residential components
- Communities, who derive greater residential diversity and capacity to accommodate potential labor force growth

In general, the product model would be dictated by the requirements and conditions of specific federal, state or local assistance programs. For example, but under federal low-income housing tax credit programs, developers allocate 20 to 40 percent of a project's dwelling units as affordable for households earning either 50 or 60 percent of the area's median household income. In return, the developers gain access to tax credits -- applicable to project equity – that can amount to nearly 90 percent (over ten years) of development costs attributable to the affordable component.

Other federal, state or local programs similarly require various formats for low- or moderate-income housing as conditions for rent subsidies, assistance in land assembly (or cost), low-interest loans, grants, tax-exempt bond financing, and other incentives and forms of government assistance.

Artist Lofts and Live/Work Units

In the project area, artist lofts or "live/work" units comprise a suitable form of mixed-income housing. Such units typically feature open configurations for workspace, typically featuring high ceilings. Also, since affordability comprises a substantial part of the concept, many artist housing buildings involve rehabilitations to inexpensive industrial buildings that would otherwise face functional obsolescence. Where such projects have been developed, anecdotal evidence indicates that they have contributed significantly to enhanced retail, nightlife and entertainment activity. This is generated by the presence of art galleries and arts-related improvements, as well as by the lifestyles and spending patterns of the artists themselves.

Residents in artist loft buildings may be restricted to artists, or may be more broadly targeted to any persons seeking a combined space for living and working. While such restrictions narrow the potential market, they can also enable projects to draw from broader trade areas. In southwestern Connecticut, a developer involved in an artist housing project in Bridgeport reports that the general southwest Connecticut area offers the potential to draw upon a strong community of artists – including successful and/or affluent artists -- from throughout southwest Connecticut, New York City and other parts of suburban New York.

In promoting this form of housing, the following are likely to emerge key issues:

- Zoning: The City would have to enact a zoning ordinance for this type of use. Such ordinance would include: (1) a definition of the targeted "artist housing" or "live/work" use, addressing the types of uses permitted, resident eligibility standards, physical requirements and limitations, etc.; (2) a delineation of the area, or zoning category in which such use would be permissible; (3) necessary conditions (if any) for approval.

- Financing Assistance: While a limited number of affluent and successful artists may seek artist live/work housing, many will meet the qualifying standards for low or moderate-income households. As a result, most projects will require some form of assistance from public, nonprofit, and/or philanthropic sources in order to supplement revenues and/or reduce capital costs.

- Ongoing Affordability: After initial absorption, the project must remain affordable to its targeted resident base. In order to ensure this, the property must be governed by binding guidelines. For rental properties, nonprofit entities that develop such properties often retain ownership and managing responsibilities, thus helping to ensure ongoing compliance with affordability guidelines; where units are sold, properties may be held in a limited equity coop or condominium structure that limits the extent of an owners' permissible appreciation.

Senior Housing Niches

As the project area establishes itself as a desirable residential location, various senior housing products will offer opportunities for new development.

At this time, the city of Norwalk contains no competitive market-rate independent living senior housing facilities (a number of facilities offering various levels of subsidy are available). In general, however, such facilities typically draw from within radii of approximately ten miles. Within this ten-mile market area radius from Wall Street (encompassing the communities of Darien, Fairfield, New Canaan, Stamford, Westport and Wilton) the market supports an ample inventory of independent living as well as assisted living facilities.

Among the existing market-rate senior housing facilities in this area, five facilities with offering independent living contain a total of 692 units. These facilities report occupancy rates ranging from 94 to 100 percent, with an average vacancy rate of 3 percent.

Assisted living facilities report larger variations in occupancy rates. Most of these were opened within the last six years; while two facilities operated by Sunrise Assisted Living maintain low vacancy rates, others report vacancies ranging from 9 to 24 percent vacancies, signaling weakness in this product niche.

Exhibit 13

COMPETITIVE MARKET-RATE SENIOR HOUSING FACILITIES

Facility	Location	Units	Vacancy
Independent			
Thirty-Thirty Park	Fairfield	200	5%
Edgehill	Stamford	207	0%
Westfield Court	Stamford	165	5%
New Canaan Inn	New Canaan	40	2%
Stony Brook Court	Darien	80	6%
Subtotal		*692*	*3%*
Assisted Living			
Brighton Gardens of Stamford	Stamford	115	9%
Greens at Cannondale	Wilton	70	10%
Atria	Stamford	123	24%
Sunrise/Wilton	Wilton	45	4%
Sunrise/Stamford	Stamford	85	1%
Subtotal		*323*	*15%*
Total Independent and Assisted Living Units:		1,015	

Source: Bonz/REA, Inc.

The primary source of demand for market-rate senior housing would come from householders age 75 and older with incomes of at least $75,000. Within this ten-mile radius, as shown in Exhibit 14, over the next five years this market segment anticipates substantial growth. While the overall age cohort is expected to increase at the modest rate of 0.5 percent per year, income-qualified 75+ households are expected to increase at a rate of 6.5 percent annually.

Exhibit 14
SENIOR HOUSEHOLDS BY INCOME
WITHIN 10 MILES OF STUDY AREA

			2002-2007 Growth	
	2002	2007	5-yr. #	Avg. Ann.
Age 65+	28,368	29,166	798	0.6%
Below $35,000	9,340	7,772	(1,568)	-3.6%
$35,000 - $49,999	3,448	2,940	(508)	-3.1%
$50,000 - $74,999	4,782	4,538	(244)	-1.0%
$75,000 - $99,999	3,203	3,534	331	2.0%
$100,000 - $149,999	3,508	3,966	458	2.5%
$150,000+	4,087	6,416	2,329	9.4%
Subtotal: $75,000+	10,798	13,916	3,118	5.2%
Age 75+	13,857	14,191	334	0.5%
Below $35,000	5,670	4,833	(837)	-3.1%
$25,000 - $49,999	1,852	1,589	(263)	-3.0%
$50,000 - $74,999	2,360	2,315	(45)	-0.4%
$75,000 - $99,999	1,318	1,682	364	5.0%
$100,000 - $149,999	1,279	1,580	301	4.3%
$150,000+	1,378	2,192	814	9.7%
Subtotal: $75,000+	3,975	5,454	1,479	6.5%

Source: Claritas, Inc.; U.S. Census Bureau.

As shown in Exhibit 15, the market's current combined inventory of assisted living and independent living units penetrates 16.6 percent of the income-qualified market (based on the reasonable assumption that 70 percent of residents move from within the local market). Existing vacancies at most facilities – with substantial vacancies at some assisted living facilities – along with general industry benchmarks, suggest that this may represents the market's maximum penetration rate.

Nonetheless, given projected growth among income-qualified seniors, the independent living niche appears to offer additional opportunities. As shown below, if the current achieved penetration rate of 16.6 percent is applied to the future income-qualified market, it appears that the market could support up to 245 additional units over the next five years.

Exhibit 15

SENIOR HOUSING POTENTIAL

MARKET PENETRATION & DEMAND SCENARIOS
WITHIN 10-MILE RADIUS

	2002	2007	Change
Householders Age 75+	13,857	14,191	334
Income Qualified	3,975	5,454	1,479
Occupied Market Inventory*	659	- -	- -
Penetration	16.6%	16.6%	16.6%
Potentially Supportable New Inventory	- -	904	245

* Assuming that 70% of occupants come from within the local market.

Source: Claritas, Inc.; Bonz/REA, Inc.

Overall, given the current absence of competitive facilities in Norwalk, as the project area gains recognition as a desirable residential location it may offer a suitable location for such facilities. Two caveats, however, must be noted:

- The project area does not at this time offer a desirable setting for upscale seniors. Therefore, such developments are not likely to be included among the project area's near-term development projects.

- In order to provide attractive financial returns, such projects typically require substantially higher development densities (up to three time higher in many cases) than non-age-restricted housing forms. This general density requirement is mitigated somewhat by comparatively small sizes for dwelling units and by lower parking requirements, since most units would require only one car (plus visitors).

Commercial Development Outlooks

Office Market

Office development does not offer a significant development opportunity in the project area. The office market in Fairfield County maintains high vacancy rates. Commercial brokerage firms all report a steady trend of increasing vacancies over the last three to four years. Over this period, Fairfield County office vacancies have increased from a general range of 6 to 8 percent to current estimated vacancies of roughly 14 to 16 percent; Cushman & Wakefield estimate total available space (vacant unleased space plus leased space available for sublease) at nearly 21 percent.

Within Fairfield County, the major brokerage firms estimate higher vacancy rates in Norwalk's submarket than in the overall County. Focusing more narrowly on the City of

Norwalk, CB Richard Ellis and Cushman & Wakefield estimate even higher rates of 23 to 25 percent (and Cushman & Wakefield estimates overall availability at 32.3 percent).

Exhibit 16
OFFICE VACANCY/AVAILABILITY: YR-END 2002

	CB Richard Ellis	Cushman & Wakefield	Insignia/ ESG
Fairfield County			
Total Inventory	45,329,327	38,242,993	45,600,000
Direct Vacancy	16.3%	13.7%	n/a
Available	n/a	20.7%	18.6%
Norwalk Submarket [1]			
Total Inventory	9,332,556	6,965,213	12,400,000
Direct Vacancy	22.2%	17.5%	n/a
Available	n/a	29.4%	19.7%
City of Norwalk			
Total Inventory	5,267,925	4,676,136	n/a
Direct Vacancy	24.6%	23.0%	n/a
Available	n/a	32.3%	n/a

[1] Norwalk Submarket defined as: "Central Fairfield" including Darien, New Canaan, Norwalk, Westport and Wilton by CB Richard Ellis; "South Central Fairfield" including Darien, New Canaan, Norwalk, Weston and Wilton by Cushman & Wakefield; and "West Fairfield" including Darien, Greenwich, New Canaan, Norwalk and Wilton by Insignia/ESG.

Asking rates for office leases space have also declined in recent years, although such declines have not been as dramatic as the recent increases in vacancies. In Fairfield County, average asking rents for Class-A space currently range from $29 to $30, which represents a decline of roughly $2 to $3 from peak levels in 2000 and 2001. In the smaller Norwalk submarkets, commercial brokers present conflicting data, with various firms estimating declining, stable and increasing trends in local office lease rates.

As the market recovers and begins to absorb the available inventory, vacancies will decrease. Most corporate tenants seeking significant space, however, will seek space in the area's primary office locations. These include downtown Stamford and Norwalk's Merritt 7 business park, as well as the 1.1 million square foot office park planned for development in the Reed Putnam part of Norwalk.

Within the project area itself, the office market consists primarily of smaller spaces (e.g., 1,000 to 5,000 square feet) in older (e.g., 100 years) one- to three-story buildings. Lease rates for such space generally ranges from $14 to $20 on a gross-plus-electric basis. While the project area's office buildings generally maintain respectable occupancy rates, given the availability of competitive space, the local tenant base and supportable lease rates are not likely to attract significant new office development over the next five to ten years.

Retail

a. Limited Development Opportunity

While the project area may offer business opportunities for small destinations such as restaurants and various specialty stores, the area does not present opportunities for substantial new retail development. Three basic points support this conclusion:

- The project area would face formidable competition. Large-format retailers will seek expansive parcels in high-traffic locations such as Connecticut Avenue and Westport Avenue; high-end retailers will seek "anchored" locations such as retail malls (e.g., Trumbull, downtown Stamford) or established retail districts such as South Norwalk, downtown Westport and downtown Stamford.
- Remaining niches for the project area involve smaller, lower-end retail uses (e.g. personal care, used goods, cleaning/repair services), low-volume specialty niches (e.g. art galleries) and other independently-owned and operated businesses that seek low-rent properties.
- Under future conditions, planned retail development along West Avenue may offer additional competition for potential retail prospects in the project area.
- Retail lease rates occupy a general range of $8 to $16 per square foot in the project area. This range falls well below supportable rates in competitive areas. For instance, lease rates exceed $20 per square foot in many cases in South Norwalk, and $30 per square foot along Connecticut Avenue and Westport Avenue. Given these disparities, new project area retail developments would not offer an attractive investment alternative for commercial developers.

b. Upgrades and Improvements

Despite the foregoing drawbacks, the project area's existing retail spaces have been able to attract and retain unique, independently operated businesses such as restaurants, arts-related businesses, specialty foods stores, etc. As the project area's residential development occurs, these and other small-scale retailers of this nature will enjoy enhanced opportunities to target this increasingly upscale market. As more of these types of new businesses capitalize on such opportunities, the area's existing properties will gradually be able to upgrade their tenant profiles, lease rates, and physical conditions. This progression of improvement – similar to that experienced in South Norwalk – represents a desirable alternative to the demolition and replacement of the area's existing streetfront retail space.

Other Commercial Uses

Other types of commercial uses that may be desirable in downtown urban environments include entertainment, lodging and other such niches:

- Lodging uses do not offer likely opportunities for development in the project area. Such projects draw their demand from varying combinations of business and leisure transient travelers and groups (event attendees). In targeting one or more of these business segments, lodging properties seek (1) direct proximity to business centers such as major office parks or the central business districts of major cities; (2) direct visual and vehicular access to high-traffic highways such as I-95; and/or (3) direct proximity to major event venues or visitor attractions. Thus, while locations adjacent to I-95, the Merritt 7 business park or the Maritime Museum may offer suitable locations to serve new lodging demand, the project area does not offer the requisite attributes to attract substantial lodging development.

- Other entertainment uses, which can provide important "anchor" features for urban districts, may involve performing arts, nightclubs and other such venues. South Norwalk, however, presently serves as a dominant district for such uses. The project area may be able to offer less-expensive properties for relatively low-profile venues, but such developments typically face formidable challenges in maintaining viability. Therefore, without precluding the possibility of successful entertainment-related projects, such projects do not provide reliable concepts for planning purposes.

Regulatory Issues

In seeking to capitalize on the market's potential for development opportunities, the City must address the following regulatory issues:

- Unit mixes: Most high-end apartments renters seek one- or two-bedroom units. Accordingly, in targeting the broadest possible market, most market-rate apartments will seek to provide a mix of units including studio, one-bedroom, two-bedroom and three-bedroom units. Under current conditions, however, regulations require that one-bedroom units comprise at least 70 percent of all units in residential projects uses in parts of the project area. This restriction limits the potential developer's ability to address the market; this in turn limits the project area's ability to large-scale projects.

- Live/work issues: Live/work units offer an appropriate means for promoting arts-related uses, small business uses and other residential components. Where the City seeks to promote such elements in the project area, it must enact regulatory ordinances that identify, define and accommodate (and possibly encourage) live/work uses.

- Parking for commercial uses: to the extent that developers identify opportunities to build new commercial space in the project area, site constraints will most likely preclude adequate surface parking for the project, and the development economics will preclude the construction of structured parking decks. Thus, where new commercial development occurs, such will have to rely on public parking spaces.

One important step in the planning process was the exploration and evaluation of alternative development scenarios in order to identify and evaluate options for change in the near future. The study of alternatives was based on basic assumptions derived from the analysis of existing conditions and the market overview. The following is a summary of those assumptions:

Basic Assumptions

Market Outlook

Current and perceived market trends for the near future indicate that residential redevelopment options will offer the best opportunities for revitalization of the Wall Street area. The market for office development is very soft, with vacancies estimated over 15%, and the 5-year outlook does not appear strong, although limited opportunities for unique adaptive reuse may be available. In contrast, lifestyle renter demand is expected to increase and opportunities for lifestyle rental apartments over the next 5 to 10 years appear strong. Similarly, the potential for new condominium development at premium locations and the development of seniors housing will likely increase during that period.

Revitalization Strategy

Based on the market outlook, the proposed revitalization strategy assumes the repositioning of Wall Street by targeting residential uses for both new development and the adaptive reuse of some of the existing buildings. New mixed-use development will increase the support for existing retail and service uses in the area, and will help enhance the appeal of the district to attract additional retail and customers. Some of the potential uses that could be supported by new residents include additional restaurants, gourmet and specialty food shops, limited destination retail, artist galleries, and other related entertainment and cultural venues.

City-Owned Land as a Catalyst

The considered alternative programs assume that City-owned land can be used as a resource and a marketing tool to unlock the redevelopment of key target parcels by securing a first step in the process of assembling parcels. As part of the redevelopment strategy, the City would offer municipal land currently used for public parking to attract developers. Current market data indicate that a residential developer would be willing to pay about $30,000 for land per residential unit. At an average density of 60 units per acre, a developer could be willing to pay up to $1,800,000 per acre of land, which would be roughly equivalent to the cost of building structured parking for over 100 cars.

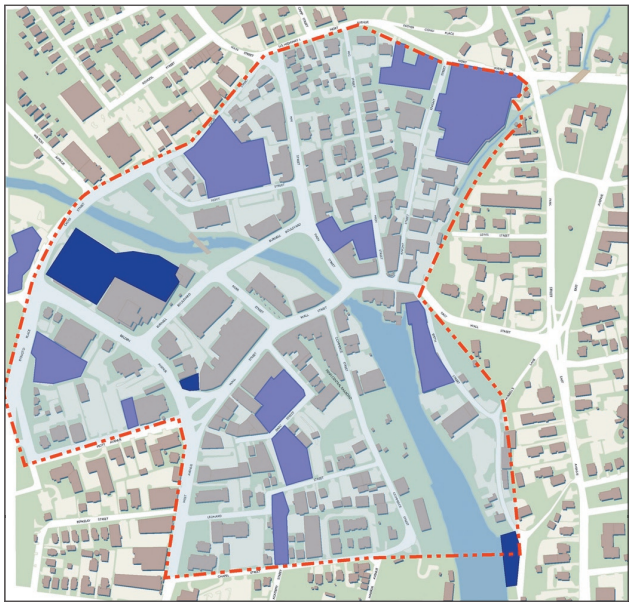
Based on this assumption, the City could offer land currently used as public parking to developers, in return for structured public parking to replace the number of parking spaces existing on the lot (each lot holds an average of 100 cars per acre). The City would benefit from the creation of new mixed-use development that would contribute to the economic revitalization of the district.

Potential Development Areas

As part of the process to identify alternative development scenarios, a parcel-based land use capacity analysis took into consideration the key conditions that may affect the future redevelopment potential on a parcel-by-parcel basis. The analysis served to identify the location of historic resources, parcels that are highly constrained, and parcels that are most suitable for change in use or revitalization. The following are some of the elements studied:

- Ownership – public or private, owner-occupied or leased
- Location – proximity to Wall Street, the river, the Yankee Doodle Garage, and other amenities
- Land area – over or under an acre
- Use and character – residential, commercial, institutional, historic, vacant
- Assessed value – relative to the size of the parcel and the quality of improvements

The results of the parcel-based analysis are illustrated in the adjacent diagram. Parcels susceptible to change are represented in purple. Parcels shown in dark blue are in the process of changing.



Redevelopment Opportunities

The parcel-based land use capacity analysis identified certain sites and locations within the Wall Street area as having a potential for changing. The following areas containing at least one parcel larger than an acre under single-ownership appear to offer opportunities for redevelopment:

- Isaac Street and surrounding areas (municipal parking lots and other parcels)
- Wall Street and Main Street intersection (municipal parking lot and adjacent properties)

- Non-industrial underutilized properties along Smith Street and the waterfront
- Large commercial properties to the north of Wall Street

The parcel-based and the market analyses also identified opportunities for parking reorganization and the creation of additional parking on the block of the State Courthouse and the Norwalk Public Library.

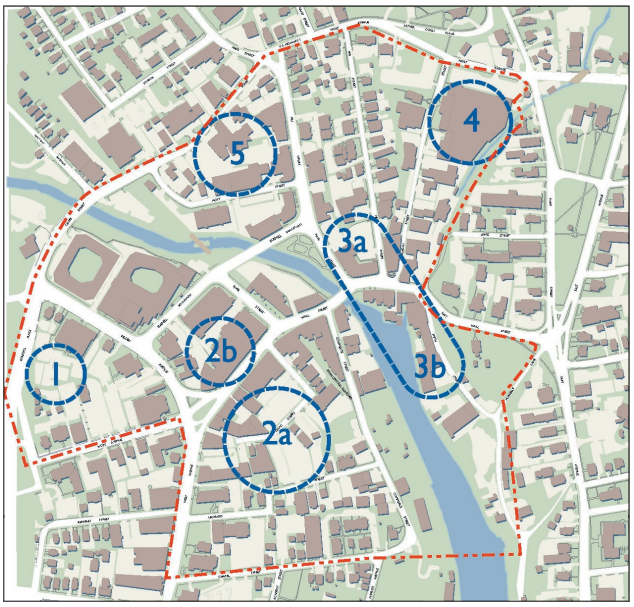
Development Clusters

Five areas have been identified as "development clusters" or clusters of parcels that could be considered as having a potential for change. The feasibility of change at these clusters will depend on multiple factors, including market conditions, interest from owners and developers, and timing. However, the concept of development clusters has been used throughout the plan to identify and quantify the alternative development scenarios, and the potential development program.

Cluster 1 – Parking lots and some properties within the block bordered by Byington Place, Belden Avenue, and Mott Avenue

Cluster 2a – Isaac Street public parking lots and adjacent properties, some of which face Wall Street

Cluster 2b – Potential additions of commercial floor space, or reconstruction of some commercial buildings in the block bordered by Wall Street, River Street, Burnell Boulevard and Belden Avenue



Cluster 3a – High Street public parking lot and adjacent properties facing Wall Street

Cluster 3b – Underutilized properties along Smith Street facing the river

Cluster 4 – Large commercial properties at the corner of Knight St and North Avenue

Cluster 5 – Large commercial properties in the block bordered by Cross, Main St and Hoyt Streets

Summary of Alternatives

Three programs and urban design concepts for alternative development scenarios were studied, which addressed the potential for change in a manner responsive to the vision, goals and objectives of the community. Each one of the three scenarios took into consideration the location, scale and character of potential uses and development patterns.

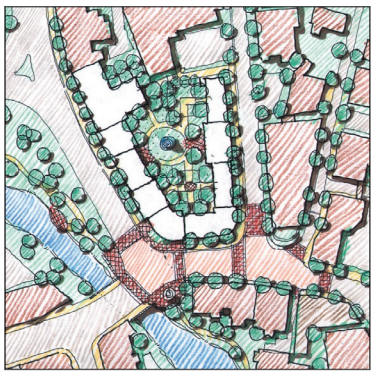
A uniform residential density of 60 units per acre was applied for the purposes of calculating tentative development programs. This density is comparable to the one that will result from the proposed Avalon project, which appears to be feasible and appropriate to the scale of the Wall Street area (3 to 4 stories of residential development over a parking podium lined with retail uses at key locations along the street).

In general, all three scenarios assumed mixed-use redevelopment with emphasis on residential uses, represented by 1-bedroom and 2-bedroom units. Neighborhood retail and specialty stores were assumed at the ground level of new buildings facing Wall Street and Main Street. In terms of parking , rates of 1.5 parking spaces per studio apartment or 1-bedroom unit, and 2 parking spaces for larger units were applied. Parking rates for retail and commercial uses assumed 5 spaces per 1000 sq ft of floor space, generally consistent with zoning and the approved parking ratios for the Avalon project.

Parking was conceived as being stuctured in two levels, one at grade and one underground. A 60-40 split of parking between the two levels was assumed (60% at grade and 40% underground). Parking at grade would be covered, and landscaped recreational areas would be developed on the rooftop. In cases where the program included public parking spaces, it was assumed that these would be located at grade level while the underground garage would be mostly reserved for private use.

The three alternative scenarios represent different development intensities, which are basically determined by the amount of land assembled for each cluster and the resulting site area available for redevelopment. Accordingly, Alternative A illustrates baseline or minimal changes while Alternative C represents the maximum envisioned build-out.

<u>Alternative A</u>



Site-Based Initiatives – Scenario that assumes piecemeal redevelopment, only a small number of parcels are assembled to create new development sites. A reasonably low number of residential units is achieved on a project-by-project basis (60 to 150 residential units by project, which would be enough to make the program attractive to some developers). However, the overall

market potential, estimated at 1,200 residential units, is not achieved. Only 350 new residential units are created as part of this scenario, not counting the proposed development project by Avalon Properties (700 residential units in total including Avalon).

This alternative also includes the development of 20,000 square feet of retail space, and the creation of approximately 900 parking spaces; 200 of which would be public.

Alternative B

Project -Scale Initiatives – Scenario that assumes the assembly of a larger number of parcels to create larger development sites than Alternative A, which would be attractive to local and regional developers (number of residential units by project ranging from 80 to 320). The overall market potential identified for residential uses is fulfilled (850 new residential units excluding the proposed Avalon project, 1,200 in total including Avalon).

This scenario also explores the potential for public investment in new parking structures that would complement the Yankee Doodle Garage in providing parking for existing buildings that do not have on-site parking. According to this scenario, a new 200-car parking deck could be built behind the Public Library and the State Courthouse, a new 350-car public garage could be developed in the Isaac Street area, and 55 additional public spaces could be provided in a joint public/private mixed-use development on the High Street parking lot.

This alternative includes the development of 30,000 square feet of retail space; the renovation of 10,000 square feet of historic industrial space for artist live/work space, or an arts market; an addition of 15,000 square feet to the Public Library, and the creation of approximately 2,500 parking spaces; 1,100 of which would be public .

Alternative C

District-Scale Initiatives – Scenario that assumes the assembly of large redevelopment sites on most clusters. This scenario would depend on booming real estate market conditions during an extended period of time. Overall, this scenario assumes the development of approximately 1,150 new residential units excluding the proposed Avalon project (1,500 residential units in total including Avalon), with the number of residential units by project ranging from 140 to 420.

This alternative includes the development of 50,000 square feet of retail and entertainment space (considering the incorporation of the existing Garden Cinema into the new buildings); the renovation of 10,000 square feet of historic industrial space for artist live/work space, or an arts market; an addition of 15,000 square feet to the Norwalk Public Library, and the creation of approximately 3,000 parking spaces; 425 of which would be public.

Evaluation Criteria

The alternative programs were compared and evaluated in terms of their overall economic feasibility, the possibilities of assembling large parcels of land, the long-term benefits for Wall Street businesses, and the real estate value generated as a result of the development process. The following criteria were considered:

1. Number of residential units generated

   In general terms, the size of a development project needs to be appropriate to the size and location of the land parcel. However, residential developers, and in particular those operating at the regional level, are more interested in development "packages" of a certain size that will result in economics of scale. For example, residential developments in clusters or increments of 150 to 200 residential units may be more appealing to developers than programs with a lesser number of units.

2. Benefits in terms of creating and repositioning retail and services

   Retail uses along Wall and Main Streets are fundamental to support and animate the envisioned pedestrian activity and image for the district. However, many existing retail spaces along these corridors are vacant, which seems to indicate that there is more retail space than can be supported by the existing population. Redevelopment will be a gradual and incremental process, and revitalization of the commercial spaces will likely take place one-step at a time. New developments should provide retail space along Wall and Main Streets, but only to the extent that it is needed to animate the street front without replacing vacant retail space with new vacancies.

3. Benefits in terms of creating and improving pedestrian connections and accessibility

   Development programs that contribute to the creation of a secondary pedestrian network, represented by through-block public and semi-public connections between parking and areas of interest such as the riverfront, will bring long-term benefits.

4. Benefits to the overall urban design image and appeal

   The location, scale, and visibility of new development are as important as the quality of design and construction in order to achieve the identified vision and goals. However, impacts to historic resources need to be minimized.

5. Potential to generate additional parking that would serve neighboring uses

   Each of the proposed development programs is conceptually sufficient to provide public parking in addition to parking for its own needs. Alternatives that provide opportunities to create additional parking to support the needs of other neighboring properties would bring an additional benefit for the purposes of revitalization.

6. Economic feasibility

   Each development cluster needs to generate enough value added to the property to justify the development effort in the eyes of a developer. There are scenarios where the value added to some cluster may not be enough to warrant the achievement of the desired development outcome. In such cases, the alternatives may have to be evaluated in terms of their outlook for particular clusters in addition to the overall benefits they represent.

Preferred Planning Approach

The performance of the three alternative scenarios with respect to the criteria described above was evaluated. All the alternatives generate benefits in terms of better connections between destinations, parking, and amenities, and improvements to the urban design quality and image of the district. However, Alternative A fell short in its potential to generate enough development volume to attract a significant number of developers. Alternative C, on the other hand, could lead to the development of an excessive amount of space for what the market could really support. Alternative B, while providing for an intensity of new development adequate to support the vision and goals for the Wall Street area, did not perform well during the preliminary feasibility analysis due to heavy reliance on public funding for new parking garages.

The preferred planning approach should be one that combines the benefits and advantages found in each of the alternative scenarios while downplaying their negative consequences.

As a result of the evaluation of alternatives, the following program elements have been outlined to represent the preferred planning approach:

- Approximately 1,000 new residential units, not counting the proposed Avalon project (including Avalon, the total number of residential units could reach to 1,400 in the next 10 to 15 years)

- 45, 000 square feet of new retail space along Wall and Main Streets, including space for existing businesses that would be incorporated into the new development

- An addition to the Norwalk Public Library, estimated at 15,000 square feet of new construction

- Artist live/work space, or an arts market, in underutilized historic buildings and non-industrial properties along the waterfront (estimated at 10,000 square feet)

- 2,600 new parking spaces, 750 of which would be public

Land Use Strategy

Based on the findings and analysis of existing conditions, the proposed land use strategy is to encourage mixed-use redevelopment at strategic locations, including new residential, retail, and civic uses. This strategy is proposed in order to diversify the existing land use patterns in the Wall Street area, which are mainly commercial in character (retail, office, and warehouse/storage uses). It is assumed that a higher diversification in land use would help in repositioning the district to benefit from current and perceived market trends.

Existing Land Use

The following rough estimates of square footage per use summarize the main land use types and volumes that exist in the overall project area, according to the analysis of current assessors' data:

- Number of residential units – 334
- Retail space – 325,000 square feet
- Office space – 357,000 square feet
- Warehouse/storage – 413,000 square feet
- Industrial land area – 5 acres

Proposed Land Use

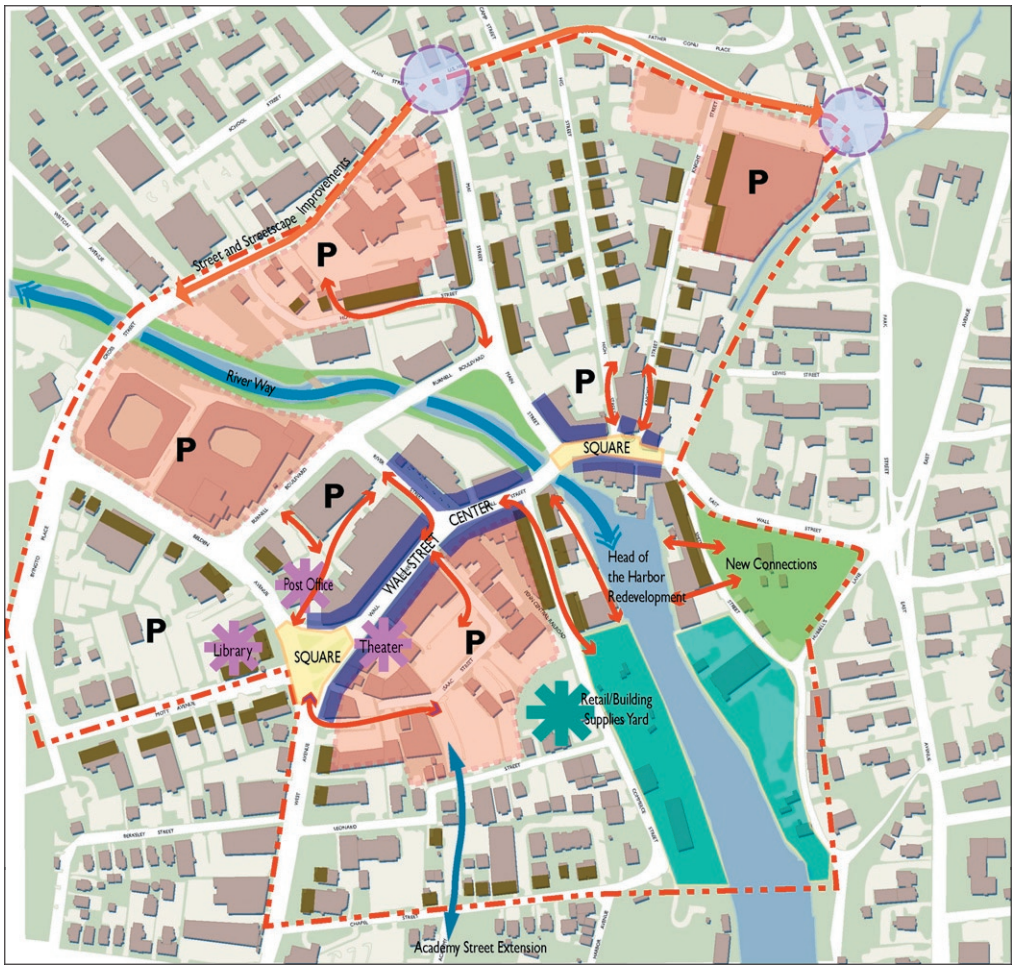
The proposed redevelopment strategy would introduce the following potential changes:

- Number of residential units – an increase of 1,400 units (400%)
- Retail space – a decrease of 83,000 square feet (25%)
- Office space – a decrease of 22,000 square feet (16%)
- Warehouse/storage – a decrease of 206,000 square feet (50%)
- Industrial land area – no change

These potential changes would result in the following land use structure within the next 10 to 15 years:

- Number of residential units – 1,734
- Retail space – 242,000 square feet
- Office space – 335,000 square feet
- Warehouse/storage – 207,000 square feet
- Industrial land area – 5 acres

URBAN DESIGN CONCEPT



Urban Design Strategy

The proposed urban design strategy for the Wall Street area is based on the following elements:

- Creation of a streetscape improvement program to complement the improvements already in place, and enhance the character of the district
- Creation of a network of through-block pedestrian connections, and walkways along the river
- Improvements to the quality and maintenance of the existing parks and open space
- Creation of a new park at the head of the harbor that will provide access to the water, and connections to Mill Hill
- Establishment of design guidelines and standards that would guide the design of new developments and public space improvements
- Protection of the existing historic resources, and buildings that contribute to the special character of the area

Urban Design Concept

Isaac Street Area

Redevelopment of the Isaac Street area will have the potential to significantly improve the urban design image, open space qualities, and pedestrian activity along Wall Street, Leonard and Commerce Streets. The existing public parking lots along Isaac Street hold the potential to unlock the redevelopment process of this area.

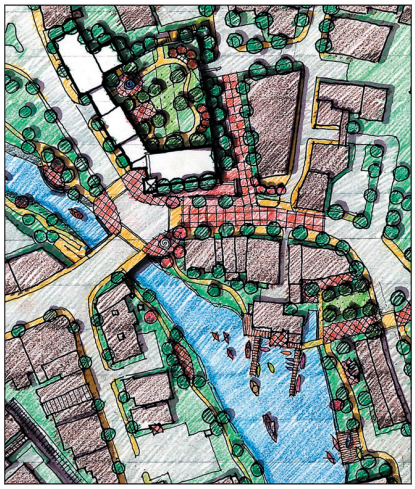
Wall Street Gate

Positive changes on the western end of Wall Street will be anchored by public investments in the expansion of the Norwalk Public Library, the creation of a new park at the corner of West Avenue, Belden Avenue and Wall Street, adjacent to the Post Office building, and by traffic improvements to the intersection that will facilitate traffic movements and pedestrian crossing. The new park, traffic and streetscape improvements will contribute to enhance the image and quality of urban design at the intersection in a way both responsive and complementary to the landmark quality of the Library building. These public improvements will have a significant benefit on the public perception of the Wall Street area as an attractive place.

Yankee Doodle Block

Improvements to the block defined by Wall Street, River Street, Burnell Boulevard and Belden Avenue are also key to the image and perception of the Wall Street area as a place to visit. These will include some of the key plan elements and recommendations, such as façade and building renovation programs, enhancement to the visual appearance of the Yankee Doodle Garage, the creation of new landscaped walkway between the garage and the back of the adjacent buildings on the block. This new walkway would connect the new "Post Office Park" and the Public Library to the Yankee Doodle Garage and River Street.

St. John Place



The eastern end of Wall Street will also be anchored by urban design enhancements of the intersection of Wall and Main Streets, and the renovation of the historic public space once known as St. John Place. Most of the historic buildings that used to define and characterize this square are still there, but the space itself has lost its character and luster. Traffic and streetscape improvements will help redefine and strengthen the character of the space as a destination for restaurants and point of access to the river.

High Street Block

The redevelopment of the High Street parking lot and the surrounding properties will be critical to changing and improving the image of St. John Place. The proposed redevelopment concept is based on the construction of a parking deck over the existing High Street public parking, coated with retail and residential uses along the Wall and Main Street fronts, and a rooftop garden above the parking levels.

Harborhead Park

Redevelopment and improvements along Smith Street and the river's edge will open views and create public access to the waterfront. The proposed strategy envisions the creation of new housing along the waterfront, similar in concept to the one being proposed south of the O & G properties, although smaller in the number of units. Public improvements will include the construction of a new "Harborhead Park" along the water, which could provide water access to rowboats and canoes. Pedestrian connections and to Mill Hill and the surrounding historic district, and outlook areas will be provided up the hill. The public sector could also work in partnership with non-profit groups to include artist live/work space or perhaps an art market component as part of the potential redevelopment program.

Cross Street Area

The redevelopment of large existing commercial parcels along Cross Street could also contribute significantly to the new mixed-use character envisioned for the district. A proposed traffic and roadway improvement project along Cross Street/Route 1 also represents a potential for the design of better places, access and circulation along the periphery of the project area. There are not public landholdings in these areas that could be used by the City to initiate the redevelopment process. Therefore, potential changes to these sites would mostly rely on private market initiatives.

Design Guidelines and Standards

As redevelopment packages and Request-for-Proposals are prepared for the preferred development areas, it is important that design guidelines be carefully tailored to reflect the preferred planning and urban design approach, and the specific characteristics of each cluster and each location.

Design guidelines and standards should address issues such as massing, building orientation, access, setbacks, modulation and design treatment of facades, materials, colors, use of signage, etc. The general impression that should be created is one of an "urban village" where low-rise and mid-rise buildings emphasize human scale, and new architecture is consonant with the old historic buildings.

The design character and quality of new open space also needs to be defined. In general, a variety of New England landscapes with an informal character are envisioned for the project area, including local and indigenous vegetation, and the design of special accent elements at gateways and prominent locations.

Rehabilitation of Old Buildings

There are many traditional and historic buildings with vacant space throughout the area. These types of buildings are difficult to update and reuse because of their small floor plates and lack of modern utilities.

Some cities and towns have relaxed zoning and building code requirements to a certain extent in order to accommodate the needs of buildings such as these, which cannot be fully updated to modern standards, as long as they are safe in terms of construction and fire-protection.

One way to protect these buildings and incentive renovation is to waive on-site parking requirements for these properties. To this effect, the proposed strategies are based on the premise that new development will retain the existing amount of public parking in the area, in order to continue the support of such existing uses.

Financial Considerations

The funding and implementation of streetscape programs could be a joint public/private effort in some instances. Through-block pedestrian connections, for example, should be provided and maintained by developers. However, design guidelines and agreements between the City and the developers should make it clear that the pedestrian right-of-ways should remain open to the public.

Some type of improvements could be financed in joint partnership between the City and the developers of new projects (e.g., sidewalk improvements, seasonal plantings, etc.) Other improvements may have to be funded directly by the public sector, in which case it is important that they become incorporated as early as possible to requisitions for allocation of public funding.