



APPENDIX A
Arrowhead Gateway Plan

Market Analysis

The Market Analysis provides a comprehensive assessment of market opportunities and challenges for development and rehabilitation of residential and commercial properties in the Arrowhead Gateway.

Appendix



SUBMITTED TO:

City of Hartford, CT
550 Main St.
Hartford, CT 06103

Real Estate Market Analysis

ARROWHEAD GATEWAY SMALL AREA PLAN + CORRIDOR STUDY

Hartford, CT

DECEMBER 2021

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ABOUT CAMOIN ASSOCIATES

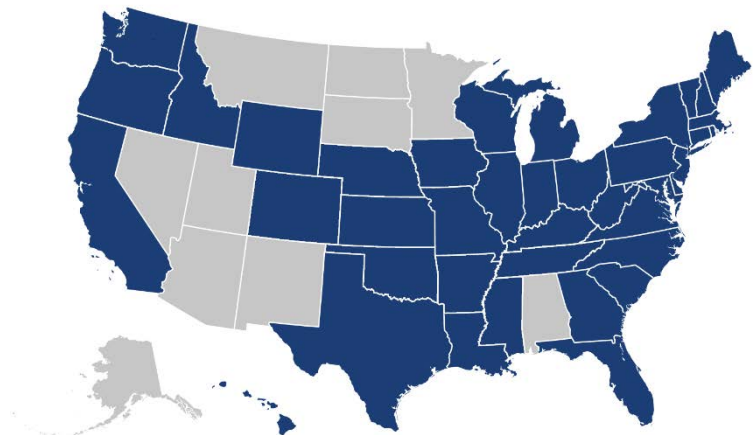
Camoin Associates has provided economic development consulting services to municipalities, economic development agencies, and private enterprises since 1999. Through the services offered, Camoin Associates has served EDOs and local and state governments from Maine to California; corporations and organizations that include Amazon, Lowes Home Improvement, FedEx, Volvo (Nova Bus) and the New York Islanders; as well as private developers proposing projects in excess of \$6 billion. Our reputation for detailed, place-specific, and accurate analysis has led to over 1,000 projects in 40 states and garnered attention from national media outlets including Marketplace (NPR), Crain's New York Business, Forbes Magazine, The New York Times, and The Wall Street Journal. Additionally, our marketing strategies have helped our clients gain both national and local media coverage for their projects to build public support and leverage additional funding. We are based in Saratoga Springs, NY, with regional offices in Richmond, VA; Portland, ME; Boston, MA; and Providence, RI. To learn more about our experience and projects in all of our service lines, please visit our website at www.camoinassociates.com.

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1 EXECUTIVE SUMMARY

In support of the Arrowhead Gateway Small Area Plan + Corridor Study, Camoin Associates conducted a real estate market analysis to provide a comprehensive assessment of market opportunities and challenges for development and rehabilitation of residential and commercial properties in the neighborhood. Notable findings from this work are summarized below.

1.1 MARKET OPPORTUNITIES

Strong Potential for Residential Development. There is an opportunity for development catering to a variety of market segments and consisting of a variety of housing products. New amenities in mixed-use format development or in conjunction with residential development will likely be necessary to attract residents initially. Primary housing target markets include:

- Young professionals who are attracted to the urban lifestyle offered by downtown Hartford, potentially from higher-cost metros including New York and Boston
- Neighborhood residents, including local seniors in need of more suitable housing; local renters that would prefer homeownership in the neighborhood; and those that are currently cost-burdened or underhoused

Potential housing product types that could be developed in the Arrowhead Gateway area to meet this demand include:

- **Market rate apartments:** Significant demand for these units from professionals. The multi-phased North Crossing (formerly DoNo) development projects, totaling over 700 multifamily units, will meet most near-term demand, but there is longer-term potential for new development projects in the study area to absorb this demand as well.
- **Owner-occupied townhouses:** Price targeted to neighborhood households. There is a need for owner-occupied housing suitable for households with children and multi-generational households. Research indicates a preference for this housing type over apartment-style condominiums among neighborhood residents. While there is anticipated strong demand for these types of units, there may be financial feasibility constraints to development that would require public subsidy to overcome. A product-type that includes a basement apartment or other rental unit to generate additional income would likely be attractive.
- **Affordable and mixed-income rental housing:** There is a need for additional affordable rental housing in the neighborhood. Accommodating this need within mixed-income development projects may be appropriate and support financial feasibility of development by incorporating market-rate units.
- **Senior Housing:** Independent and assisted care options for senior are in high demand and additional units can be absorbed in the study area.

Potential for New Convenience Retail Goods and Services: The retail needs of local households are not being met locally. Approximately 92% of local household spending on retail goods and services within the Convenience Retail Trade Area (\$158 million) is occurring at businesses located outside the area. Specific convenience retail

opportunities that were identified include grocery and food-related retail; health, wellness, and beauty establishments; and convenience stores.

- **Grocery and Food-Related Retail:** The local area is a “food desert” with 98% of grocery spending by local households (\$33.6 million) occurring outside the Convenience Trade Area. There is sufficient sales potential to support a supermarket in the study area; however, the market research has found that challenges associated with site availability and size have been a primary reason for the lack of grocery store development. Retail potential was also identified for a beer, wine, and liquor store and a bar. Additionally, leakage was identified for several specialty-food sectors that may not be sufficient to support a standalone business but could offer market potential if businesses were in a shared location, such as a multi-vendor food hall that offers unique culinary and grocery options that reflect the diversity of the neighborhood. Additionally, from the interviews we know that there are many home-based culinary entrepreneurs in the community and the master plan should support and demonstrate local amateur chefs and bakers through the creation of public spaces that can accommodate startup culinary ventures like food truck parking, shared public seating, etc.
- **Health, Wellness, and Beauty-Related:** The existing local consumer base and the current availability of retail businesses in this category indicates that there is the potential for additional businesses. The analysis found that there is the potential for one or more of the following businesses (again with the ongoing pandemic limiting immediate market potential):
 - Pharmacies and Drug Stores
 - Beauty Salons
 - Nail Salons
- **Convenience Stores:** Existing retail supply and demand dynamics are also favorable for a new convenience store in the study area, with a notable lack of establishments identified in the local neighborhood area.

Opportunity to Fill Gap in Restaurants Options: While more difficult in the near-term due to the ongoing coronavirus pandemic, the market research found the local area is substantially underserved by restaurants. Additionally, restaurant market potential associated with visitors to Dunkin Donuts Park exists, with a present dearth of options around the stadium. While the intermittent flux of visitors may not fully support an establishment, the combination of visitor and local resident demand suggests that in the post-Covid market, there is likely to be strong opportunity for new restaurants in the study area.

Arts, Entertainment, and Recreation Hub Opportunity: Interviews and market research indicates that there may be long-term potential for the Study Area to serve as an arts and entertainment hub, serving local and downtown residents and visitors outside of the immediate area (including the potential to extend the stay of visitors to Dunkin Donuts Park for baseball games). The immediate proximity to downtown combined with relatively low rents, may provide a unique opportunity for local artist housing, workspace, and galleries/storefronts. Additionally, the area is home to many young athletes and has a strong sports-theme that should be expanded upon with amenities like indoor multi-use courts.

Enhanced Market Potential from Tapping into Downtown Resident and Ballpark Visitor Markets: The growing and relatively higher-income population downtown of young professionals is a major opportunity for the Study Area. Finding ways to attract this market into the Study Area will greatly enhance market dynamics and support new retail, restaurants, and entertainment uses. Additionally, food and beverage establishments in the

Study Area can leverage the thousands of visitors to the ballpark each year that attend baseball games within a short walking distance from the study area.

Medical/Healthcare Offices: General growth in neighborhood-serving outpatient offices, a lack of existing offices, and minimal development in the pipeline suggests market potential. Future population growth in the immediate area, and particularly senior housing, will enhance this potential opportunity.

1.2 MARKET CHALLENGES

There are a number of factors that pose significant challenges to new development in the study area. Among these are:

Continued impacts from the pandemic. Many local retailers, service providers, and restaurants are still struggling to recover, and the emergence of the Omicron variant has added uncertainty to the course of the pandemic. With this uncertainty, few new retail business locations are opening, and retail space demand is expected to generally be minimal in the near future.

Low-Income Consumer Base. The population within the Convenience Trade Area is relatively low-income and high poverty rates are found in the immediate neighborhoods. These local demographics will prove challenging to attracting new retailers generally; however, there may be opportunity for retail that aligns with this market segment.

Relatively Low-Lease Retail Rates. Market rate leases for retail space in the local area are fairly low and generally insufficient to support the costs of construction for new retail space. New retail development is therefore much more feasible as part of mixed-use development projects.

Retail Market Dynamics Must be Improved to Generate New Retail Development and Capitalize on Opportunities. This can be achieved through new residential development to continue building a population base as well as improvements to safety and perception of safety, public realm and quality-of-place improvements, and providing complementary amenities to attract visitors.

Weak office space demand. Traditionally office-based employment in Hartford is expected to decline. When coupled with the likely permanent reduction in office occupancy brought about by the pandemic, new office space development will not be a significant opportunity for the Arrowhead Gateway. As the area is built out long term with retail and amenities that could appeal to office workers, there may be some potential for a modest amount of office or coworking space.

Hotel demand has yet to recover from the pandemic. While the nation has enjoyed a degree of rebound in travel for 2021, this has been centered primarily around vacation destinations. Any bounce back in business travel, however, has proven more elusive and improvements in the Hartford market remain muted. Hotel occupancy in the City of Hartford stands at 40.4%, compared to 62.8% in 2019. New hotel development is not expected to be viable for at least the next several years.

High property tax rates in Hartford. High tax rates typically necessitate a tax deal with the City in order to make a development project "pencil out."

Perception (real and perceived) of the neighborhood. Historically high crime rates. Still persists today, although some interviewees noted there have been improvements. Still has a perception as not being a safe area.

Barrier of I-84. The highway acts as a barrier that restricts the flow of people, making it difficult to attract downtown residents to the Arrowhead area. Need a critical mass of things for it to make sense for downtown people to cross and come to study area.

Development approvals process. City's development process is viewed as slow and inefficient. There is evidence that it has deterred investment in development projects.

2 INTRODUCTION

In partnership with the local community, the City of Hartford is developing the Arrowhead Gateway Small Area Plan to identify transformative redevelopment opportunities and public real improvements that respond to community needs and are consistent with the community's vision.

This project builds on the momentum of the North Crossing redevelopment projects, leveraging existing public and private investments and celebrating the neighborhood's historic urban fabric and vibrant, diverse community.

The market analysis included interviews with local market experts, including developers and brokers. A total of six (6) interviews were conducted to gain nuanced qualitative insights into the Hartford real estate market and potential opportunities for the Arrowhead Gateway Study Area.

2.1 PROJECT GOALS

- **Gateway.** Establish a gateway between the Clay Arsenal Neighborhood and Downtown Hartford
- **Connectivity.** Create thoughtful connections for all modes of transportation within the study area and to surrounding neighborhoods.
- **Cohesive Development.** Proactively guide future development and encourage synergies across projects.
- **Homeownership.** Increase and expand access to homeownership opportunities.
- **Business Development.** Support existing businesses and create new opportunities for small, local businesses.
- **Placemaking.** Activate public spaces and create a unique sense of place.

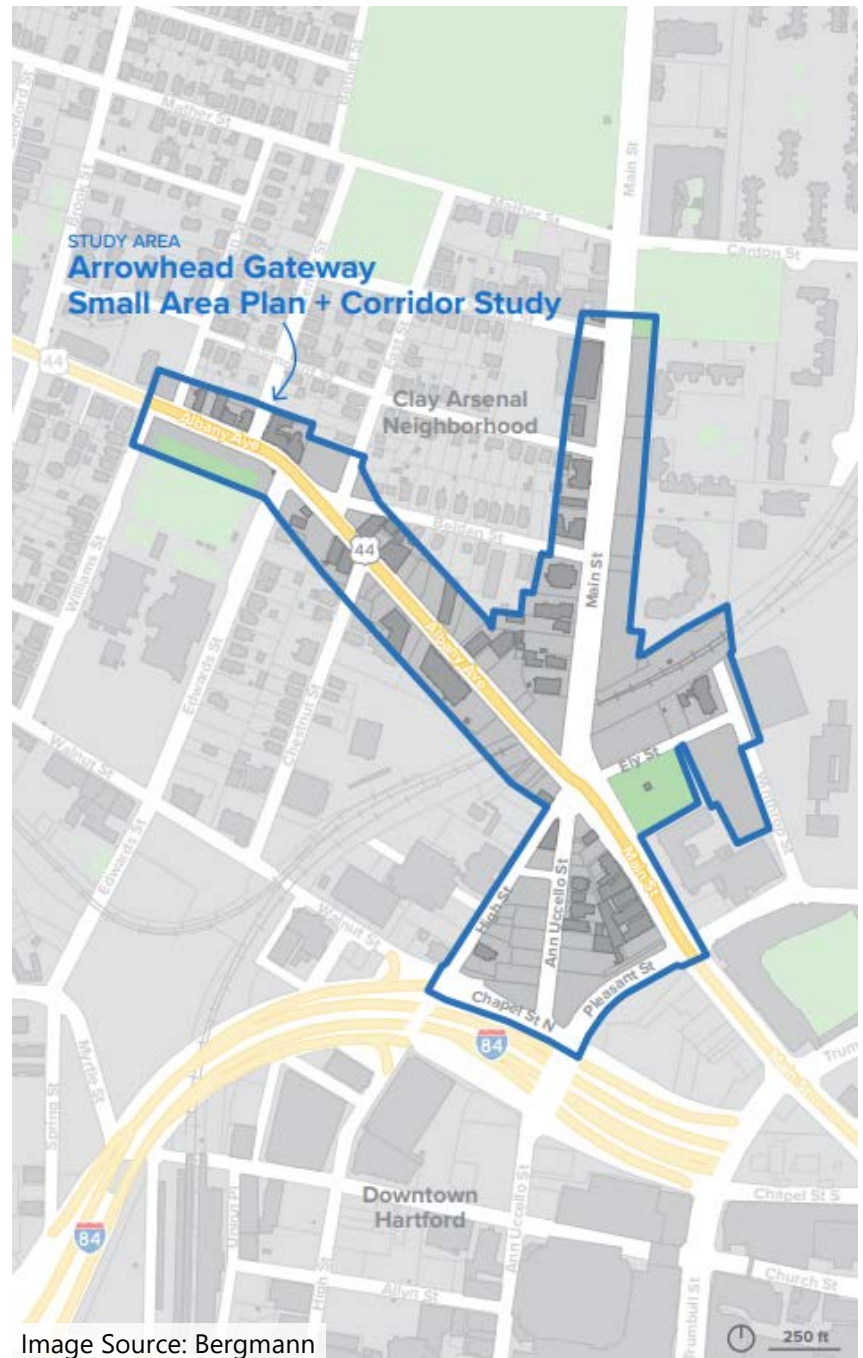
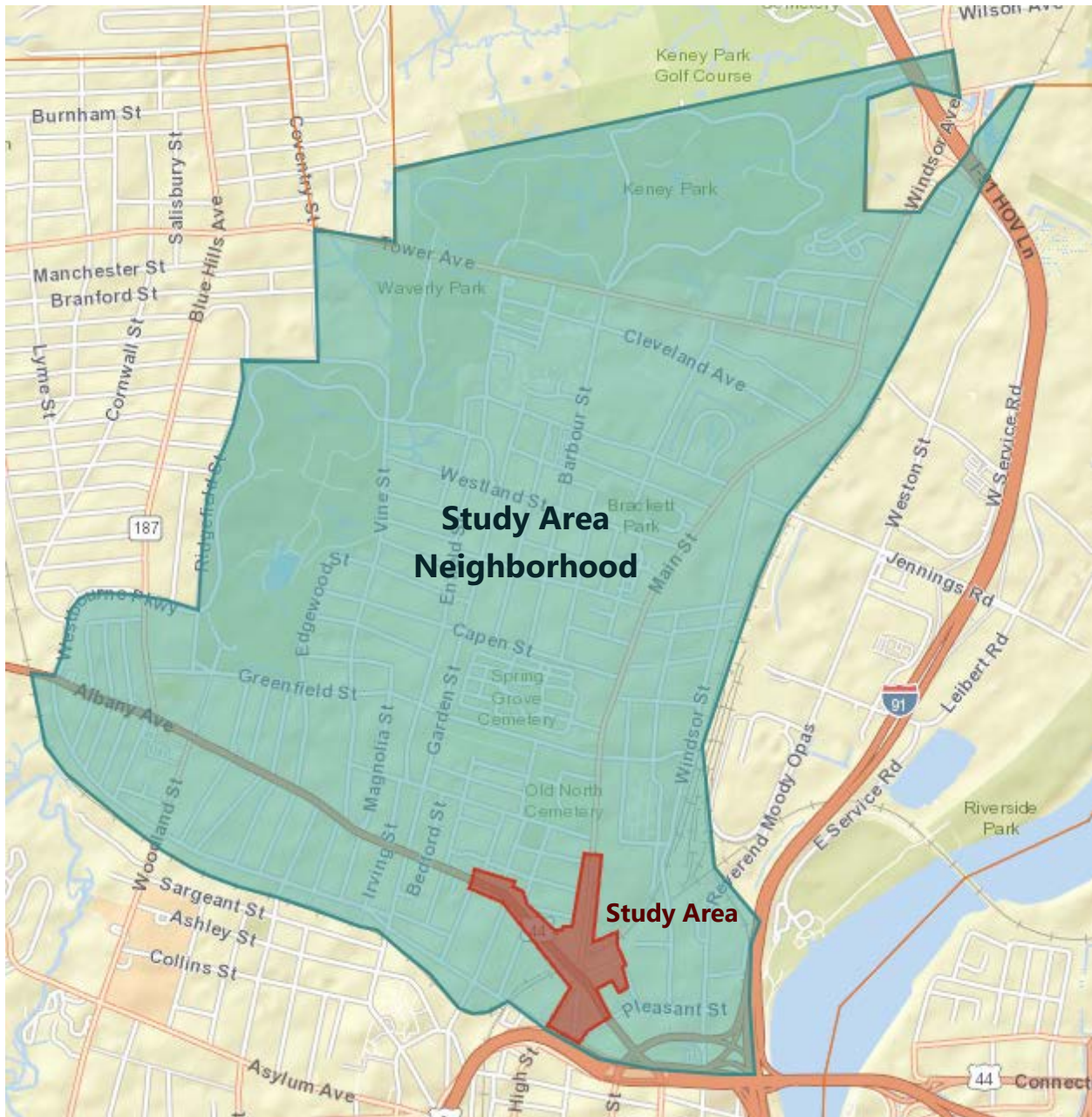


Image Source: Bergmann

2.2 STUDY AREA NEIGHBORHOOD

The Study Area Neighborhood (SAN) is defined as the Downtown North, Upper Albany, Northeast, and Clay-Arsenal Neighborhood Districts. This area is used to identify local market trends and draw comparisons and contrasts with market trends and characteristics at the broader city and regional level.

Map: Study Area Neighborhood



3 SOCIO-DEMOGRAPHICS

Key demographic and socioeconomic statistics are presented in this section for the study area neighborhood and help frame the market potential of the study area itself.

3.1 POPULATION AND AGE

By population, the Study Area Neighborhood (SAN) represents about one fifth of the City of Hartford's residents. It also represents a younger and faster growing portion of the city's populous. While the city expanded less than one percent over the 2010 to 2021 period, on par with the entire State of Connecticut, the SAN grew at more than twice that pace. What's more, with a median age of just 31.1 years, SAN residents register as more than a year younger than the city as a whole and a full 10 years younger than the overall state.

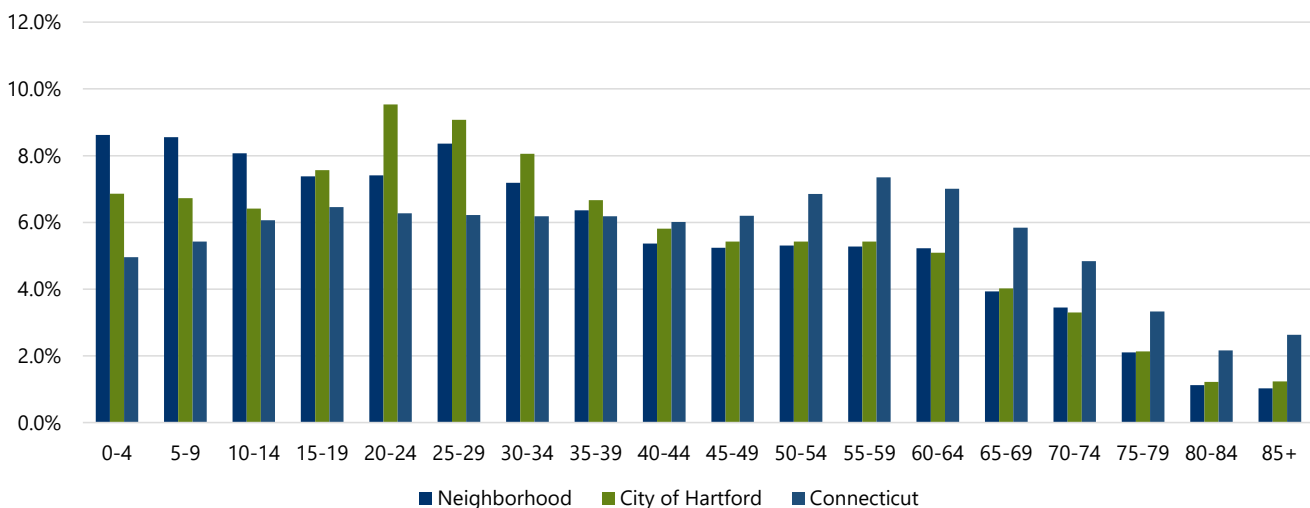
Population Growth - 2010 to 2021

	Study Area			
	Neighborhood	City of Hartford	Hartford CBSA	Connecticut
2010 Total Population	24,071	124,775	1,212,381	3,574,097
2021 Total Population	24,600	125,729	1,220,195	3,602,523
2010-21 Change	529	954	7,814	28,426
2010-21 Growth	2.2%	0.8%	0.6%	0.8%
2021 Median Age	31.1	32.4	42.1	41.9

Source: Esri

The low median age in the SAN is drawn down by its high preponderance of children. One quarter (25.2%) of its population is 14 years old or younger. That compares to all of Hartford where this age cohort makes up 20.0% of the residents; for the state this figure drops to 16.5%. Offsetting this discrepancy, the share of residents in the 20-34 year age group account for several percent more of the total population (26.7%) than are found in the SAN (23.0%).

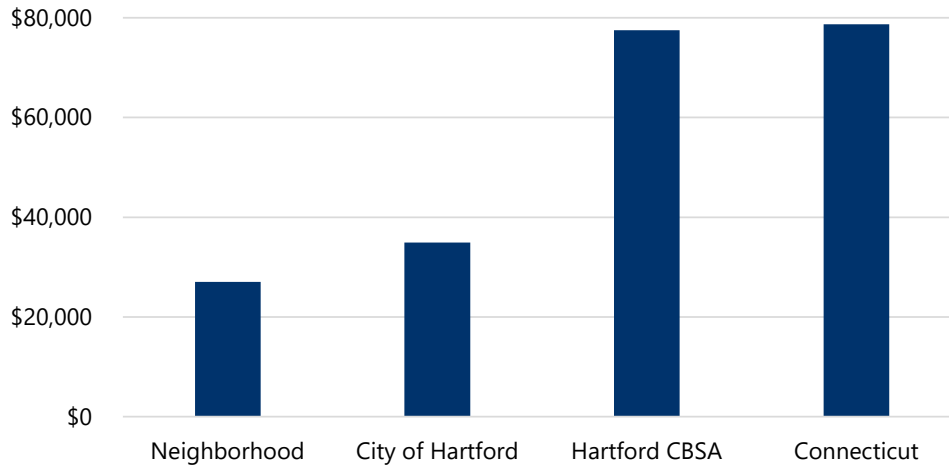
Population Age Distribution - 2021



Source: Esri

3.2 HOUSEHOLDS

Median Household Income - 2021



Source: Esri

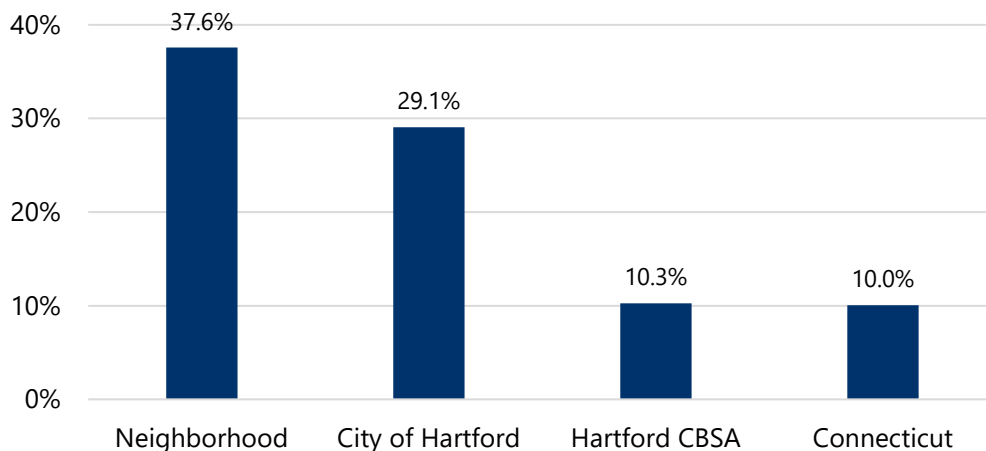
Median household income of \$46,189 for the City of Hartford measures well under half (44.4%) the level seen at the state of \$78,693. That disparity for the SAN is still more stark with incomes registering only \$27,016, just over one third (34.3%) of the state's level.

Measures of Poverty - 2019

Study Area	Study Area			
	Neighborhood	City of Hartford	Hartford CBSA	Connecticut
Total Households	8,956	46,690	473,062	1,370,746
Households Below the Poverty Level	3,365	13,569	48,501	137,650
Households Below the Poverty Level (%)	37.6%	29.1%	10.3%	10.0%

Source: US Census - American Community Survey (ACS)

Households Below Poverty Line - 2019



Source: US Census - ACS

The U.S. Census Bureau reports that 29.1% of Hartford households live in poverty (10.0% for the state of Connecticut – 2019 figures) and this proportion jumps to 37.6% in the SAN. These disparities are reflected in the distribution of households by income figures. For the city, 39.1% of households see incomes of less than \$25,000 per year and that figure tops 46.9% in the SAN. On the other end of the income spectrum, 23.0% of Connecticut households enjoy incomes of \$150,000 per year or more while this is the case for only 4.9% of Hartford households and a mere 1.6% in the SAN.

Household Characteristics - 2021

	Study Area			
	Neighborhood	City of Hartford	Hartford CBSA	Connecticut
Total Households	8,602	46,189	479,562	1,388,735
Average Household Size	2.8	2.6	2.5	2.5
Median Household Income	\$27,016	\$34,904	\$77,492	\$78,693
<u>Income Distribution</u>				
less than \$15,000	32.9%	26.7%	9.6%	8.9%
\$15,000-\$24,999	14.0%	12.4%	6.8%	7.2%
\$25,000-\$34,999	12.3%	11.0%	6.9%	6.7%
\$35,000-\$49,999	14.8%	12.9%	9.7%	9.8%
\$50,000-\$74,999	12.6%	16.1%	15.4%	15.1%
\$75,000-\$99,999	6.6%	8.6%	12.5%	12.2%
\$100,000-\$149,999	5.2%	7.4%	18.2%	17.0%
\$150,000-\$199,999	1.2%	3.0%	9.9%	9.6%
\$200,000 or greater	0.4%	2.0%	11.0%	13.4%
Total	100.0%	100.0%	100.0%	100.0%
<u>Age Distribution</u>				
Age 15-24	5.3%	6.0%	2.7%	2.6%
Age 25-34	18.9%	21.0%	13.2%	12.9%
Age 35-44	18.6%	18.1%	15.8%	15.9%
Age 45-54	16.4%	16.3%	17.7%	18.1%
Age 55-64	18.1%	17.3%	20.8%	20.9%
Age 65-74	14.3%	13.1%	16.5%	16.5%
Age 75+	8.3%	8.3%	13.3%	13.2%
Total	100.0%	100.0%	100.0%	100.0%

Source: Esri

Similar to the general population measure, Head of Household age is skewed significantly younger in Hartford than for the State of Connecticut with a full 27.0% aged 34 years or less in the city as compared to the state which registers 15.4%.

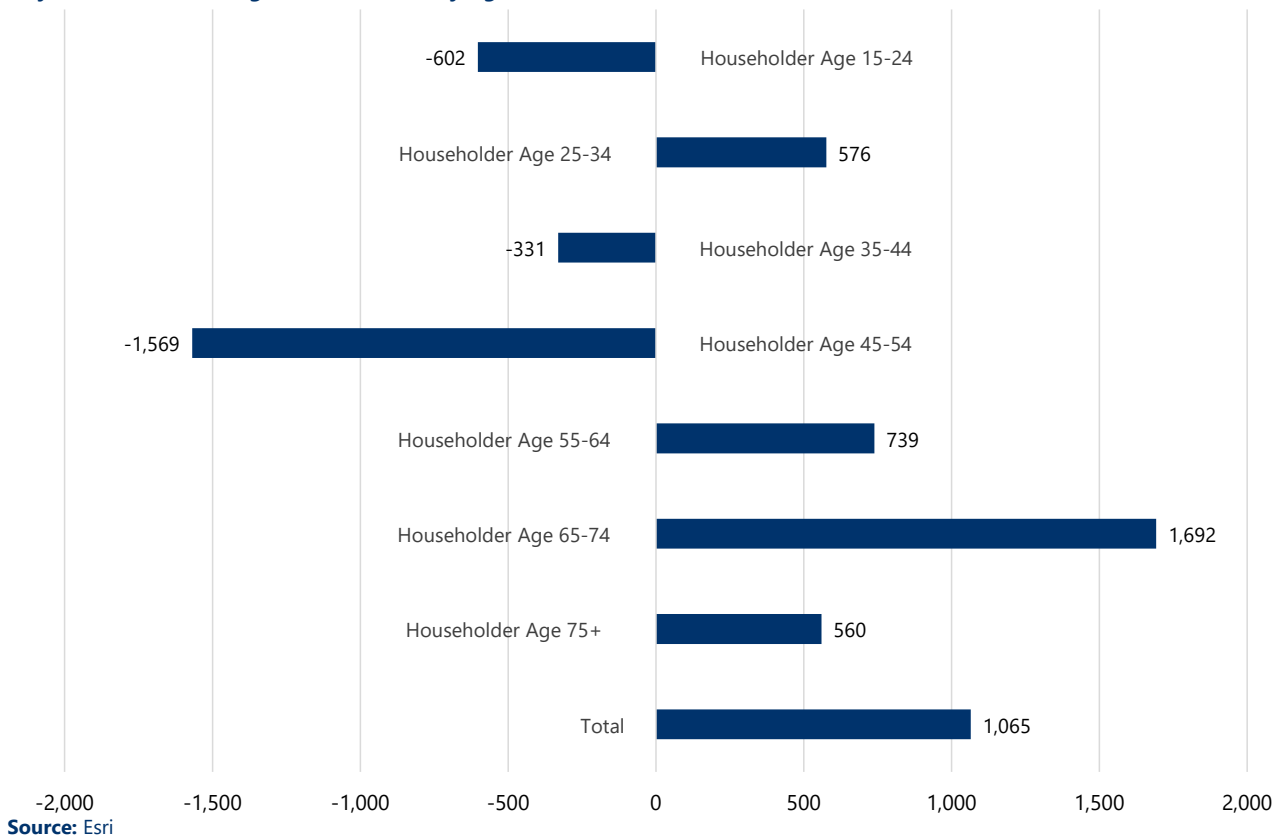
Over the past decade, however, the city and state both saw their populations make a decided shift towards the older end of the age range. For the 55 years and older cohort the number of households expanded by one fifth over the 2010 to 2021 period (20.1% for Hartford and 20.9% for Connecticut).

Change in Households by Age (2010-2021)

	City of Hartford	Hartford County	Connecticut
<u>Number of Households</u>			
Age 15-24	-602	-1,531	-5,117
Age 25-34	576	-172	214
Age 35-44	-331	-5,643	-30,258
Age 45-54	-1,569	-17,576	-68,794
Age 55-64	739	6,711	30,424
Age 65-74	1,692	17,738	70,575
Age 75+	560	4,608	20,598
Total	1,065	4,135	17,642
<u>Percent Change</u>			
Age 15-24	-17.9%	-13.5%	-12.6%
Age 25-34	6.3%	-0.4%	0.1%
Age 35-44	-3.8%	-8.9%	-12.0%
Age 45-54	-17.3%	-22.2%	-21.5%
Age 55-64	10.2%	10.2%	11.7%
Age 65-74	39.0%	44.7%	44.6%
Age 75+	17.1%	10.7%	12.7%
Total	2.4%	1.2%	1.3%

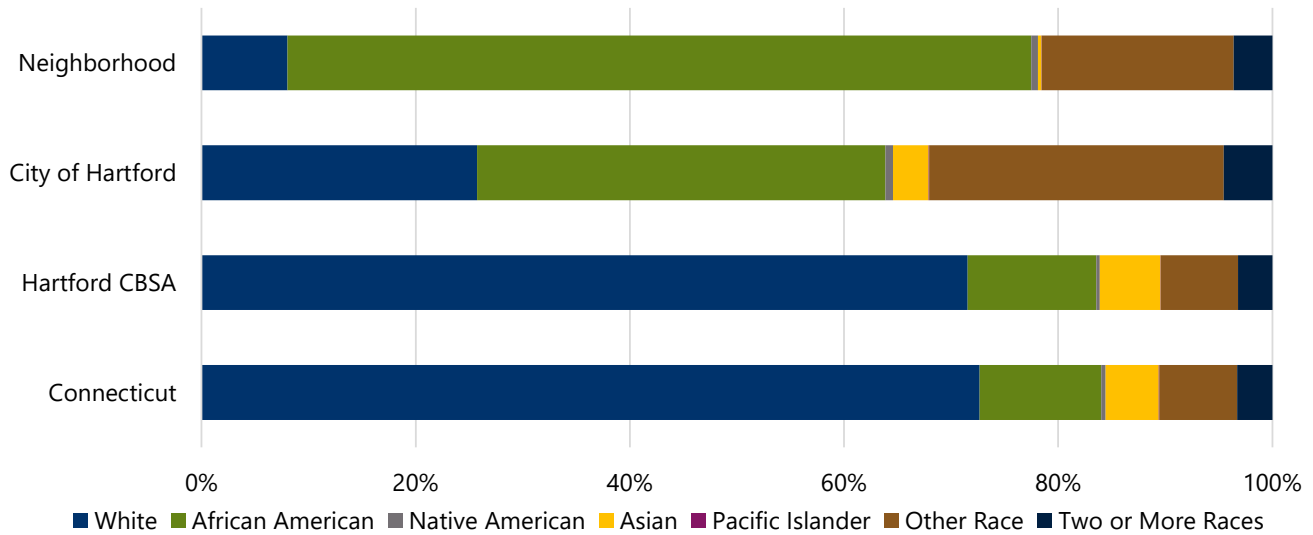
Source: Esri

City of Hartford - Change in Households by Age (2010-2021)



3.3 RACE

Population by Race - 2021



Source: Esri

The City of Hartford, and more specifically, the Study Area Neighborhood, show much higher concentrations of racial and ethnic minorities than seen within the State of Connecticut as a whole. Two out of three people in the SAN are African Americans (69.5%) as compared to just one in nine for the State of Connecticut (11.4%). For the City of Hartford that measure is around two out of five (38.1%).

Nearly half of all Hartford residents also identify as Hispanic (48.8%) though this proportion drops to less than one third when looking at the SAN to 31.2%. This share, however, remains significantly above what is seen for all of Connecticut where only 17.8% self-identify as Hispanic.

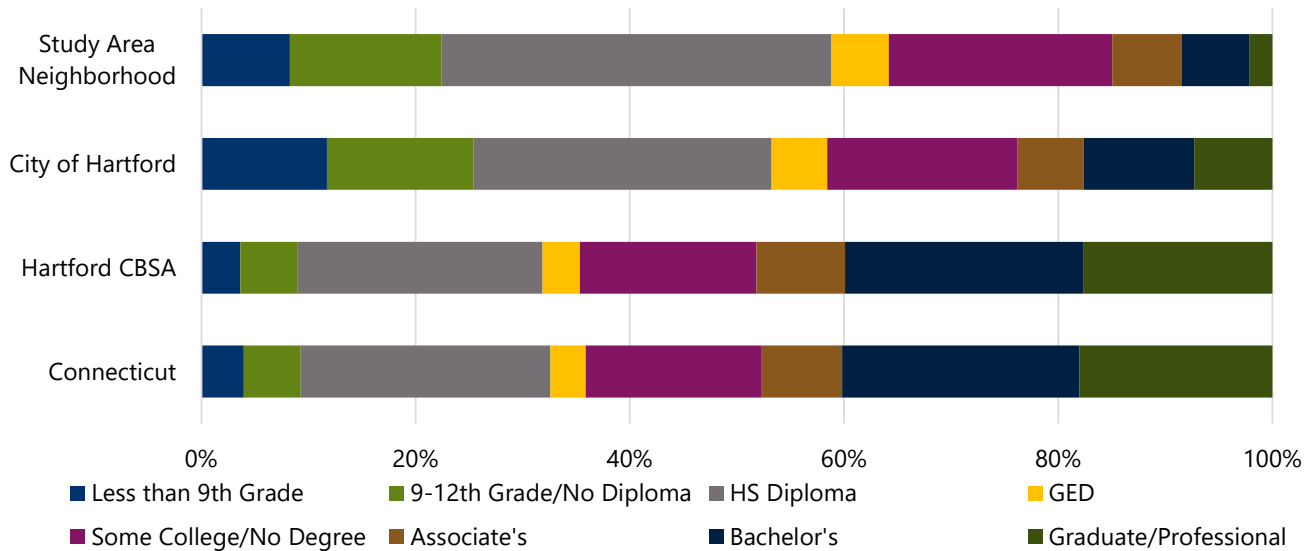
Population Distribution by Race - 2021

Race	Study Area Neighborhood	City of Hartford	Hartford CBSA	Connecticut
White	8.0%	25.7%	71.6%	72.7%
African American	69.5%	38.1%	12.0%	11.4%
Native American	0.6%	0.7%	0.3%	0.4%
Asian	0.3%	3.3%	5.7%	5.0%
Pacific Islander	0.0%	0.0%	0.0%	0.0%
Other Race	17.9%	27.5%	7.2%	7.3%
Two or More Races	3.6%	4.5%	3.2%	3.3%
Total	100.0%	100.0%	100.0%	100.0%
Hispanic	31.2%	48.8%	16.3%	17.8%

Source: Esri

3.4 EDUCATION

Level of Education - 2021



Source: Esri

One quarter (25.4%) of Hartford residents over the age of 25 do not hold a high school diploma or equivalent (GED) with only a slightly better proportion in the Study Area Neighborhood (22.4%). That contrasts sharply with the state overall where the proportion of those not completing high school falls below one in ten (9.3%).

Conversely, residents in the state as a whole are five times more likely to hold a bachelor's or graduate degree than those in the Study Area Neighborhood. For the SAN, only 8.4% have graduated from a four-year college compared with the State of Connecticut rate of 40.2%.

Level of Education - 2021 Population Age 25+

	Study Area Neighborhood	City of Hartford	Hartford CBSA	Connecticut
Less than 9th Grade	8.3%	11.7%	3.6%	4.0%
9-12th Grade/No Diploma	14.1%	13.7%	5.3%	5.3%
HS Diploma	36.4%	27.8%	22.9%	23.3%
GED	5.4%	5.2%	3.5%	3.3%
Some College/No Degree	20.9%	17.7%	16.5%	16.4%
Associate's	6.5%	6.2%	8.3%	7.6%
Bachelor's	6.3%	10.3%	22.2%	22.1%
Graduate/Professional	2.1%	7.3%	17.7%	18.0%
2021 Educational Attainment Base (Pop 25+)(Esri)	100.0%	100.0%	100.0%	100.0%

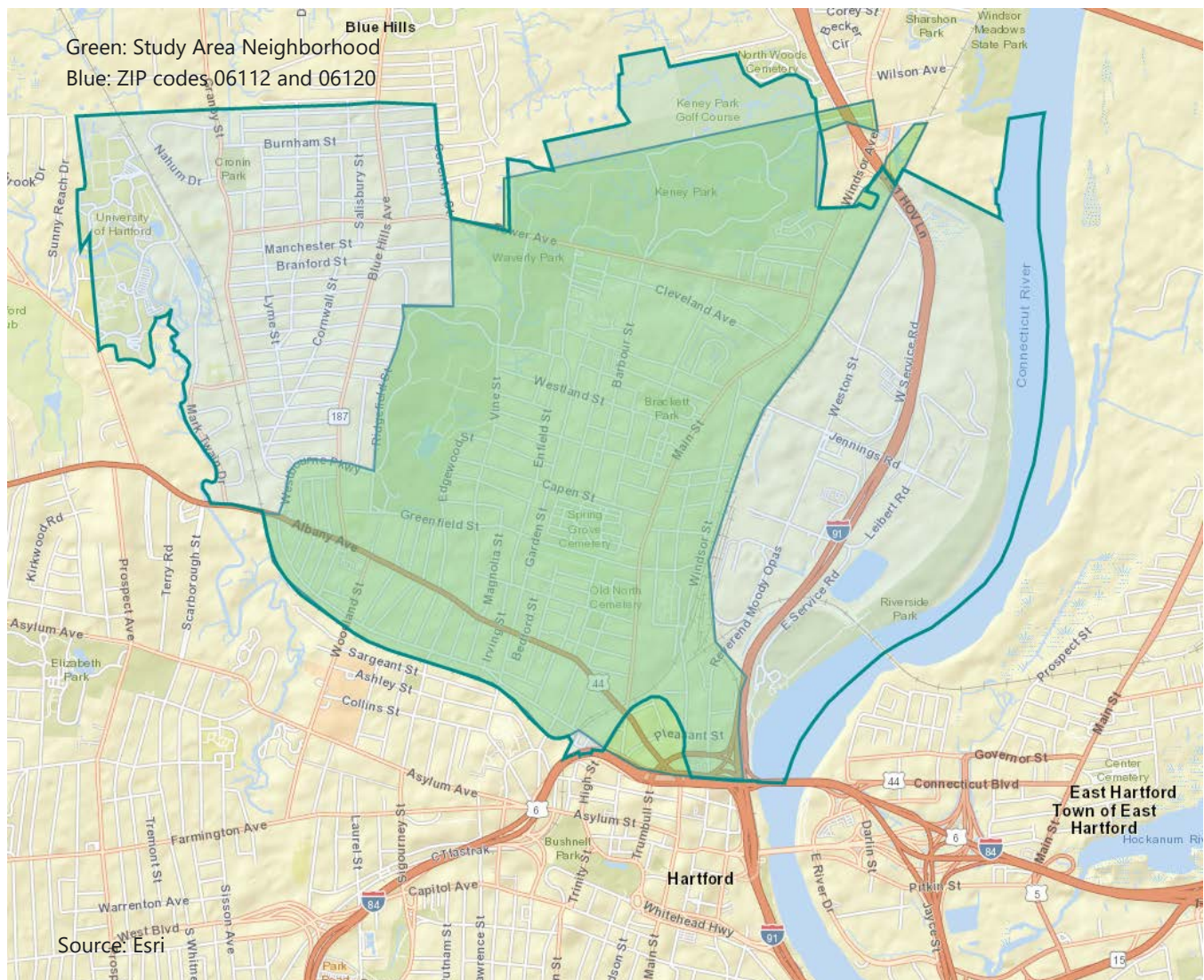
Source: US Census - American Community Survey (ACS)

4 ECONOMIC TRENDS

The economic composition of the study area, the City of Hartford, and the surrounding region are presented in this section. Employment trends in the various industry sectors point to areas of opportunity for economic development in the Arrowhead Gateway neighborhood.

4.1 NEIGHBORHOOD BUSINESS PROFILE

Employment within the Study Area Neighborhood (here approximated as the 06112 and 06120 ZIP codes due to data constraints) registered 11,599 workers in 2020 with more than one if five of those positions (2,585 or 22.3%) found in the Health Care and Social Assistance sector. Retail makes up the next largest sector with Motor Vehicle and Parts Dealers alone accounting for 698 employees. Government also stands out along with Transportation and Warehousing with 1,577 and 1,323 workers respectively. Together, these four sectors represent nearly two thirds of total employment (62.5%).



Study Area Neighborhood Employment* - 2020

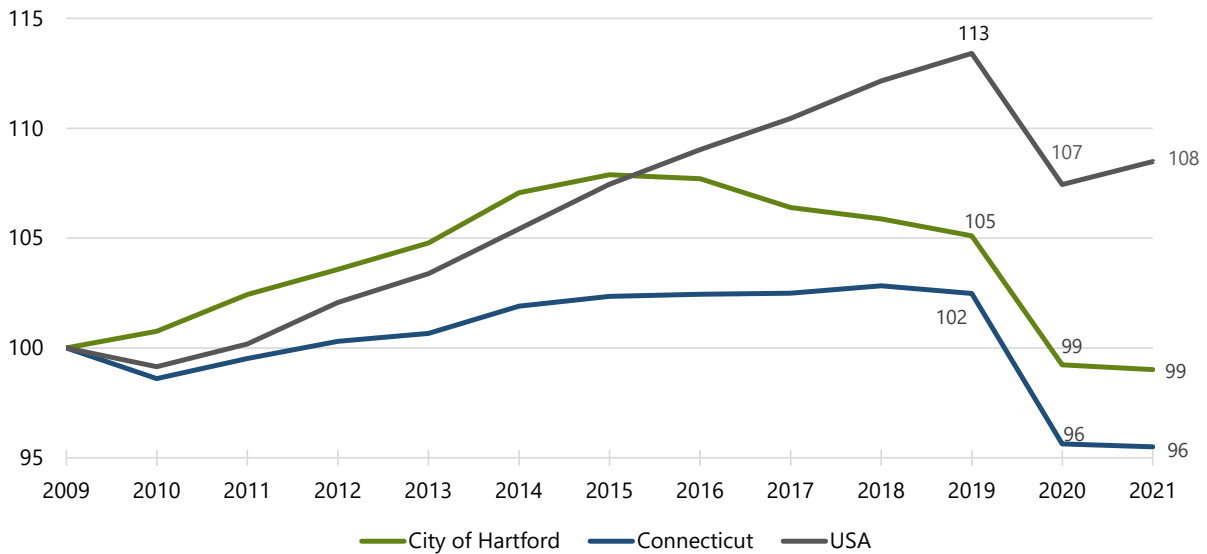
	Employment	Percent
Agriculture, Forestry, Fishing and Hunting (11)	0	0.0%
Mining, Quarrying, and Oil and Gas Extraction (21)	12	0.1%
Utilities (22)	<10	0.0%
Construction (23)	869	7.5%
Manufacturing (31)	102	0.9%
Wholesale Trade (42)	216	1.9%
Retail Trade (44-45)	1,770	15.3%
Motor Vehicle and Parts Dealers (441)	698	6.0%
Furniture and Home Furnishings Stores (442)	25	0.2%
Electronics and Appliance Stores (443)	33	0.3%
Building Material and Garden Equipment and Supplies Dealers (444)	<10	0.0%
Food and Beverage Stores (445)	588	5.1%
Health and Personal Care Stores (446)	46	0.4%
Gasoline Stations (447)	70	0.6%
Clothing and Clothing Accessories Stores (448)	55	0.5%
Sporting Goods, Hobby, Musical Instrument, and Book Stores (451)	0	0.0%
General Merchandise Stores (452)	239	2.1%
Miscellaneous Store Retailers (453)	13	0.1%
Nonstore Retailers (454)	0	0.0%
Transportation and Warehousing (48)	1,323	11.4%
Information (51)	311	2.7%
Finance and Insurance (52)	90	0.8%
Credit Intermediation and Related Activities (522)	52	0.4%
Insurance Carriers and Related Activities (524)	38	0.3%
Real Estate and Rental and Leasing (53)	214	1.8%
Professional, Scientific, and Technical Services (54)	359	3.1%
Management of Companies and Enterprises (55)	0	0.0%
Administrative and Support and Waste Management and Remediation Services (56)	525	4.5%
Educational Services (61)	420	3.6%
Health Care and Social Assistance (62)	2,585	22.3%
Arts, Entertainment, and Recreation (71)	90	0.8%
Accommodation and Food Services (72)	528	4.6%
Accommodation (721)	28	0.2%
Food Services and Drinking Places (722)	500	4.3%
Other Services (except Public Administration) (81)	605	5.2%
Government (90)	1,577	13.6%
Unclassified Industry (99)	0	0.0%
Total	11,599	100.0%

*Note: Data based on 06112 and 06120 ZIP codes

Source: Emsi

4.2 ECONOMIC TRENDS

Historic Employment Index (2009 = 100)



Source: Emsi/Connecticut and other State's Departments of Labor

Over the 2009 to 2019 time frame, total U.S. employment expanded at a fairly steady rate of 1.3%, annually. The City of Hartford and more broadly, the State of Connecticut were simply unable to match that pace over the same period. By 2019, Hartford's total employment had gained a modest 5.1% compared to the 13.4% seen at the national level. The state's registered gains of 2.5% over the level seen ten years prior.

Total Employment

	2009	2019	2020	2021	2009-2019			2019-2021
					Annualized Growth	2019-2020 Y/Y Growth	2020-2021 Y/Y Growth	Annualized Growth
City of Hartford	76,936	80,868	76,343	76,176	0.5%	-5.6%	-0.2%	-2.9%
Hartford County	530,076	554,340	519,899	519,557	0.4%	-6.2%	-0.1%	-3.2%
Connecticut	1,828,855	1,874,184	1,749,045	1,746,609	0.2%	-6.7%	-0.1%	-3.5%
USA	147,304,381	167,056,599	158,257,411	159,813,209	1.3%	-5.3%	1.0%	-2.2%

Source: Emsi/Connecticut and other State's Departments of Labor

With COVID-19 came employment losses of 5%-7% across these geographies which, for Hartford and the State of Connecticut, erased all of the gains made over the previous decade. Moving into 2021, the local economies have just held steady, managing to stem the losses but missing out on the start of an employment rebound found throughout most of the country.

At an industry level, expansion over the 2009 to 2019 period found broad support with the largest contributions coming from Transportation and Warehousing, Finance and Insurance, Administrative Support & Waste Management, Educational Services and Health Care. Overall growth was hampered, however, by significant job losses in Manufacturing, Government and the Information sector (including publishing, broadcasting, telecommunications and data services).

City of Hartford - Employment by Industry

					2009-2019	2019-2020	2020-2021	2019-2021
	2009	2019	2020	2021	Change	Change	Change	Change
Agriculture, Forestry, Fishing and Hunting (11)	28	10	10	8	-18	0	-2	-2
Mining, Quarrying, and Oil and Gas Extraction (21)	56	25	29	32	-31	4	3	7
Utilities (22)	105	54	51	49	-51	-3	-2	-5
Construction (23)	2,024	2,023	1,907	1,890	-1	-116	-17	-133
Manufacturing (31)	2,355	1,953	1,948	1,951	-402	-5	3	-2
Wholesale Trade (42)	1,513	1,459	1,231	1,192	-54	-228	-39	-267
Retail Trade (44)	6,973	6,910	6,346	6,198	-63	-564	-148	-712
Transportation and Warehousing (48)	1,619	2,402	2,586	2,682	783	184	96	280
Information (51)	2,934	2,188	1,994	1,902	-746	-194	-92	-286
Finance and Insurance (52)	12,796	13,405	13,462	13,460	609	57	-2	55
Real Estate and Rental and Leasing (53)	1,055	1,081	984	983	26	-97	-1	-98
Professional, Scientific, and Technical Services (54)	8,528	8,991	8,754	8,733	463	-237	-21	-258
Management of Companies and Enterprises (55)	129	73	53	46	-56	-20	-7	-27
Administrative and Support and Waste Management and Remediation Services (56)	4,213	5,107	4,480	4,418	894	-627	-62	-689
Educational Services (61)	2,749	3,514	3,320	3,331	765	-194	11	-183
Health Care and Social Assistance (62)	12,518	14,012	13,744	14,013	1,494	-268	269	1
Arts, Entertainment, and Recreation (71)	646	689	539	531	43	-150	-8	-158
Accommodation and Food Services (72)	3,816	4,221	2,978	2,848	405	-1,243	-130	-1,373
Other Services (except Public Administration) (81)	3,850	4,150	3,499	3,467	300	-651	-32	-683
Government (90)	9,021	8,593	8,421	8,435	-428	-172	14	-158
Unclassified Industry (99)	8	8	7	7	0	-1	0	-1
Total	76,936	80,868	76,343	76,176	3,932	-4,525	-167	-4,692

Source: Emsi/Connecticut Department of Labor/Camoin Associates

Impacts of the 2020 downturn were then unevenly distributed with the Accommodations and Food Services industry taking far and away the biggest hit, shedding over 1,200 jobs or 29% of its workforce. Other sectors suffering disproportionate declines were Retail (losing 564 jobs), Administrative and Waste Management Services (losing 627 jobs) and the Other Services sector (including personal services losing 651 jobs).

Despite declines in overall employment, two sectors defiantly posted employment gains in 2020. These were Finance and Insurance where a modest 57 worker increase translated to a 0.5% rise and Transportation and Warehousing (one of the stalwarts of the prior decade) which saw a more substantial increase of 184 positions to register a respectable 3.7% rate of growth.

City of Hartford - Employment by Industry

	2009	2019	2020	2021	2009-2019	2019-2020	2020-2021	2019-2021
					Annualized Growth	Y/Y Growth	Y/Y Growth	Annualized Growth
Agriculture, Forestry, Fishing and Hunting (11)	28	10	10	8	-9.8%	0.0%	-20.0%	-10.6%
Mining, Quarrying, and Oil and Gas Extraction (21)	56	25	29	32	-7.7%	16.0%	10.3%	13.1%
Utilities (22)	105	54	51	49	-6.4%	-5.6%	-3.9%	-4.7%
Construction (23)	2,024	2,023	1,907	1,890	0.0%	-5.7%	-0.9%	-3.3%
Manufacturing (31)	2,355	1,953	1,948	1,951	-1.9%	-0.3%	0.2%	-0.1%
Wholesale Trade (42)	1,513	1,459	1,231	1,192	-0.4%	-15.6%	-3.2%	-9.6%
Retail Trade (44)	6,973	6,910	6,346	6,198	-0.1%	-8.2%	-2.3%	-5.3%
Transportation and Warehousing (48)	1,619	2,402	2,586	2,682	4.0%	7.7%	3.7%	5.7%
Information (51)	2,934	2,188	1,994	1,902	-2.9%	-8.9%	-4.6%	-6.8%
Finance and Insurance (52)	12,796	13,405	13,462	13,460	0.5%	0.4%	0.0%	0.2%
Real Estate and Rental and Leasing (53)	1,055	1,081	984	983	0.2%	-9.0%	-0.1%	-4.6%
Professional, Scientific, and Technical Services (54)	8,528	8,991	8,754	8,733	0.5%	-2.6%	-0.2%	-1.4%
Management of Companies and Enterprises (55)	129	73	53	46	-5.5%	-27.4%	-13.2%	-20.6%
Administrative and Support and Waste Management and Remediation Services (56)	4,213	5,107	4,480	4,418	1.9%	-12.3%	-1.4%	-7.0%
Educational Services (61)	2,749	3,514	3,320	3,331	2.5%	-5.5%	0.3%	-2.6%
Health Care and Social Assistance (62)	12,518	14,012	13,744	14,013	1.1%	-1.9%	2.0%	0.0%
Arts, Entertainment, and Recreation (71)	646	689	539	531	0.6%	-21.8%	-1.5%	-12.2%
Accommodation and Food Services (72)	3,816	4,221	2,978	2,848	1.0%	-29.4%	-4.4%	-17.9%
Other Services (except Public Administration) (81)	3,850	4,150	3,499	3,467	0.8%	-15.7%	-0.9%	-8.6%
Government (90)	9,021	8,593	8,421	8,435	-0.5%	-2.0%	0.2%	-0.9%
Unclassified Industry (99)	8	8	7	7	0.0%	-12.5%	0.0%	-6.5%
Total	76,936	80,868	76,343	76,176	0.5%	-5.6%	-0.2%	-2.9%

Source: Emsi/Connecticut Department of Labor/Camoin Associates

A review of employment shares over the various industries shows why Hartford carries the label as the Insurance Capital of the World. One out of every six jobs (17.6%) in the city are in the Finance and Insurance sector – more than four times the concentration reported in the broader US employment figures. More specifically, there are nearly 10,000 people working for Direct Property and Casualty Insurance Carriers (NAICS code 524126), 12.8% of all jobs found in the city.

City of Hartford Employment - 2020

	Jobs	Share	Location Quotient
Agriculture, Forestry, Fishing and Hunting (11)	10	0.0%	0.01
Mining, Quarrying, and Oil and Gas Extraction (21)	29	0.0%	0.11
Utilities (22)	51	0.1%	0.19
Construction (23)	1,907	2.5%	0.43
Manufacturing (31)	1,948	2.6%	0.33
Wholesale Trade (42)	1,231	1.6%	0.44
Retail Trade (44)	6,346	8.3%	0.85
Transportation and Warehousing (48)	2,586	3.4%	0.83
Information (51)	1,994	2.6%	1.44
Finance and Insurance (52)	13,462	17.6%	4.15
Real Estate and Rental and Leasing (53)	984	1.3%	0.75
Professional, Scientific, and Technical Services (54)	8,754	11.5%	1.68
Management of Companies and Enterprises (55)	53	0.1%	0.05
Remediation Services (56)	4,480	5.9%	0.97
Educational Services (61)	3,320	4.3%	1.69
Health Care and Social Assistance (62)	13,744	18.0%	1.38
Arts, Entertainment, and Recreation (71)	539	0.7%	0.50
Accommodation and Food Services (72)	2,978	3.9%	0.54
Other Services (except Public Administration) (81)	3,499	4.6%	0.88
Government (90)	8,421	11.0%	0.72
Total	76,343	100.0%	1.00

Note: LQ relative concentration compared to the US

Source: Emsi

Notably high concentrations of employment found in Hartford also include Educational Services, Professional & Scientific Services, the Information sector and Health Care. In the case of Health Care, review at a more detailed level show that employment at doctor's offices (NAICS code 622110) not only ranks amongst the largest segments of the economy (4.7%) but also the one with the greatest job gains from 2009 to 2021 (up 829 employees). Health Care was also boosted by strong gains in Services for Elderly and Persons with Disabilities (NAICS code 624120) which rose by 768 jobs over the historic period (an annualized growth rate of 4.7%).

At a detailed level, support for the Information sector was bolster by the Computer Systems Design Services (NAICS code 541512) where the increase of 602 jobs represented 4.4% annualized growth.

Hartford - Largest Employment Sectors (2020 - 6 Digit NAICS)

Sector	Jobs	Pct of Total
Direct Property and Casualty Insurance Carriers (524126)	9,737	12.8%
Offices of Physicians (except Mental Health Specialists) (621111)	3,588	4.7%
General Medical and Surgical Hospitals (622110)	3,434	4.5%
Elementary and Secondary Schools (Local Government) (903611)	3,259	4.3%
Offices of Lawyers (541110)	2,887	3.8%

Source: Emsi/Connecticut Department of Labor

Hartford - Greatest Gains in Employment by Sectors (6 Digit NAICS)

Sector	2009-2021		
	2009 Jobs	2021 Jobs	Change
Offices of Physicians (except Mental Health Specialists) (621111)	2,860	3,689	829
Services for the Elderly and Persons with Disabilities (624120)	506	1,274	768
Colleges, Universities, and Professional Schools (611310)	1,762	2,427	665
Computer Systems Design Services (541512)	435	1,037	602
Temporary Help Services (561320)	1,333	1,782	449

Source: Emsi/Connecticut Department of Labor

4.3 JOBS AND OCCUPATIONS

The US unemployment rate has trended steadily downward after spiking up to 14.8% in April, 2020, and now stands back below rates seen as recently as late 2017. For the Hartford County, which peaked at 11.8%, the unemployment rate continues to register nearly one percent above the national rate. Connecticut and the City of Hartford both register one percent higher still.

Labor Market - 2021

	City of Hartford	Hartford County	Connecticut	USA
Labor Force	26,283	457,414	1,815,726	161,392,325
Participation Rate	N/A	64.0%	63.1%	61.6%
Unemployment Rate	7.0%	5.7%	6.8%	4.8%

Note: Reflects data as of September/October, 2021

Source: Emsi/Bureau of Labor Statistics

With Hartford's prevalence of medical care facilities and insurance carriers, it benefits from a preponderance of well-paying positions for its workforce including Healthcare Practitioners, Business Operations & Financial Specialists, and Computer Occupations. The high number of these well-paying positions will continue to provide support for both retail and residential markets going forward.

Most Common Occupations - City of Hartford - 2020

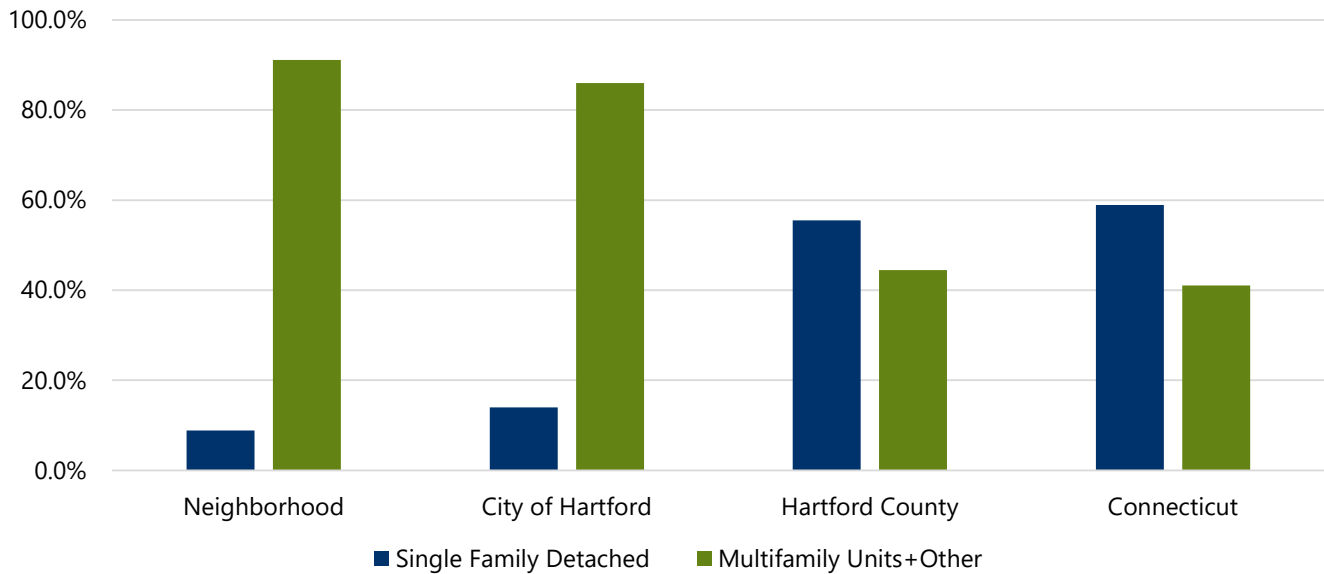
Occupation	Median Annual	
	Jobs	Earnings
Healthcare Diagnosing or Treating Practitioners	4,346	\$93,879
Business Operations Specialists	4,311	\$75,069
Information and Record Clerks	3,607	\$37,271
Financial Specialists	3,231	\$77,658
Computer Occupations	3,178	\$87,201
Retail Sales Workers	3,005	\$25,360
Other Office and Administrative Support Workers	2,893	\$41,957
Material Moving Workers	2,388	\$30,512
Secretaries and Administrative Assistants	2,323	\$50,050
Operations Specialties Managers	2,287	\$131,884

Source: Emsi

5 RESIDENTIAL MARKET CONDITIONS

5.1 HOUSING STOCK

Housing Stock - Single Family vs. Multifamily



Source: US Census - American Community Survey

The highly urbanized Study Area Neighborhood maintains only a modest number of single family homes with 87.2% of households residing in multifamily structures. This proportion drops slightly for the City of Hartford to 82.7% and stands in sharp contrast to the broader statewide profile with 58.9% of units being single family detached.

Notably, more than half (52.5%) of all units in the SAN are found in 2-4 unit structures. Large developments of 20 units or more make up 9.1% of units, only slightly higher than the state average of 8.8%.

Housing Stock by Type - 2019

	Study Area Neighborhood	City of Hartford	Hartford County	Hartford CBSA	Connecticut
Units					
Single Family Detached	985	7,654	210,665	305,203	893,531
Multifamily Units+Other	10,135	47,099	168,937	210,412	623,098
Total	11,120	54,753	379,602	515,615	1,516,629
Share					
Single Family Detached	8.9%	14.0%	55.5%	59.2%	58.9%
1 Attached Unit in Structure	3.8%	3.3%	5.8%	5.3%	5.4%
2 Units in Structure	19.9%	15.1%	7.8%	7.1%	8.2%
3 or 4 Units in Structure	32.6%	22.9%	9.6%	8.6%	8.6%
5 to 9 Units in Structure	18.4%	13.0%	6.2%	6.1%	5.5%
10 to 19 Units in Structure	7.2%	7.4%	4.4%	4.2%	3.8%
20 to 49 Units in Structure	4.9%	10.1%	4.2%	3.7%	3.5%
50 or More Units in Structure	4.2%	14.1%	6.0%	5.2%	5.4%
Mobile Homes	0.2%	0.0%	0.6%	0.7%	0.8%
Boat/RV/Van/etc.	0.0%	0.0%	0.0%	0.0%	0.0%
Total	100.0%	100.0%	100.0%	100.0%	100.0%

Source: Esri/US Census - American CommunitySurvey (ACS)

The Hartford housing stock, with a median age of 70 years, is notably older than the broader statewide inventory (measuring only 56 years). This older stock is likely an indicator of lower quality housing. To the extent that the city carries excessive housing stock that is dated or obsolete, this will generate a degree of “replacement demand” with households interested in upgrading their current housing.

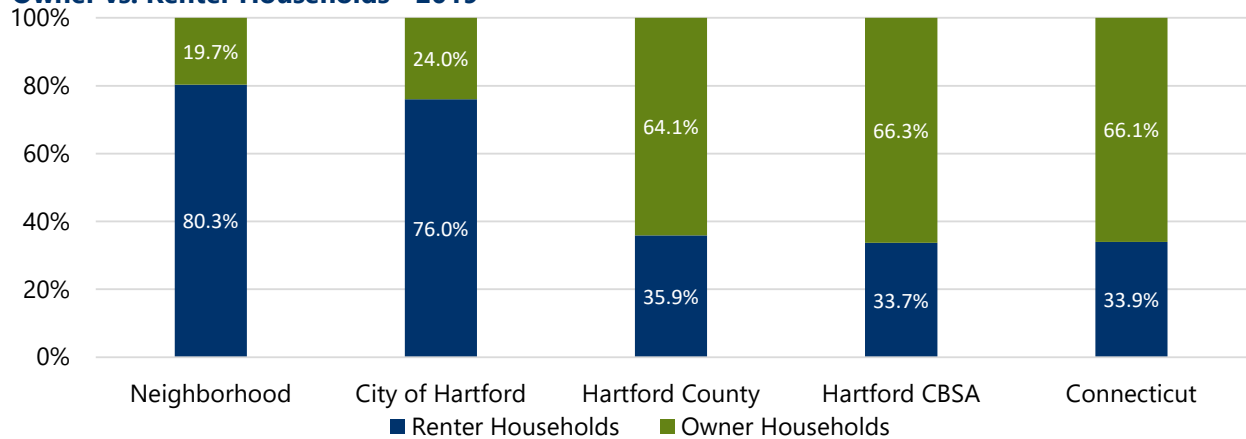
Housing Stock by Year Constructed

	Study Area Neighborhood	City of Hartford	Hartford County	Hartford CBSA	Connecticut
2014 or Later	103	338	3,453	5,201	16,920
2010-2013	195	390	3,747	6,338	21,126
2000-2009	679	1,680	22,433	35,192	103,075
1990-1999	982	2,241	25,389	39,895	116,028
1980-1989	609	3,621	46,428	67,527	188,655
1970-1979	1,175	4,633	50,599	70,368	203,700
1960-1969	1,236	7,294	56,261	74,648	204,879
1950-1959	1,453	7,668	65,436	80,707	224,393
1940-1949	1,127	4,940	29,317	35,188	103,008
1939 or Earlier	3,560	21,948	76,539	100,551	334,845
Median Year Built	1956	1951	1963	1966	1965

Source: US Census - American CommunitySurvey (ACS)

5.2 TENURE

Owner vs. Renter Households - 2019



Source: US Census - American CommunitySurvey (ACS)

The City of Hartford, with a significantly lower income population than the broader State of Connecticut, sees a much higher proportion of households living in rental housing. Only about one out of four households own their residence and for the Study Area Neighborhood that proportion drops to one out of five. This contrasts sharply to the state average where approximately two out of three households own their homes.

Owner and Renter Households - 2019

	Study Area Neighborhood	City of Hartford	Hartford County	Hartford CBSA	Hartford Connecticut
Renter Households	7,193	35,494	125,768	159,227	465,065
Owner Households	1,764	11,196	224,640	313,835	905,681

Source: US Census - American CommunitySurvey (ACS)

The City of Hartford reports a sizable proportion of housing units as vacant (14.7%) as compared to the state (9.6%). This is even more noticeable for the Study Area Neighborhood (19.2%). In part this is likely due to the much higher proportion of rental housing in the urban area which sees a great deal more turn over than found in owner occupied units. In addition, the Other Vacant category is made up, in part, by those units that are uninhabitable or abandoned.

Vacant Housing Units - 2019

	Study Area Neighborhood	City of Hartford	Hartford County	Hartford CBSA	Hartford Connecticut
Total Vacant Housing Units	2,139	8,063	29,194	42,553	145,883
Vacancy Rate	19.2%	14.7%	7.7%	8.3%	9.6%
For Rent	7.4%	6.4%	2.3%	2.1%	2.1%
Rented, Not Occupied	1.7%	1.6%	0.6%	0.5%	0.4%
For Sale Only	1.4%	0.5%	0.9%	0.9%	1.1%
Sold, Not Occupied	0.2%	0.2%	0.3%	0.3%	0.4%
For Seasonal, Recreational, or Occasional Use	0.0%	0.4%	0.5%	1.4%	1.9%
For Migrant Workers	0.0%	0.1%	0.0%	0.0%	0.0%
Other Vacant	8.5%	5.6%	3.2%	3.0%	3.6%

Source: Esri/US Census - American CommunitySurvey (ACS)

5.3 AFFORDABILITY

A significant concern for the City of Hartford, as with most of the nation, is the issue of affordable housing. Nearly one third (32.3%) of renting households in the city face rental rates greater than half of their total income, a level HUD defines as *Severely Rent Burdened*.

More broadly, HUD also defines households spending 30% or more of a household's income on rent to be *cost-burdened* families who "may have difficulty affording necessities such as food, clothing, transportation, and medical care." By this standard, well over half (55.8%) of Hartford households are so burdened.

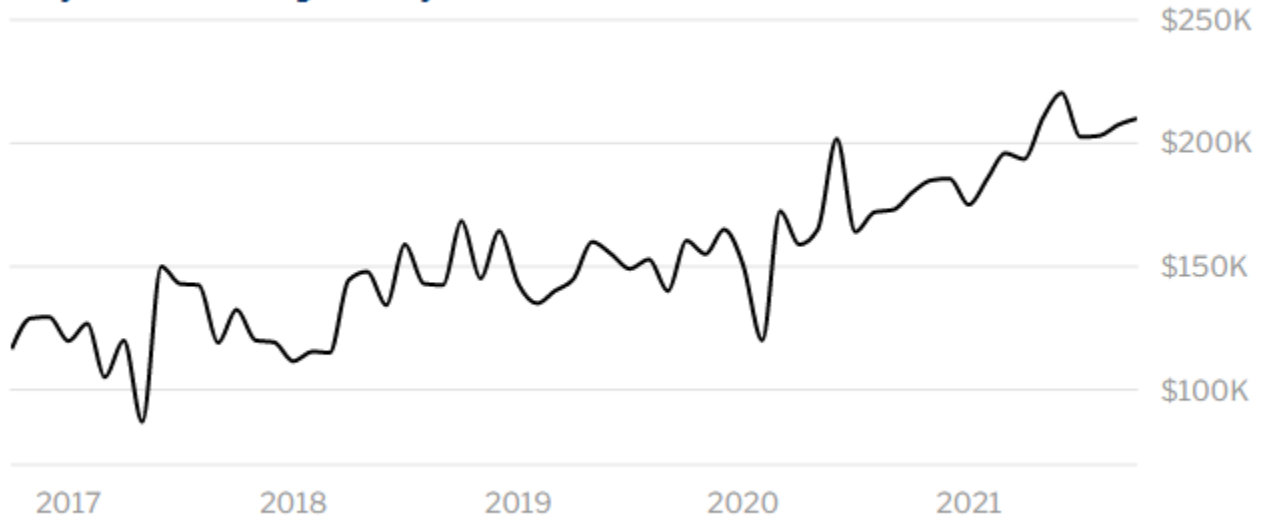
City of Hartford Cost Burdened Renter Housholds - 2019

2019 HHs w/Gross Rent 30-34.9% of Household Income	3,019	8.9%
2019 HHs w/Gross Rent 35-39.9% of Household Income	1,745	5.2%
2019 HHs w/Gross Rent 40-49.9% of Household Income	3,190	9.5%
2019 HHs w/Gross Rent 50% + of Household Income	10,882	32.3%
Total	18,836	55.8%

Source: U.S. Census

5.4 OWNER OCCUPIED HOUSING UNITS

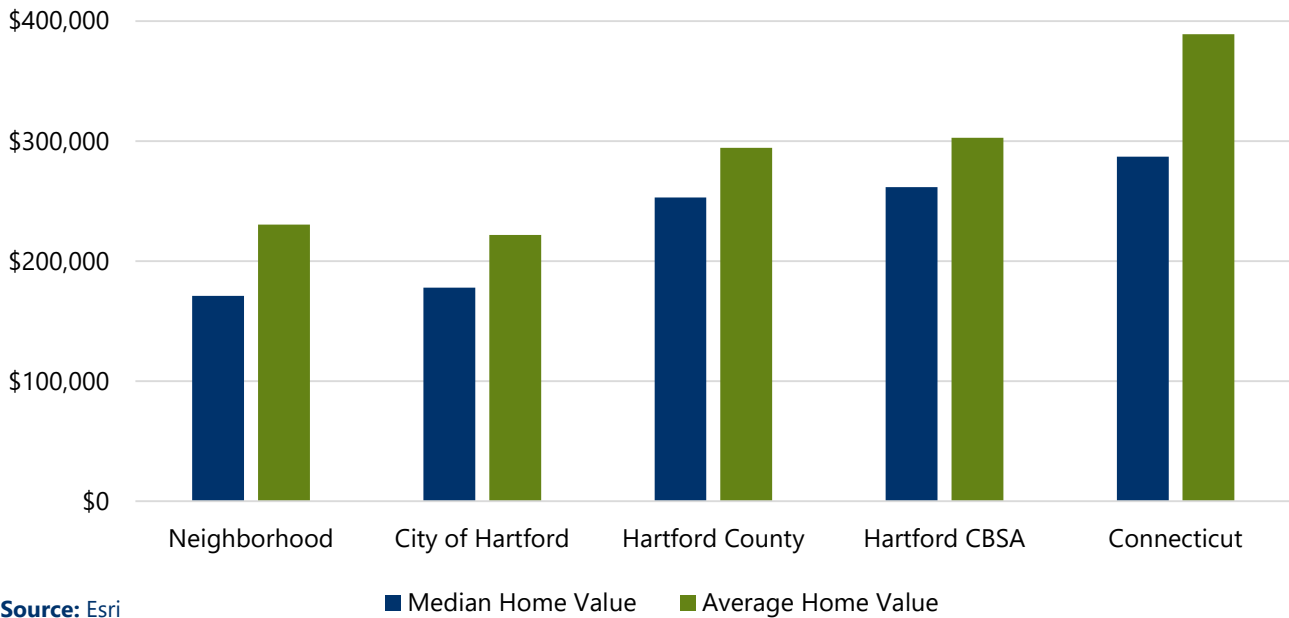
City of Hartford Single Family Home Prices



Source: Redfin

Single family home prices in the City of Hartford have ramped up steadily over past five years according to Redfin with average sales values recently topping \$200,000 and showing no noticeable deviation from trend through the pandemic period.

Owner Occupied Home Values - 2021



Source: Esri

■ Median Home Value ■ Average Home Value

Median owner-occupied home values in the City of Hartford stands at \$178,000 with the Study Area Neighborhood registering a few percent lower at \$171,000 in 2021. By contrast, this rates about 60% of the statewide median value of \$287,000.

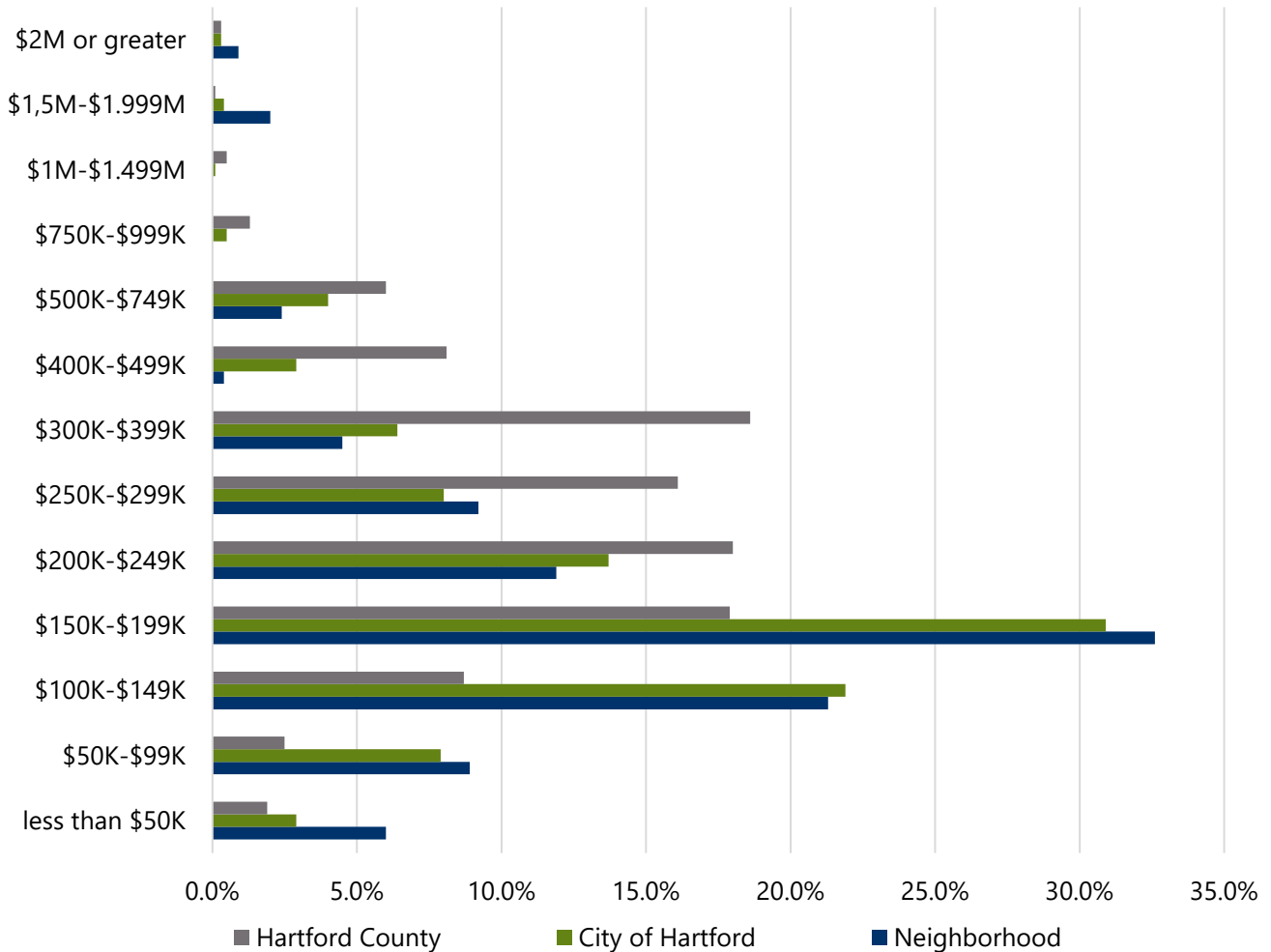
This disparity is further illustrated when considering that valuation of more than two thirds of owner-occupied units in the SAN (68.8%) falls below \$200,000 whereas only a quarter (25.0%) of units in the state as a whole register below this level.

Owner Occupied Home Values - 2021

	Study Area Neighborhood	City of Hartford	Hartford County	Hartford CBSA	Connecticut
Median Home Value	\$171,124	\$177,907	\$253,039	\$261,567	\$287,101
Average Home Value	\$230,468	\$221,732	\$294,321	\$302,736	\$389,067
Home Value					
less than \$50,000	6.0%	2.9%	1.9%	1.9%	1.9%
\$50,000-\$99,999	8.9%	7.9%	2.5%	2.3%	2.6%
\$100,000-\$149,999	21.3%	21.9%	8.7%	7.6%	6.7%
\$150,000-\$199,999	32.6%	30.9%	17.9%	16.4%	13.8%
\$200,000-\$249,999	11.9%	13.7%	18.0%	18.0%	14.8%
\$250,000-\$299,999	9.2%	8.0%	16.1%	16.6%	13.8%
\$300,000-\$399,999	4.5%	6.4%	18.6%	20.1%	19.3%
\$400,000-\$499,999	0.4%	2.9%	8.1%	8.7%	9.7%
\$500,000-\$749,999	2.4%	4.0%	6.0%	6.2%	9.1%
\$750,000-\$999,999	0.0%	0.5%	1.3%	1.3%	3.2%
\$1,000,000-\$1,499,999	0.0%	0.1%	0.5%	0.5%	2.4%
\$1,500,000-\$1,999,999	2.0%	0.4%	0.1%	0.2%	1.0%
\$2,000,000 or greater	0.9%	0.3%	0.3%	0.3%	1.8%
Total	100.0%	100.0%	100.0%	100.0%	100.0%

Source: Esri

Owner Occupied Home Values - 2021



Source: Esri

While about one quarter of home sales in the Study Area Neighborhood over the past year were for single family detached units according to Zillow, far and away, most sales were for multifamily structures. Also striking in this data, median prices for townhouses and condos/coops registered in the \$70,000 range meaning that half of all transactions were at or below this level.

Study Area Neighborhood Home Sales

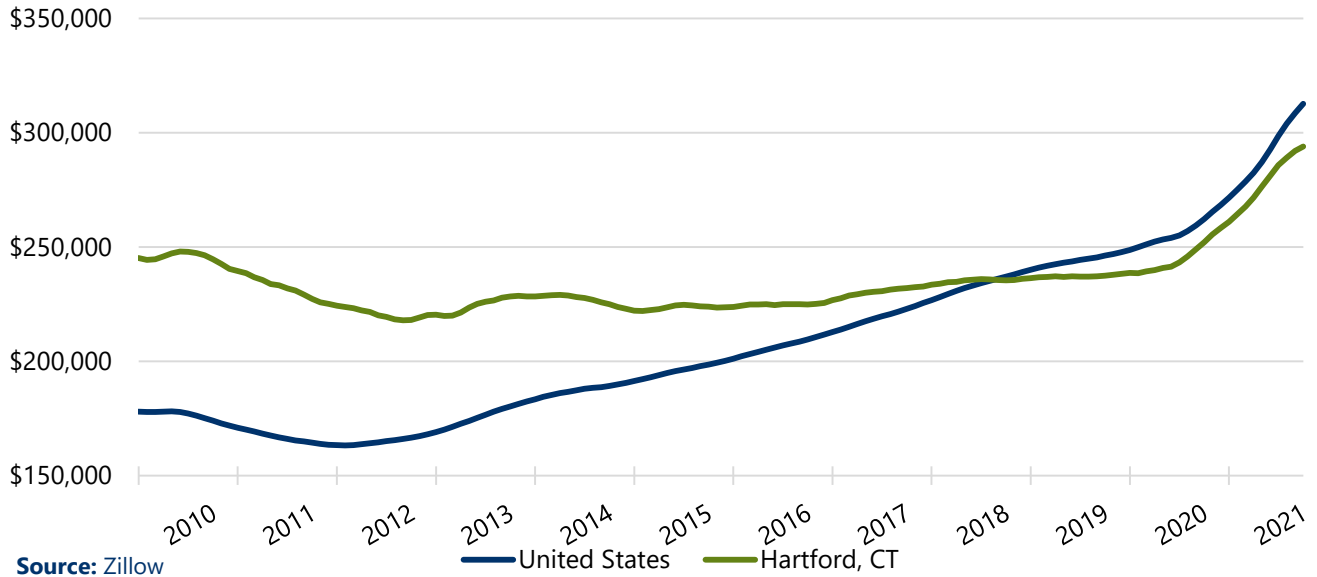
	Sales	Median Price
Houses	54	\$131,500
Townhouses	5	\$70,000
Multifamily	152	\$230,000
Condos/Coops	4	\$72,000
Total	215	\$200,000

Source: Zillow (Nov15 2020-Nov15 2021)

Compared to the rest of the country, home prices have shown significantly less appreciation over the past decade. As recently as 2013 Hartford home prices registered 30% above the national average. Within five year the U.S. level was able to match that of the city and by late 2021 Hartford prices stand 6% below the National level.

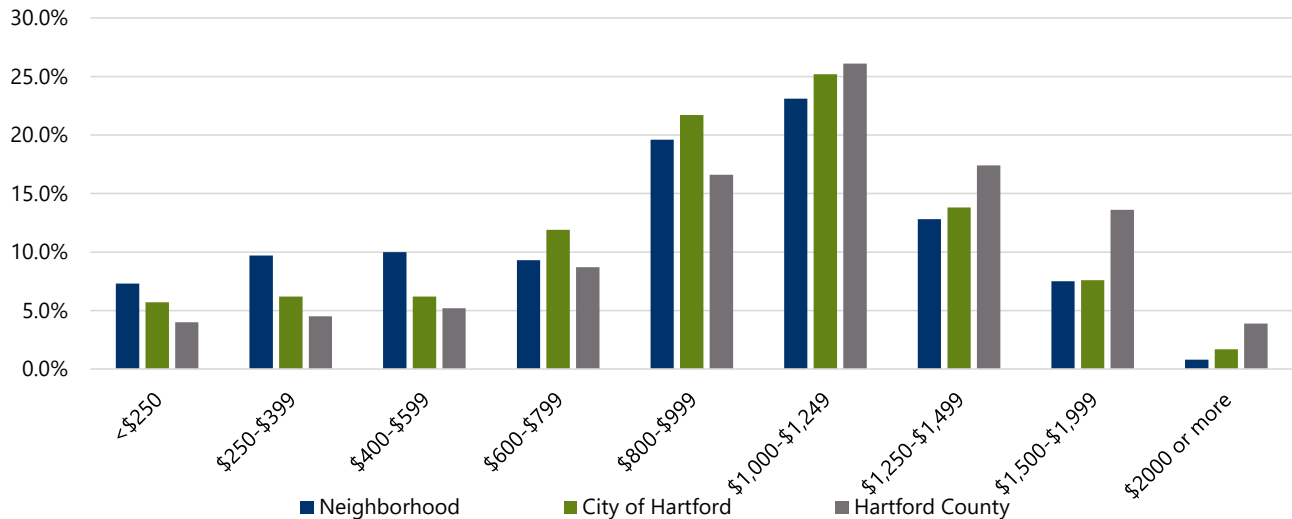
Following an extended period of low-single-digit price increases the Hartford market has more recently been able to join in the nationwide run up in appreciation seen over the pandemic period. For the latter half of 2021, the Zillow Index has registered 16% to 18% above year prior levels.

Zillow Home Value Index



5.5 RENTAL HOUSING UNITS

Share of Households by Gross Monthly Rental Payments



Source: Esri/US Census - American Community Survey (ACS)

Median rents paid by tenants in the Study Area Neighborhood run about 20% below the prevailing statewide average and only slightly higher than for the city as a whole. In fact, more than a quarter of renters in the city pay less than \$600 per month. This contrasts sharply with the conditions for the state overall where only one in five households pay less than \$800 per month.

On the high end, more than a quarter (27.6%) of rent payers in the state spend over \$1,500 per month compared to less than one in twelve spending the same amount in the SAN.

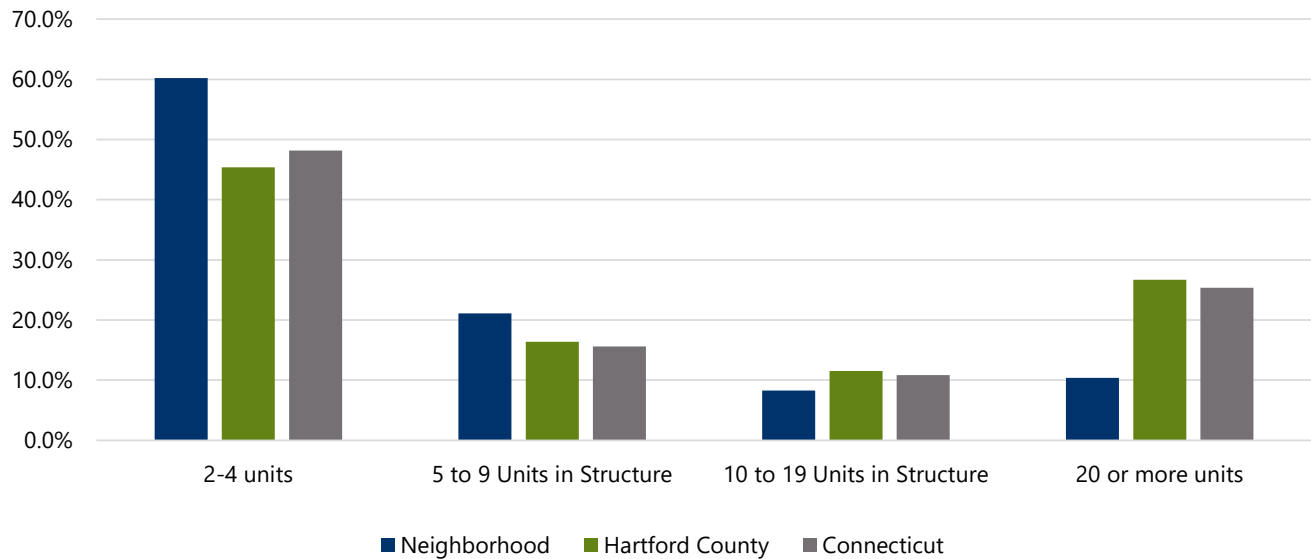
At the intermediate level, however, more than one third (35.8%) of renters in the SAN pay between \$1,000 and \$1,500 per month, showing that rental units can command higher price points despite the high concentration of relatively low-rate units.

Households Rentals - 2019

	Study Area Neighborhood	City of Hartford	Hartford County	Hartford CBSA	Connecticut
Median Gross Rent	\$942	\$985	\$1,106	\$1,116	\$1,180
Average Gross Rent	\$909	\$981	\$1,119	\$1,139	\$1,258
Share of Household by Gross Rent Payments					
<\$250	7.3%	5.7%	4.0%	3.7%	3.3%
\$250-\$399	9.7%	6.2%	4.5%	4.4%	4.3%
\$400-\$599	10.0%	6.2%	5.2%	5.0%	5.0%
\$600-\$799	9.3%	11.9%	8.7%	8.2%	7.4%
\$800-\$999	19.6%	21.7%	16.6%	16.8%	13.9%
\$1,000-\$1,249	23.1%	25.2%	26.1%	25.7%	22.4%
\$1,250-\$1,499	12.8%	13.8%	17.4%	17.1%	16.2%
\$1,500-\$1,999	7.5%	7.6%	13.6%	14.5%	17.3%
\$2,000 or more	0.8%	1.7%	3.9%	4.6%	10.3%
Total	100.0%	100.0%	100.0%	100.0%	100.0%

Source: US Census - American Community Survey (ACS)

Multifamily Housing Stock by Structure Type



Source: US Census - American Community Survey (ACS)

The Study Area Neighborhood carries a somewhat higher concentration of its multifamily housing stock in 2 to 4 unit structures (60.2%) as compared to the state where these make up less than half of all units (48.2%). A more striking difference is seen looking at units in structures of 20 or more where the state shows more than a quarter of all units (25.3%) whereas the SAN shows only 10.4% in these buildings.

Share of Multifamily Housing Stock by Type

	Study Area Neighborhood	City of Hartford	Hartford County	Hartford CBSA	Connecticut
2 Units in Structure	22.8%	18.3%	20.3%	20.3%	23.5%
3 or 4 Units in Structure	37.4%	27.7%	25.1%	24.6%	24.7%
5 to 9 Units in Structure	21.1%	15.7%	16.4%	17.6%	15.6%
10 to 19 Units in Structure	8.3%	8.9%	11.5%	12.0%	10.8%
20 to 49 Units in Structure	5.6%	12.2%	11.1%	10.6%	10.0%
50 or More Units in Structure	4.8%	17.1%	15.6%	14.8%	15.4%
Total	100.0%	100.0%	100.0%	100.0%	100.0%

Source: US Census - American Community Survey (ACS)

Several multifamily projects that are either planned or already under construction for the City of Hartford according to CoStar. Should all of these projects come to completion they will add 864 new units to the city's multifamily stock. Note that the three largest components currently appearing in the planning pipeline are all part of the same multi-phased stadium area developments.

City of Hartford Multifamily Project Pipeline

Property Name	Property Address	Submarket Name	Number Of Units	Expected Completion Year
Clover Gardens	846 Asylum Ave	Hartford - Asylum Hill	32	2021
Park & Main Apartments	95 Main St	Hartford - South Green	126	2021
Dunkin' Donuts Stadium Development-Phase I	Main St	Hartford - Downtown Hartford	270	2022
Dunkin' Donuts Stadium Development-Phase III	Ann Uccello St	Hartford - Downtown Hartford	208	2022
Dunkin' Donuts Stadium Development - Phase II	Trumbull St	Hartford - Downtown Hartford	228	2023

Source: CoStar

The Hartford rental market is primed for new development with absorption outpacing new deliveries by more than 2:1 over the past decade. Vacancies in the Study Area Neighborhood measure just 5.0%, down sharply from the 6.3% rate measured one year prior. What's more, effective rents as reported by CoStar stand at \$1,137/month, a rise of more than 6% over the past twelve months.

Hartford Multifamily Rental Units - 2021

	Study Area Neighborhood	City of Hartford	Hartford County
10 Yr Cumulative Deliveries (Units)	96	1,844	7,075
10 Yr Cumulative Absorption (Units)	234	1,985	8,175
Vacancy Rate	5.0%	5.6%	3.2%
Effective Rent	\$1,137	\$1,129	\$1,381
Average Area (SF)	903	804	872
12 Month Change			
Vacancy Rate Change (YOY)	-1.3%	-0.4%	-0.9%
Effective Rent Change (YOY)	\$74	\$70	\$127
Effective Rent Growth (YOY)	6.5%	6.2%	9.2%

Note: Includes 2021 estimate

Source: CoStar

A similar story can be told for the broader Hartford rental market where ten years of deliveries have not kept pace with absorption and vacancies have shifted downward, dipping 0.4% in 2021, following an initial pandemic year bump up. Similar to the SAN, steady demand has pushed rents up by more than 6% over the past year.

City of Hartford Rental Market - 2011-2021

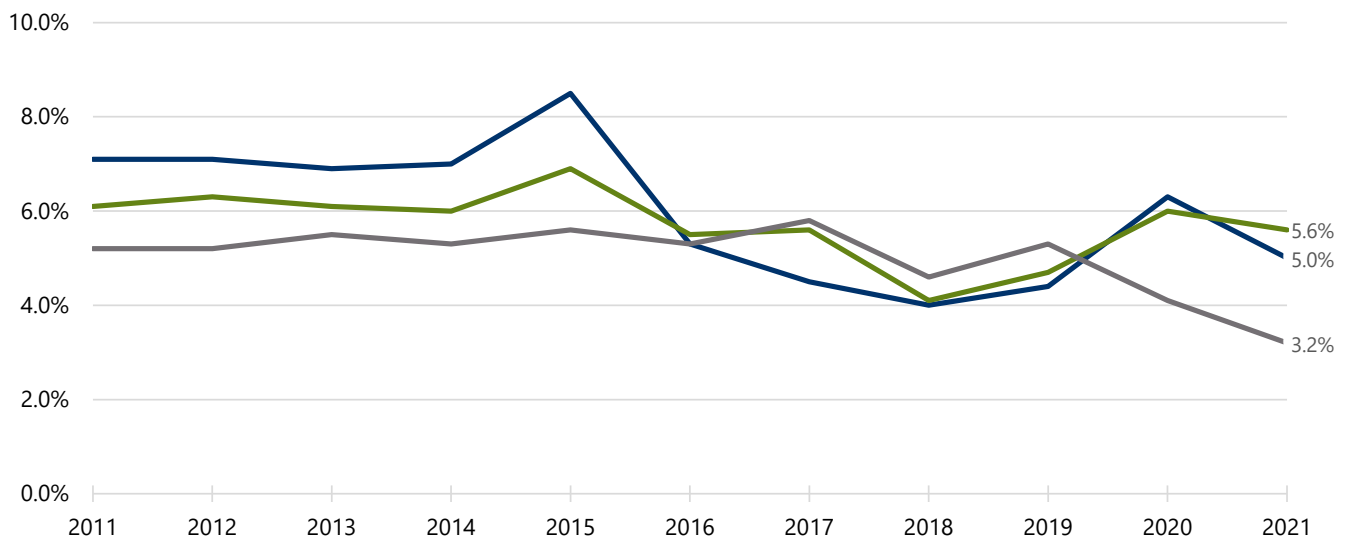
Year	Vacancy		Average		
	Rate	Effective Rent	Area (SF)	Deliveries	Absorption
2021	5.6%	\$1,129	804	225	481
2020	6.0%	\$1,059	805	933	614
2019	4.7%	\$1,084	803	218	79
2018	4.1%	\$1,066	801	—	299
2017	5.6%	\$1,028	801	11	-19
2016	5.5%	\$1,023	801	72	357
2015	6.9%	\$1,000	799	385	168
2014	6.0%	\$985	803	—	-3
2013	6.1%	\$961	803	—	41
2012	6.3%	\$956	803	—	-32
2011	6.1%	\$943	803	—	-190
Total				1,844	1,795
Annual Average (2011-2021)				168	163
Annual Average (2019-2021)				459	391

Note: 2021 Estimated

Source: CoStar

While tending to register within the 4% to 6% range over the past several years, both the SAN and City of Hartford saw a notable spike in multifamily vacancies in 2020 as absorption fell short of newly available units. The year 2021 saw a reversal, however, as demand held steady in the face of more limited deliveries.

Hartford Area Multifamily Rental Vacancy Rates

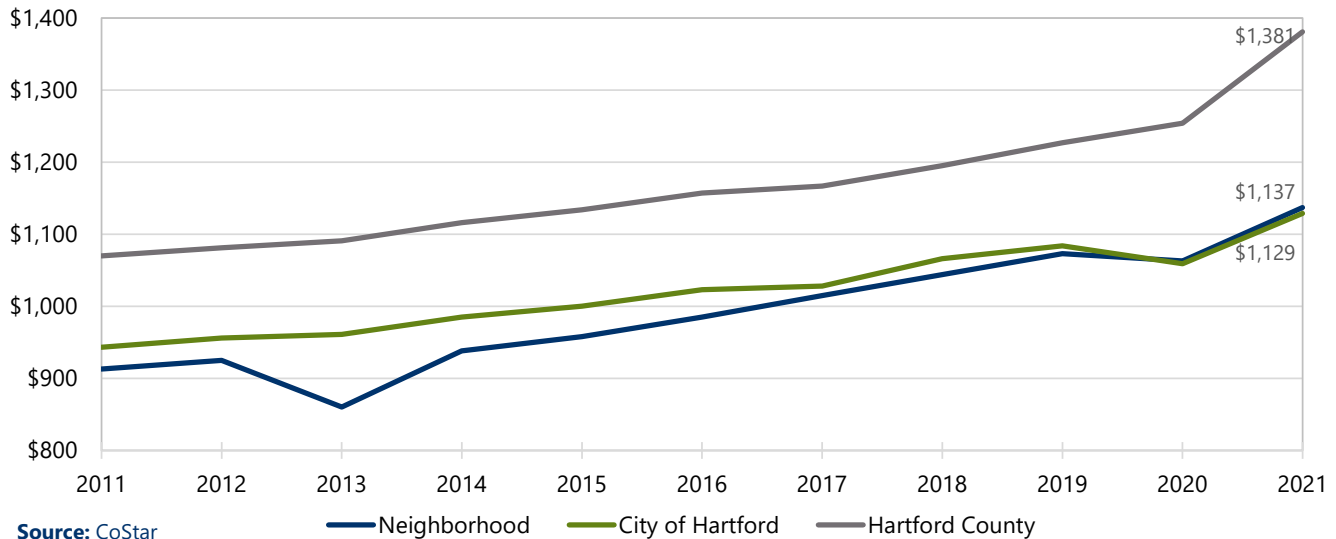


Source: CoStar

— Neighborhood — City of Hartford — Hartford County

After trending upward for the prior ten years, effective rents made a notable jump in 2021 in concert with declining vacancies. Consistent with widely reported increases in the cost of housing nationwide, rents in the city stand 20% above the level a decade prior and up 25% for the SAN. At the county level the increase has registered 29% since 2011.

Hartford Area Multifamily Effective Rental Rates



5.6 HOUSING MARKET POTENTIAL

Several elements feed into demand for new residential space. Factors considered for this analysis include i) the rate that households change locations which differs for owners and renters and ii) projected population growth, differentiated by income levels.

5.6.1 HOUSING TURNOVER

Data from the U.S. Census Bureau provides a basis of measuring household tenure within their current residence. As of 2019, 74.8% of renters had lived in their current unit for ten years or less. That compares to only 30.9% for homeowners.

Over the decade spanning 2010 to 2019 an average of 2,653 households initiated a new residence in the Hartford rental market. With a rental base of 35,494 total units, this implies an annual turnover rate of 7.5% annually.

Similarly, an average annual turnover of 346 units in the owner market indicates an annual turnover rate of 3.1% when calculated against a total occupied stock of 11,196 units.

City of Hartford Household Mobility - 2019

Year Moved In	Renter Households		Owner Households	
	Count	Percent	Count	Percent
2017 or Later	6,212	17.5%	684	6.1%
2015 to 2016	8,350	23.5%	683	6.1%
2010 to 2014	11,970	33.7%	2,092	18.7%
2000 to 2009	6,549	18.5%	3,475	31.0%
1990 to 1999	1,511	4.3%	2,021	18.1%
1989/Earlier	902	2.5%	2,241	20.0%
Total	35,494	100.0%	11,196	100.0%
Avg. Annual Turnover-2010-2019		2,653		346
Avg. Annual Turnover-2010-2019 (Pct)		7.5%		3.1%

Source: Esri/U.S. Census

5.6.2 OWNERS AND RENTERS BY INCOME

Renters make up three quarters (75.0%) of all households in the City of Hartford but that share differs dramatically by income level. For households bringing in less than \$35,000 per year, nine out of ten (89.7%) live in rental housing. That share drops significantly as incomes rise though most higher income households remain in the rental market. More than half (50.7%) of those households earning over \$100,000 chose to rent, providing a healthy source of demand for higher end development.

City of Hartford Owner and Renter Households by Income Level - 2021

Income Level	Total Households	Owner Households	Renter Households	Percent Renters
less than \$15,000	12,310	995	11,315	91.9%
\$15,000 to \$24,999	5,746	620	5,126	89.2%
\$25,000 to \$34,999	5,076	776	4,300	84.7%
\$35,000 to \$49,999	5,979	1,415	4,564	76.3%
\$50,000 to \$74,999	7,428	3,303	4,125	55.5%
\$75,000 to \$99,999	3,966	1,614	2,352	59.3%
\$100,000 to \$149,999	3,409	1,476	1,933	56.7%
\$150,000 or more	2,275	1,326	949	41.7%
Total	46,189	11,525	34,664	75.0%

Source: U.S. Census Bureau/Esri/Camoin Associates

A significant concern for the City of Hartford, as with most of the nation, is the issue of affordable housing. Nearly one third (32.3%) of renting households in the city face rental rates greater than half of their total income, a level HUD defines as *Severely Rent Burdened*.

More broadly, HUD also defines households spending 30% or more of a household's income on rent to be *cost-burdened* families who "may have difficulty affording necessities such as food, clothing, transportation, and medical care." By this standard, well over half (55.8%) of Hartford households are so burdened.

City of Hartford Cost Burdened Renter Households - 2019

2019 HHs w/Gross Rent 30-34.9% of Household Income	3,019	8.9%
2019 HHs w/Gross Rent 35-39.9% of Household Income	1,745	5.2%
2019 HHs w/Gross Rent 40-49.9% of Household Income	3,190	9.5%
2019 HHs w/Gross Rent 50% + of Household Income	10,882	32.3%
Total	18,836	55.8%

Source: U.S. Census

Household income levels are projected to rise steadily over the coming years, gaining 7.5% by 2026. In part this will help drive the anticipated upward shift in the distribution of households among income brackets for Hartford. While the strongest percentage gains will be seen at the upper end of range, well over a third of households will continue to maintain incomes less than \$25,000.

City of Hartford Households by Income - 2021-2026

	2021	2026	2021-2026 Change	Percent Change
Median Income	\$34,904	\$37,530	\$2,626	7.5%
<u>Number of Households</u>				
less than \$15,000	12,310	11,520	-790	-6.4%
\$15,000 to \$24,999	5,746	5,480	-266	-4.6%
\$25,000 to \$34,999	5,076	5,057	-19	-0.4%
\$35,000 to \$49,999	5,979	6,166	187	3.1%
\$50,000 to \$74,999	7,428	7,935	507	6.8%
\$75,000 to \$99,999	3,966	4,205	239	6.0%
\$100,000 to \$149,999	3,409	3,857	448	13.1%
\$150,000 or more	2,275	2,593	318	14.0%
Total	46,189	46,813	624	1.4%

Source: Esri

5.6.3 RENTER-OCCUPIED HOUSING DEMAND

Based on these estimates of turnover rates, ownership rates and household income growth the City of Hartford can expect annual rental demand of 2,586 units per year through 2026 as described below.

By applying the annual turnover rate of 7.5% determined above to the current 34,664 rental households, the number of households moving into new units will total 12,956 over the five year span. On an annual basis that equates to 2,591 relocations each year.

Furthermore, as the profile of households by income class shifts upwards, the outlook is for the share of renters in higher income segments to increase. On net the total number of new renters will be a wash (net change of -27 households over the five year period) as a decreasing number of lower income renters offsets the gains at the

higher end. But focusing on the essentially unchanging number of total renter households masks the growing demand seen amongst higher income households.

Combining the turnover demand below with the new renter household formation yields a measure of total demand over the coming five years, totaling nearly 13,000 units by 2026. Notably, the sum of total demand for just those households earning \$75,000 or more annually indicates that 497 households (2,485 over five-year) with an income sufficient to afford higher-end market rents will be entering the market each year.

City of Hartford Rental Demand Growth - 2021 to 2026

	2021 Rental Households	Annual Turnover Rate	Turnover Demand by 2026	Household Growth Rate	New Renter Hhlds by 2026	Total Demand Increase by 2026
less than \$15,000	11,315	7.5%	4,229	-6.4%	-726	3,503
\$15,000 to \$24,999	5,126	7.5%	1,916	-4.6%	-237	1,679
\$25,000 to \$34,999	4,300	7.5%	1,607	-0.4%	-16	1,591
\$35,000 to \$49,999	4,564	7.5%	1,706	3.1%	143	1,849
\$50,000 to \$74,999	4,125	7.5%	1,542	6.8%	282	1,823
\$75,000 to \$99,999	2,352	7.5%	879	6.0%	142	1,021
\$100,000 to \$149,999	1,933	7.5%	722	13.1%	254	976
\$150,000 or more	949	7.5%	355	14.0%	133	487
Total (5-Year)	34,664		12,956		-27	12,929
Average Annual			2,591		-5	2,586

Households with Income of \$75,000 or higher

Total (5-Year)	5,234	1,956	528	2,485
Average Annual		391	106	497

Source: Esri/U.S. Census Bureau/Camoin Associates

The current pipeline of multifamily projects that have already begun or are under consideration (see section 5.5) totals 864 units. Assuming these new units come to market, they will go a fair way to meeting this five-year demand. Addressing the needs of those households seeking higher end multifamily residence over the coming five years, these projects in the pipeline could capture over one third (34.8%) of that demand were they to become fully occupied by 2026.

Considering how this demand figure is largely composed of renters moving from one location to another rather than from burgeoning household formation, opportunities for further large-scale developments may be limited.

City of Hartford - Multifamily Demand Capture Rates

Five Year Demand (Income Qualified)	2,485
Current Units in Pipeline	864
Capture Rate	34.8%
Balance of Demand not met by Pipeline	1,621

Source: Camoin Associates

5.6.4 OWNER-OCCUPIED HOUSING DEMAND

Similar to calculating demand for multifamily units above, a similar approach is applied to the market for home ownership. By applying the annual turnover rate of 3.1% to the current 2021 owner household figures yields an expected demand for 1,780 units over a five year period or 356 units for each year. This calculation includes, for example, growing families choosing to trade up to a larger, more expensive unit as well as empty nesters ready to move into a smaller, less costly home.

Calculating additional demand based on demographic growth rates by income bracket shows the need for an additional 651 units through 2026 (130 units on an annual basis) as the number of households most likely to become owners expands.

Combined, these estimates, demand from turnover plus new households, yields a total demand measure of 2,431 over the coming five year period (486 units per year). Again, focusing on those household with income in excess of \$75,000 per year, the sum of total demand indicates a prospective need for 1,159 units to be sold through 2026 or 232 annually to households with the financial means sufficient to carry a mortgage.

City of Hartford Home Owner Demand Growth - 2021 to 2026

	2021 Owner Households	Annual Turnover Rate	Turnover Demand by 2026	Household Growth Rate	New Owner Hhlds by 2026	Total Demand Increase by 2026
less than \$15,000	995	3.1%	154	-6.4%	-64	90
\$15,000 to \$24,999	620	3.1%	96	-4.6%	-29	67
\$25,000 to \$34,999	776	3.1%	120	-0.4%	-3	117
\$35,000 to \$49,999	1,415	3.1%	219	3.1%	44	263
\$50,000 to \$74,999	3,303	3.1%	510	6.8%	225	736
\$75,000 to \$99,999	1,614	3.1%	249	6.0%	97	347
\$100,000 to \$149,999	1,476	3.1%	228	13.1%	194	422
\$150,000 or more	1,326	3.1%	205	14.0%	185	390
Total (5-Year)	11,525		1,780		651	2,431
Average Annual			356		130	486
Households with Income of \$75,000 or higher						
Total (5-Year)	4,416		682		477	1,159
Average Annual			136		95	232

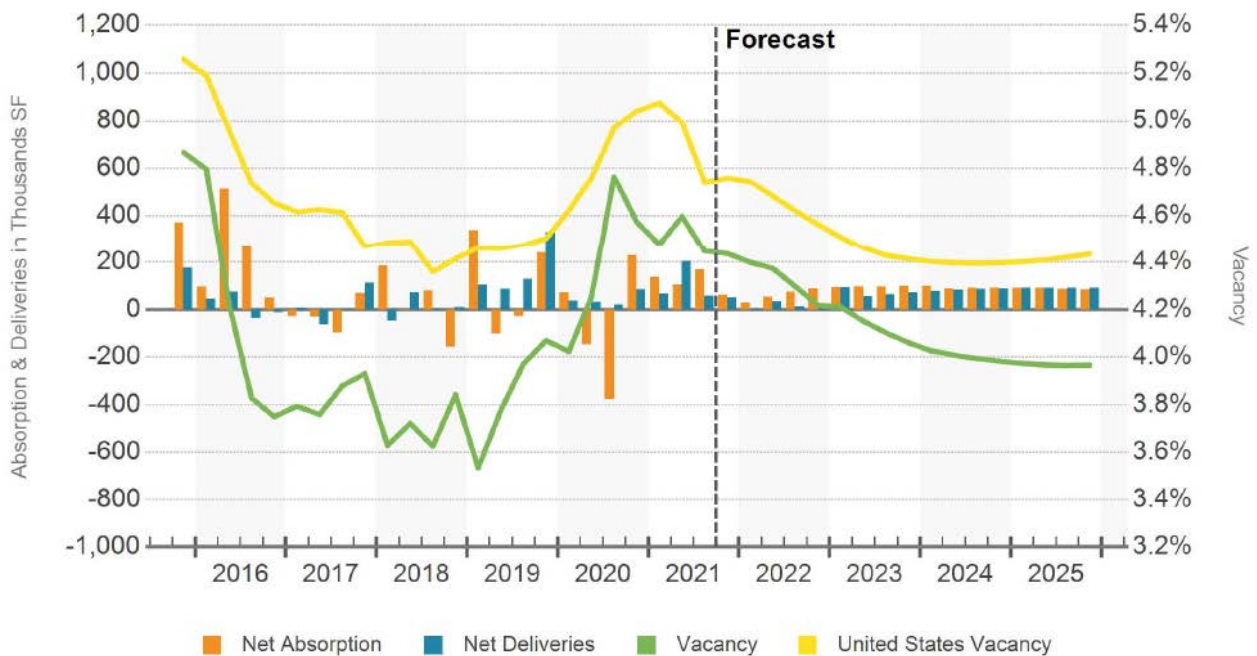
Source: Esri/U.S. Census Bureau/Camoin Associates

6 RETAIL, RESTAURANT, AND ENTERTAINMENT MARKET

6.1 HARTFORD RETAIL MARKET CONTEXT

The Hartford area’s retail market was showing signs of weakening going into the Covid pandemic. With the onset of the crisis, store closures have accelerated as consumers have continued to shift to e-commerce. After the retail sector was hit particularly hard in 2020, the Hartford retail market has only modestly recovered in 2021. Very little retail development is occurring, and vacancies have steadily increased over the last two years. Despite a challenging retail environment, there have been some bright spots. Outdoor recreation and fitness retailers have performed well, including REI expanding in Hartford. The more affluent West Hartford has also performed well in the retail market, including the Blue Back Square Project. There has also been some increased investment in retail in downtown Hartford recently, suggesting that there may be opportunity despite the overall challenging market environment.

City of Hartford: Retail Net Absorption, Net Deliveries, and Vacancy

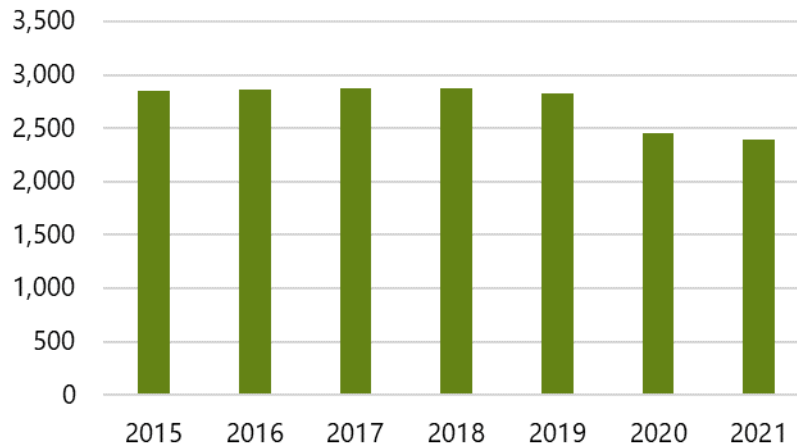


Source: CoStar

6.2 LOCAL RETAIL TRENDS

Hundreds of local retail jobs were lost as a result of the pandemic. From 2015 through 2019, the local (ZIP codes 06112 and 06120) retail industry was fairly stable; however, the local area has 450 fewer retail jobs in 2021 than in 2015, a loss of 16%.

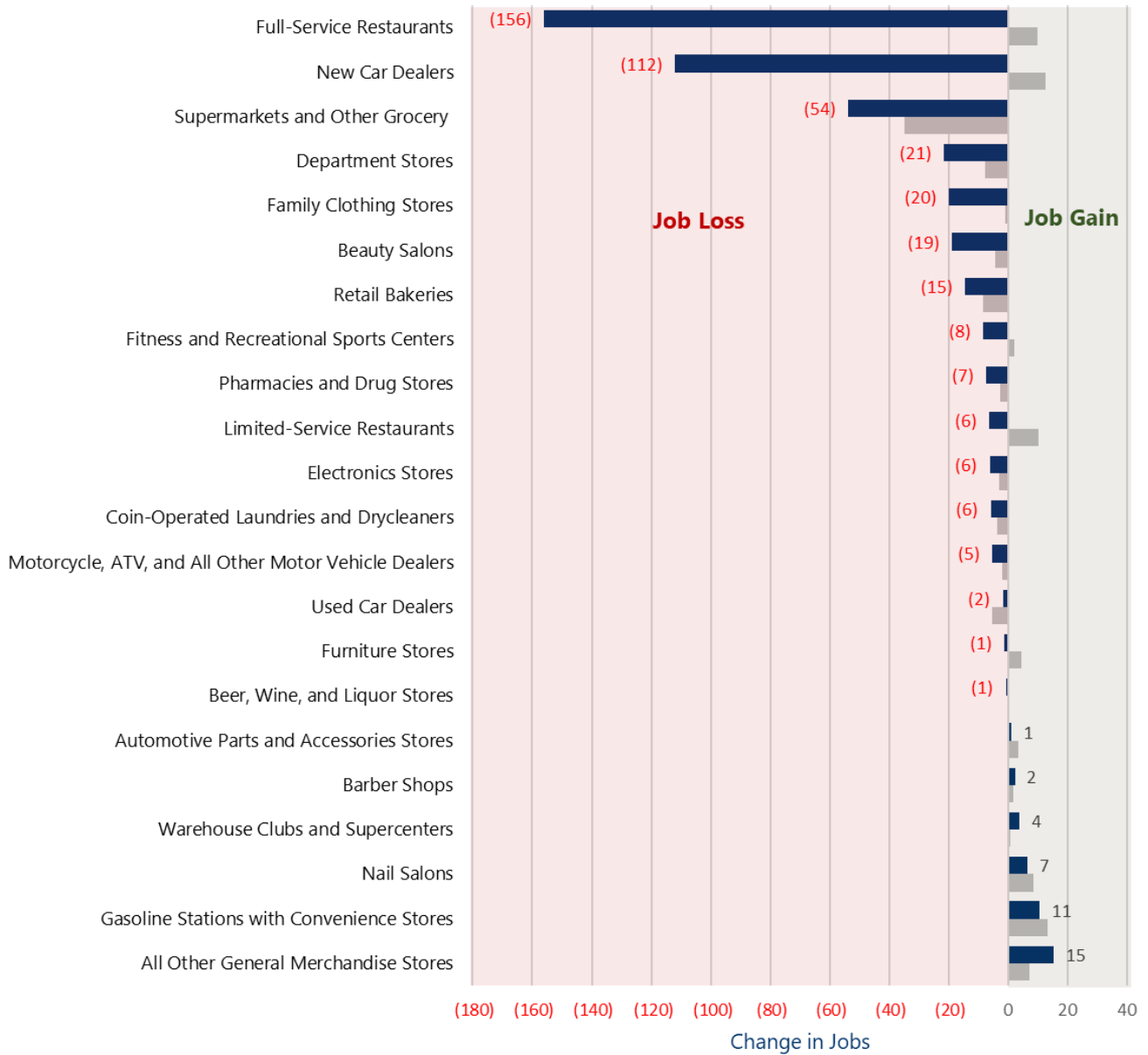
Local Trade Area Retail Jobs Trend



Source: Emsi (based on zip codes 06112 and 06120)

Local restaurants have been particularly hard by the pandemic with a loss of 156 jobs in full-service restaurants from 2015-2021. Full-service restaurants had seen mild growth heading into the pandemic, however, with 2% growth from 2015-2019. Limited-Service restaurants had also been showing positive growth heading into the pandemic. The following graph shows Local Trade Area retail job growth by trends for the pre-pandemic period of 2015-2019 and the period of 2015-2021.

Local Trade Area Retail Jobs Trends by Sector



Source: Emsi; Only sectors with job change during time period shown

■ Change 2015-2021 ■ Change 2015-2019 (pre-COVID)

6.3 RETAIL TRADE AREA PROFILES

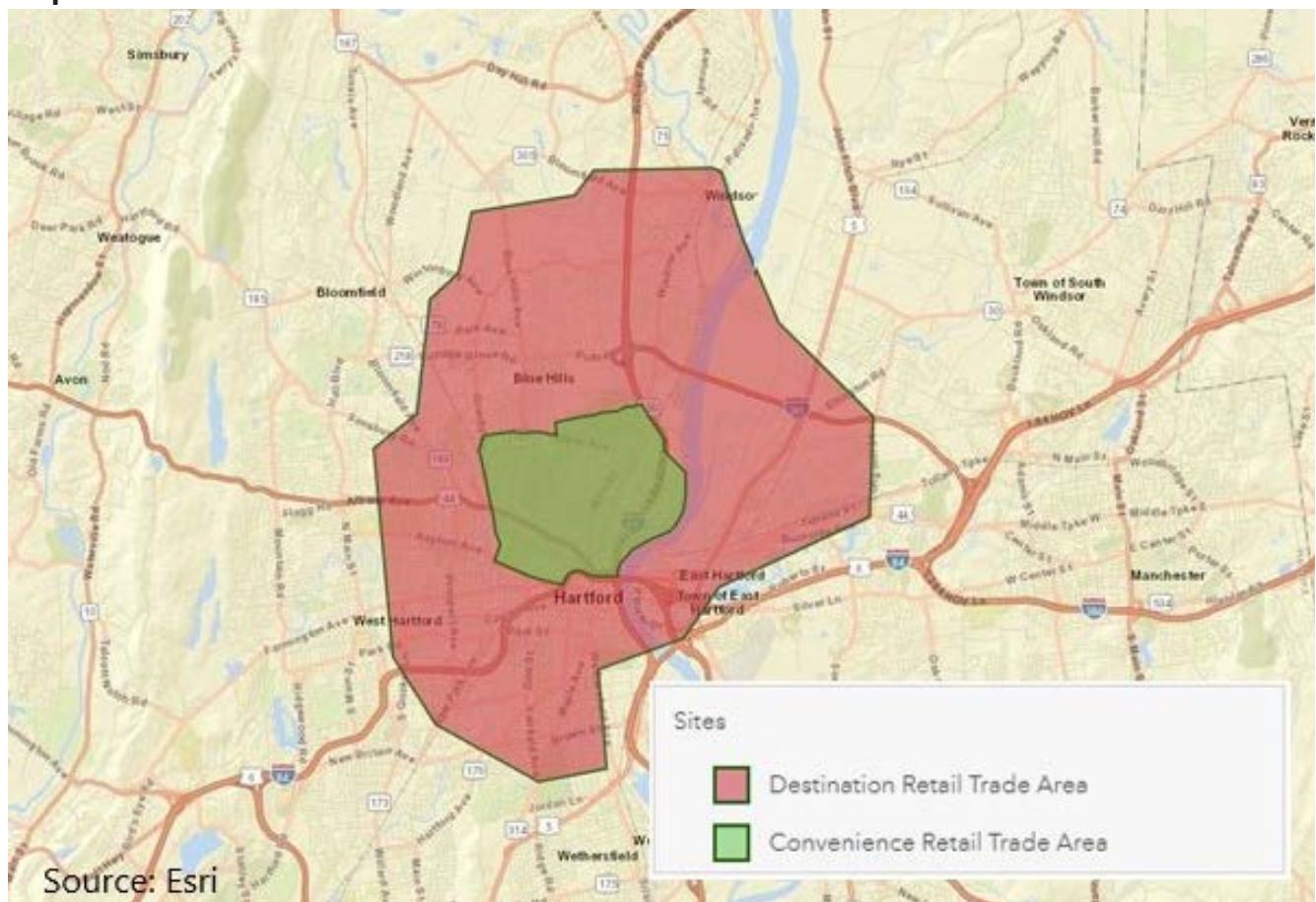
Two retail “trade areas” were defined for the retail market analysis, including a “Convenience Retail Trade Area” and “Destination Retail Trade Area.” These are described below. Additional information can be found in Appendix A.

Convenience Retail Trade Area: The Convenience Retail Trade Area represents the area from which most customers would be expected to be drawn from for convenience retail and services, such as those needed on a frequent basis (e.g., pharmacy, convenience store, etc.). Existing retail concentrations were mapped to understand the anticipated customer draw area potential for new convenience retail and services within the Study Area. The Convenience Trade Area was based on this analysis along with consideration of likely barriers (both physical and psychological) that are likely to impact the draw area potential, particularly Route I-84.

Destination Retail Trade Area: This larger Retail Trade Area represents an expanded customer draw area for retail goods and services that may be able to pull people from further away. This trade area was established by the City of Hartford for the downtown north area in the City’s North Park: Downtown Area Plan.

Both Trade Areas are shown on the map below and are used through the retail market analysis.

Map: Retail Trade Areas



6.4 CONSUMER PROFILES

The Convenience Retail Trade Area has a population of approximately 36,800 compared to nearly 185,000 for the larger Destination Retail Trade Area. Income levels in the Convenience Retail Trade Area are significantly lower with a median household income of approximately \$30,800 compared to \$45,000 for the Destination Retail trade Area. Overall, there is approximately \$155 million in annual retail spending from households within the Convenience Retail Trade Area and \$1.17 billion from households within the Destination Retail Trade Area.

Retail Trade Area Profiles - 2021

	Destination Retail Trade Area	Convenience Retail Trade Area
Total Population	184,840	36,813
Median Household Income	\$45,082	\$30,803
Average Household Income	\$67,601	\$46,310
Per Capita Income	\$25,449	\$16,645
Annual Budget Expenditures	\$4,029,418,815	\$533,147,705
Retail Goods	\$1,166,822,210	\$154,636,774

Source: Esri

A consumer segmentation analysis was conducted to identify common attributes of households in the Convenience Retail Trade Area that help inform potential retail development opportunities. As shown in the following table, approximately one-third of households fall within the "City Commons" consumer segment, as defined by Esri's Tapestry Segmentation Model, which classifies all households in the U.S. into one of 67 unique consumer segments. The profile for this segment indicates households that are relatively young, low-income, and with many single parents. Another nearly 29% of households are considered "Fresh Ambitions," a segment that is characterized by young families, many of which are multi-generational, and are typically renting their housing. The next largest segment, "Family Foundations," is slightly older and higher-income relative to the other two segments and tend to live in single-family homes that they own. However, the median household income for these households is still relatively low at \$43,100.

Local Trade Area: Primary Consumer Segments

Tapestry Segment	# of Households	Market Profile
City Commons	Number of Households: 4,301 (32.6%)	<ul style="list-style-type: none"> - Many single-parent and single-person households - Relatively less educated - Low participation in labor force - Higher rates of eating at fast-food restaurants - Tend to shop at discount retailers and warehouse clubs - Baby and children's products are primary purchases - Most live in rental housing with average rent of \$660 - Many work in office and administrative support jobs
	Average household size: 2.67	
	Median Age: 28.5	
	Median Household Income: \$18,300	
Fresh Ambitions	Number of Households: 1,230 (28.6%)	<ul style="list-style-type: none"> - Young families, many of whom are recent immigrants - More single-parent than married-couple families - Most spending is on children - Many are multigenerational households - Predominantly renters - Price-conscious consumers
	Average household size: 3.17	
	Median Age: 28.6	
	Median Household Income: \$26,700	
Family Foundations	Number of Households: 748 (17.4%)	<ul style="list-style-type: none"> - Established families, for many religion is very important - More than two-thirds are homeowners living in single family houses - Median home value is \$116,600 - Most have one or two vehicles - More than half have attended college or obtained a degree - Baby and children's products are primary purchases - Shop at discount stores
	Average household size: 2.71	
	Median Age: 39.6	
	Median Household Income: \$43,100	

Source: Esri Business Analyst; Camoin Associates

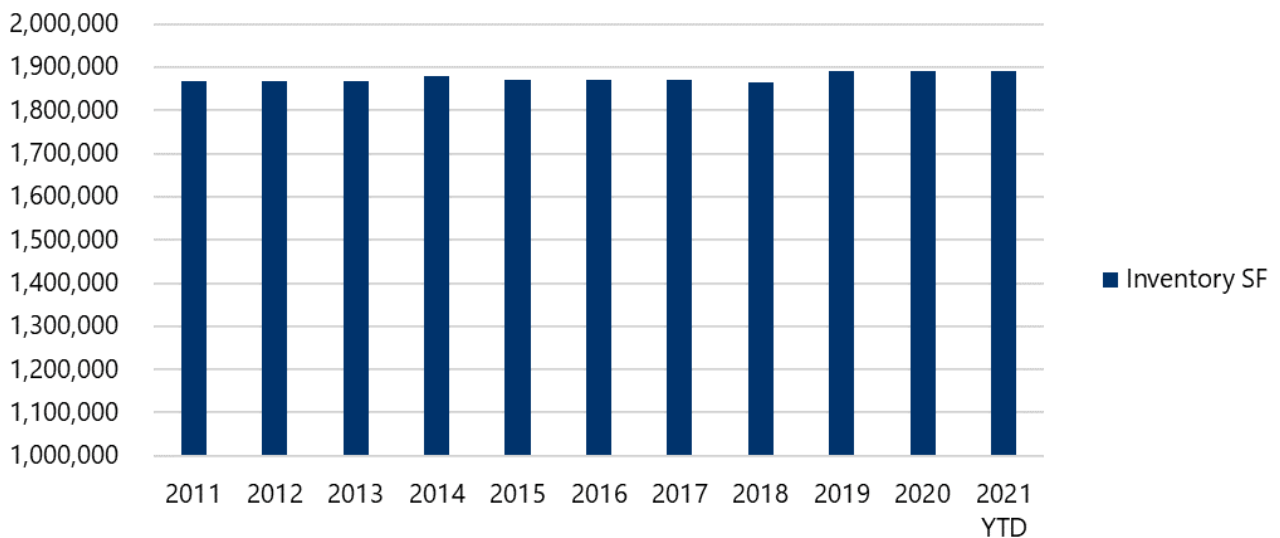
6.5 LOCAL RETAIL MARKET TRENDS

Retail market data was collected from CoStar to analyze trends in inventory, absorption, lease rates, and vacancy of retail properties in the Convenience Retail Trade Area.

6.5.1 RETAIL INVENTORY

The retail inventory in the Convenience Trade Area has remained very flat with no net change in the number of retail properties between 2011 and 2021 YTD. As of 2021, there is only approximately 23,850 more square feet of retail space in the Convenience Trade Area than in 2011.

Convenience Trade Area Retail Property Inventory (Square Feet)

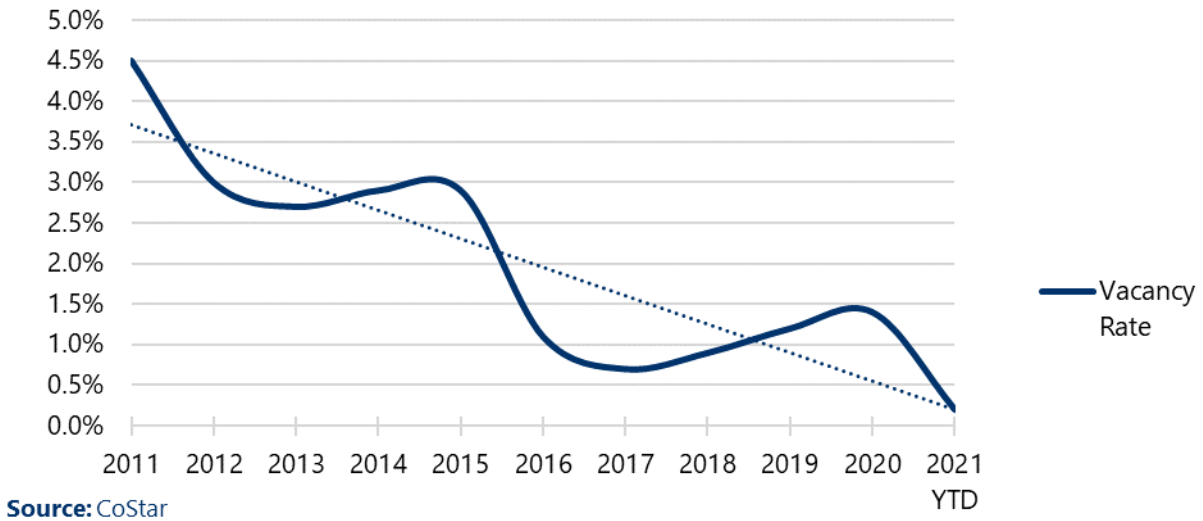


Source: CoStar

6.5.2 RETAIL VACANCY

While inventory has remained flat, retail vacancy rates have been falling fairly consistently from 2011 through 2021. Retail vacancy declined notably between 2015 and 2016, going from 2.9% to 1.1%. Retail vacancy rates have remained very low (under 1.5%) since 2016, despite Covid. This trend suggests that market conditions may be moving favorably for local retail development.

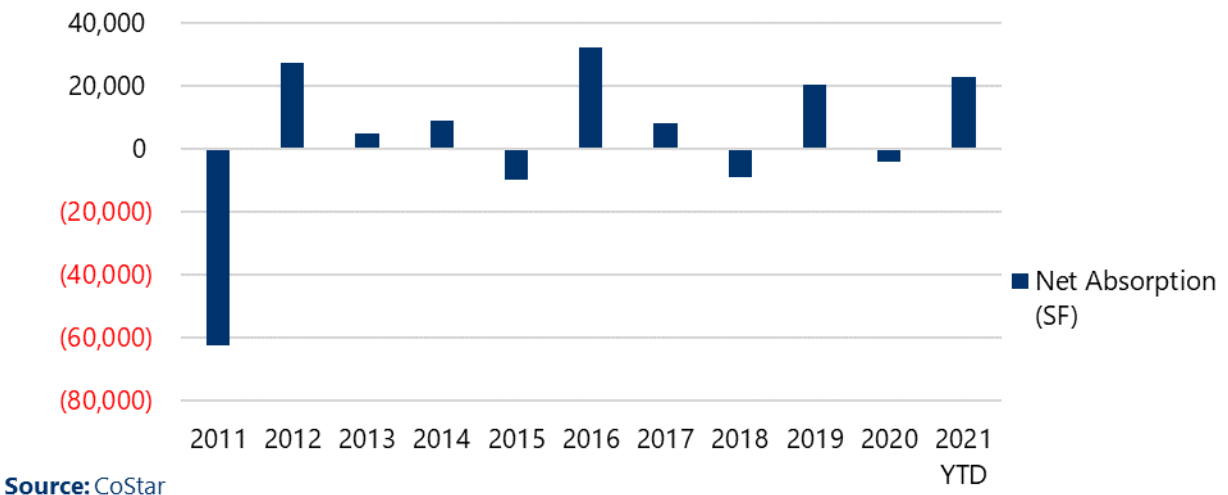
Convenience Retail Trade Area Retail Vacancy Rate Trend



6.5.3 RETAIL NET ABSORPTION

Net absorption measures the space (square feet) that becomes occupied, minus the space that became vacant during the same period. Therefore, it represents the net growth in demand for retail space within a certain geography. The average net absorption rate from 2015-2021 YTD has been approximately 8,800 square feet, indicating that demand is trending positively on average in the Convenience Trade Area.

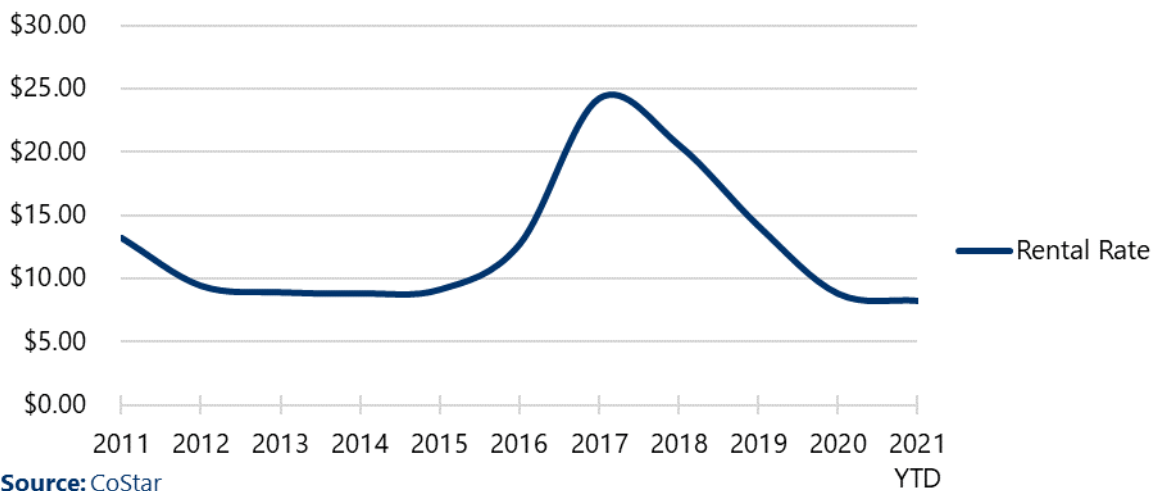
Convenience Retail Trade Area Retail Net Absorption Trend



6.5.4 RETAIL MARKET RENTAL RATE TRENDS

Lease rates for retail space has been under the \$10/SF mark for a period from 2012 to 2015 when they began climbing and reaching a peak of over \$24/SF in 2017. The peak was a brief anomaly with retail rates falling to around their historic levels in more recent years.

Local Trade Area Retail Space Rental Rate Trend



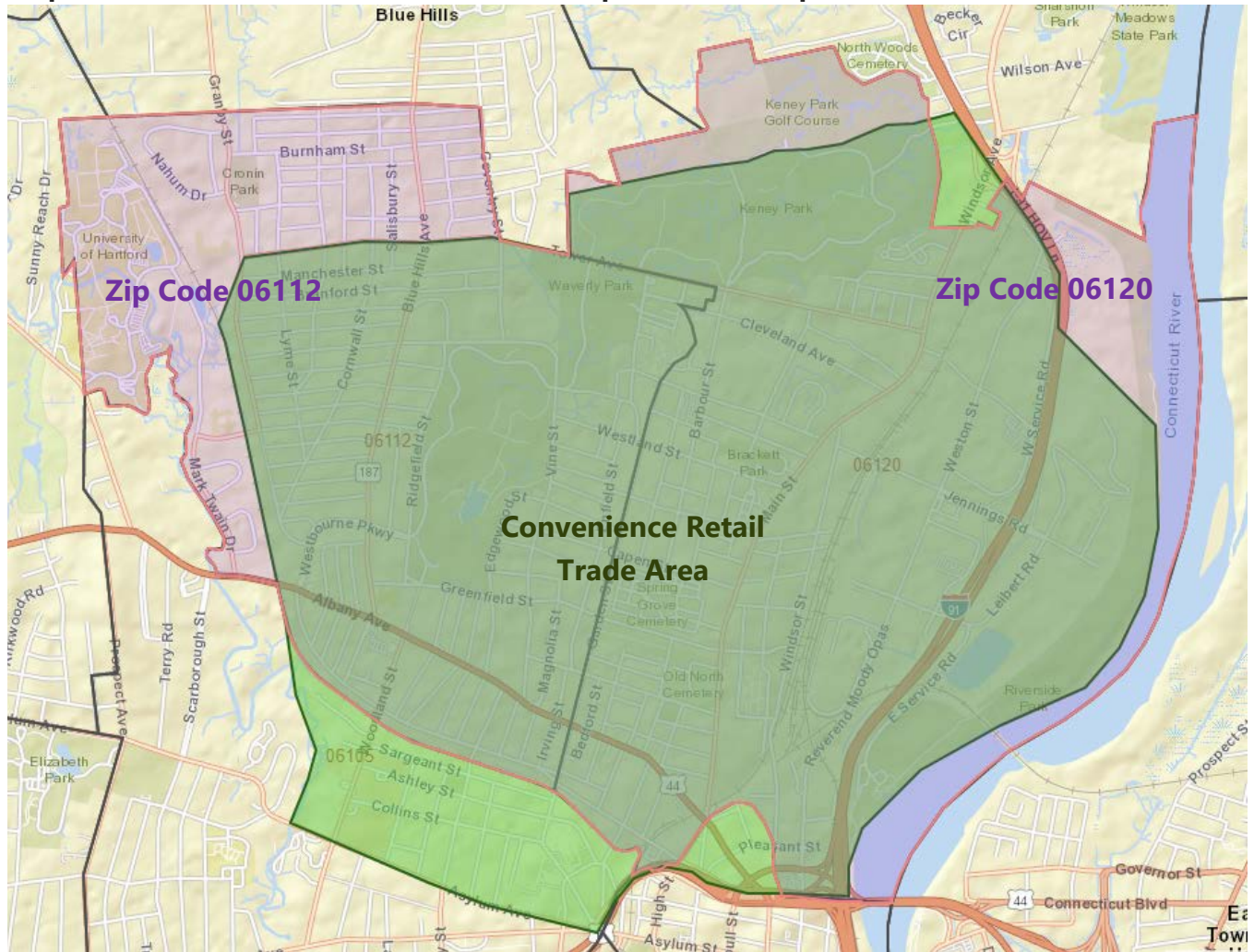
6.6 RETAIL LEAKAGE ANALYSIS

A retail leakage analysis identifies the amount of retail goods and services spending by residents living in a specific area, in this case the Convenience Retail Trade Area, that they are spending outside of that area (and is therefore “leaking” out of the area rather than being spent at local businesses). Leakage occurs for a number of reasons, which that may include specific types of stores and service providers not being located within a reasonable distance, or businesses may be present but don’t align with the preferences of local households (price point, variety, quality, etc.). Residents may also choose to purchase goods online and have them delivered directly to their homes.

As there are a wide variety of reasons that retail leakage exists, it is typically not possible to “recapture” all the spending that is leaking out of an area. However, it is usually possible for new (or expanded) businesses to recapture a portion of that leakage. This section examines the specific retail sectors in which there is currently retail leakage and identifies the types and numbers of new businesses that might be supported from recapturing a portion of retail spending leakage.

The leakage analysis is based on the Convenience Retail Trade Area, which for this analysis has been adjusted as a “best-fit” ZIP code area as leakage data is available at the ZIP code area only. The map on the following page shows the alignment of the ZIP code area (ZIP code 06112 and 06120) with the Convenience Retail Trade Area boundary.

Map: Convenience Retail Trade Area Best Fit Zip Code Area (Zip Code 06112 and 06120)



6.6.1 SUMMARY OF RESULTS

The leakage analysis indicates that there is substantial spending by local residents occurring outside of the local neighborhood. Approximately 92% of spending on retail goods and services by residents in the Convenience Retail Trade Area (\$158 million annually) is occurring at businesses located outside the Local Trade Area. A number of retail businesses can be supported by recapturing a portion of this leakage. The greatest identified potential is for restaurants (both full- and limited-service), health and beauty businesses, gas stations, and supermarkets.

Summary of Supportable Retail Businesses From Leakage Recapture

Retail Sector	Recapture Potential	Est. Supportable Businesses
Food and Beverage		
Supermarkets and Other Grocery (except Convenience) Stores	\$8,403,117	2.3
Beer, Wine, and Liquor Stores	\$529,078	1.2
Drinking Places (Alcoholic Beverages)	\$400,848	1.5
Full-Service Restaurants	\$8,993,268	8.8
Limited-Service Restaurants	\$11,195,127	9.6
Snack and Nonalcoholic Beverage Bars	\$849,720	1.6
Health, Wellness, and Beauty		
Pharmacies and Drug Stores	\$3,228,106	2.7
Beauty Salons	\$2,158,905	3.5
Nail Salons	\$618,354	3.1
Other Convenience Retail Goods and Services		
Convenience Stores	\$353,203	1.6
Gasoline Stations with Convenience Stores	\$3,663,076	4.5

6.6.2 FOOD AND BEVERAGE

Specific types of food and beverage businesses were examined to determine if there is market potential for additional businesses. Overall, 93% of spending by households within the Local Trade Area at food and beverage businesses is occurring outside of area, representing approximately \$142 million in annual spending leaving the local neighborhood. Restaurants have the greatest sales leakage figures, indicating that the local area is likely underserved by restaurants with local households spending approximately \$44.8 million and \$36.0 million at limited-service and full-service restaurants, respectively, that are located outside of the Local Trade Area. Supermarkets is another category with significant sales leakage with local households spending approximately \$33.6 million on groceries outside of the area each year. The following table shows a detailed breakdown of the retail leakage within food and beverage-related sectors.

Neighborhood Resident Retail Leakage: Food and Beverage

NAICS	Retail Sector	Total Neighborhood Resident Retail Spending	Purchases by Neighborhood Residents Within Neighborhood	Purchase by Neighborhood Residents Outside of the Neighborhood	Percent of Resident Retail Spending Leaking out of Neighborhood
311811	Retail Bakeries	\$1,315,693	\$142,074	\$1,173,619	89%
312120	Breweries	\$6,519,290	\$0	\$6,519,290	100%
312130	Wineries	\$2,536,163	\$0	\$2,536,163	100%
445110	Supermarkets and Other Grocery (except Convenience) Stores	\$34,210,627	\$598,161	\$33,612,466	98%
445210	Meat Markets	\$830,123	\$0	\$830,123	100%
445220	Fish and Seafood Markets	\$261,478	\$11,126	\$250,352	96%
445230	Fruit and Vegetable Markets	\$687,772	\$0	\$687,772	100%
445291	Baked Goods Stores	\$452,792	\$331,985	\$120,807	27%
445292	Confectionery and Nut Stores	\$355,741	\$0	\$355,741	100%
445299	All Other Specialty Food Stores	\$1,127,477	\$18,870	\$1,108,607	98%
445310	Beer, Wine, and Liquor Stores	\$2,216,145	\$99,832	\$2,116,313	95%
722310	Food Service Contractors	\$3,979,186	\$92,773	\$3,886,413	98%
722320	Caterers	\$1,491,531	\$0	\$1,491,531	100%
722330	Mobile Food Services	\$812,037	\$0	\$812,037	100%
722410	Drinking Places (Alcoholic Beverages)	\$1,751,805	\$148,412	\$1,603,393	92%
722511	Full-Service Restaurants	\$38,042,979	\$2,069,906	\$35,973,073	95%
722513	Limited-Service Restaurants	\$52,533,689	\$7,753,182	\$44,780,507	85%
722514	Cafeterias, Grill Buffets, and Buffets	\$435,278	\$0	\$435,278	100%
722515	Snack and Nonalcoholic Beverage Bars	\$3,509,448	\$110,567	\$3,398,881	97%
Total		\$153,069,255	\$11,376,888	\$141,692,367	93%

Source: Emsi

To understand whether the amount of retail leakage is sufficient to support new businesses, the amount of leakage able to be recaptured was estimated. It is expected that new businesses may be able to capture approximately 25% of retail leakage out of the Local Trade Area. The capture potential was calculated and compared to the average sales per business in each sector. The outcome indicates the number of supportable businesses within each sector. Those categories with the potential to support at least one new business are highlighted in the following table and include:

- Limited-Service Restaurants (9)
- Full-Service Restaurants (8)
- Supermarkets and Other Grocery Stores (2)
- Beer, Wine, and Liquor Stores (1)

- Drinking Places (Alcoholic Beverages) (1)
- Snack and Nonalcoholic Beverage Bars (1)

The results indicate that the Local Trade Area is substantially underserved by restaurants with the potential for multiple new establishments to be supported by the existing population base. There is also sales potential to support a new grocery store in Local Trade Area, with more than double the average sales of a typical grocery store able to be recaptured in the area.

Supportable Retail Businesses From Leakage Recapture: Food and Beverage

NAICS	Retail Sector	Retail Leakage	Capture Potential	Avg. Sales per Business	Supportable Businesses
311811	Retail Bakeries	\$1,173,619	\$293,405	\$844,916	0.3
312120	Breweries	\$6,519,290	\$1,629,822	\$4,706,584	0.3
312130	Wineries	\$2,536,163	\$634,041	\$2,058,393	0.3
445110	Supermarkets and Other Grocery (except Convenience) Stores	\$33,612,466	\$8,403,117	\$3,686,414	2.3
445210	Meat Markets	\$830,123	\$207,531	\$1,126,617	0.2
445220	Fish and Seafood Markets	\$250,352	\$62,588	\$1,077,200	0.1
445230	Fruit and Vegetable Markets	\$687,772	\$171,943	\$445,563	0.4
445291	Baked Goods Stores	\$120,807	\$30,202	\$2,121,233	0.0
445292	Confectionery and Nut Stores	\$355,741	\$88,935	\$1,006,408	0.1
445299	All Other Specialty Food Stores	\$1,108,607	\$277,152	\$1,056,333	0.3
445310	Beer, Wine, and Liquor Stores	\$2,116,313	\$529,078	\$459,904	1.2
722310	Food Service Contractors	\$3,886,413	\$971,603	\$1,445,272	0.7
722320	Caterers	\$1,491,531	\$372,883	\$1,177,421	0.3
722330	Mobile Food Services	\$812,037	\$203,009	\$1,539,249	0.1
722410	Drinking Places (Alcoholic Beverages)	\$1,603,393	\$400,848	\$261,155	1.5
722511	Full-Service Restaurants	\$35,973,073	\$8,993,268	\$1,023,665	8.8
722513	Limited-Service Restaurants	\$44,780,507	\$11,195,127	\$1,167,613	9.6
722514	Cafeterias, Grill Buffets, and Buffets	\$435,278	\$108,820	\$308,162	0.4
722515	Snack and Nonalcoholic Beverage Bars	\$3,398,881	\$849,720	\$531,774	1.6
Total		\$141,692,367	\$35,423,092		

Source: Emsi; Camoin Associates

6.6.3 HEALTH, WELLNESS, AND BEAUTY

A similar analysis of these types of retailers also shows substantial retail leakage with the majority of retail needs in these categories being met outside of the Convenience Trade Area. The table below shows retail leakage for these types of businesses within the Convenience Retail Trade Area.

Neighborhood Resident Retail Leakage: Health, Wellness, and Beauty

NAICS	Retail Sector	Total Neighborhood Resident Retail Spending	Purchases by Neighborhood Residents Within Neighborhood	Purchase by Neighborhood Residents Outside of the Neighborhood	Percent of Resident Retail Spending Leaking out of Neighborhood
446110	Pharmacies and Drug Stores	\$13,222,684	\$310,259	\$12,912,425	98%
446120	Cosmetics, Beauty Supplies, and Perfume Stores	\$2,251,845	\$115,452	\$2,136,394	95%
446130	Optical Goods Stores	\$1,016,316	\$0	\$1,016,316	100%
446191	Food (Health) Supplement Stores	\$790,322	\$0	\$790,322	100%
446199	All Other Health and Personal Care Stores	\$1,777,798	\$21,228	\$1,756,571	99%
812111	Barber Shops	\$1,062,569	\$323,774	\$738,795	70%
812112	Beauty Salons	\$8,755,584	\$119,966	\$8,635,619	99%
812113	Nail Salons	\$3,034,919	\$561,501	\$2,473,417	81%
812191	Diet and Weight Reducing Centers	\$296,801	\$0	\$296,801	100%
Total		\$32,208,839	\$1,452,179	\$30,756,660	95%

Source: Emsi

Based on typical (average) sales by business type, there are three retail business categories that could support at least one additional business:

- Pharmacies and Drug Stores (up to 2)
- Beauty Salons (up to 3)
- Nail Salons (up to 3)

Supportable Retail Businesses From Leakage Recapture: Health, Wellness, and Beauty

NAICS	Retail Sector	Retail Leakage	Capture Potential	Avg. Sales per Business	Supportable Businesses
446110	Pharmacies and Drug Stores	\$12,912,425	\$3,228,106	\$1,189,202	2.7
446120	Cosmetics, Beauty Supplies, and Perfume Stores	\$2,136,394	\$534,098	\$720,396	0.7
446130	Optical Goods Stores	\$1,016,316	\$254,079	\$710,801	0.4
446191	Food (Health) Supplement Stores	\$790,322	\$197,581	\$341,252	0.6
446199	All Other Health and Personal Care Stores	\$1,756,571	\$439,143	\$1,978,447	0.2
812111	Barber Shops	\$738,795	\$184,699	\$1,274,313	0.1
812112	Beauty Salons	\$8,635,619	\$2,158,905	\$621,393	3.5
812113	Nail Salons	\$2,473,417	\$618,354	\$199,282	3.1
812191	Diet and Weight Reducing Centers	\$296,801	\$74,200	\$675,517	0.1
Total		\$30,756,660	\$7,689,165		

Source: Emsi; Camoin Associates

6.6.4 OTHER CONVENIENCE RETAIL GOODS AND SERVICES

Local households are also spending significant portions of their retail expenditures on convenience goods and services outside of the local area, as shown in the table below.

Neighborhood Resident Retail Leakage: Other Convenience Retail Goods and Services

NAICS	Retail Sector	Total Neighborhood Resident Retail Spending	Purchases by Neighborhood Residents Within Neighborhood	Purchase by Neighborhood Residents Outside of the Neighborhood	Percent of Resident Retail Spending Leaking out of Neighborhood
445120	Convenience Stores	\$2,020,351	\$607,539	\$1,412,812	70%
447110	Gasoline Stations with Convenience Stores	\$15,873,497	\$1,221,191	\$14,652,306	92%
447190	Other Gasoline Stations	\$2,300,369	\$37,476	\$2,262,893	98%
451212	News Dealers and Newsstands	\$90,099	\$0	\$90,099	100%
453110	Florists	\$891,225	\$0	\$891,225	100%
453991	Tobacco Stores	\$1,404,712	\$151,498	\$1,253,213	89%
812310	Coin-Operated Laundries and Drycleaners	\$241,630	\$21,927	\$219,703	91%
812320	Drycleaning and Laundry Services (except Coin-Operated)	\$548,991	\$0	\$548,991	100%
812910	Pet Care (except Veterinary) Services	\$1,584,666	\$0	\$1,584,666	100%
Total		\$24,955,539	\$2,039,631	\$22,915,908	92%

Source: Emsi

Based on the recapture potential, there is anticipated retail potential for convenience stores, including those that are and are not part of gasoline stations.

Supportable Retail Businesses From Leakage Recapture: Other Convenience Retail Goods and Services

NAICS	Retail Sector	Retail Leakage	Capture Potential	Avg. Sales per Business	Supportable Businesses
445120	Convenience Stores	\$1,412,812	\$353,203	\$223,793	1.6
447110	Gasoline Stations with Convenience Stores	\$14,652,306	\$3,663,076	\$807,620	4.5
447190	Other Gasoline Stations	\$2,262,893	\$565,723	\$1,754,157	0.3
451212	News Dealers and Newsstands	\$90,099	\$22,525	\$304,802	0.1
453110	Florists	\$891,225	\$222,806	\$403,827	0.6
453991	Tobacco Stores	\$1,253,213	\$313,303	\$782,442	0.4
812310	Coin-Operated Laundries and Drycleaners	\$219,703	\$54,926	\$433,563	0.1
812320	Drycleaning and Laundry Services (except Coin-Operated)	\$548,991	\$137,248	\$544,985	0.3
812910	Pet Care (except Veterinary) Services	\$1,584,666	\$396,166	\$485,990	0.8
Total		\$22,915,908	\$5,728,977		

Source: Emsi; Camoin Associates

6.7 DESTINATION RETAIL POTENTIAL

Destination retail potential was also examined to identify opportunities that may exist from drawing people from outside of the immediate local area. Certain types of retail, restaurant, and entertainment businesses can draw people from further distances, particularly those that offer a unique experience or otherwise have an appeal that people are willing to travel longer distances for. Two key destination retail market segments were identified as part of this analysis:

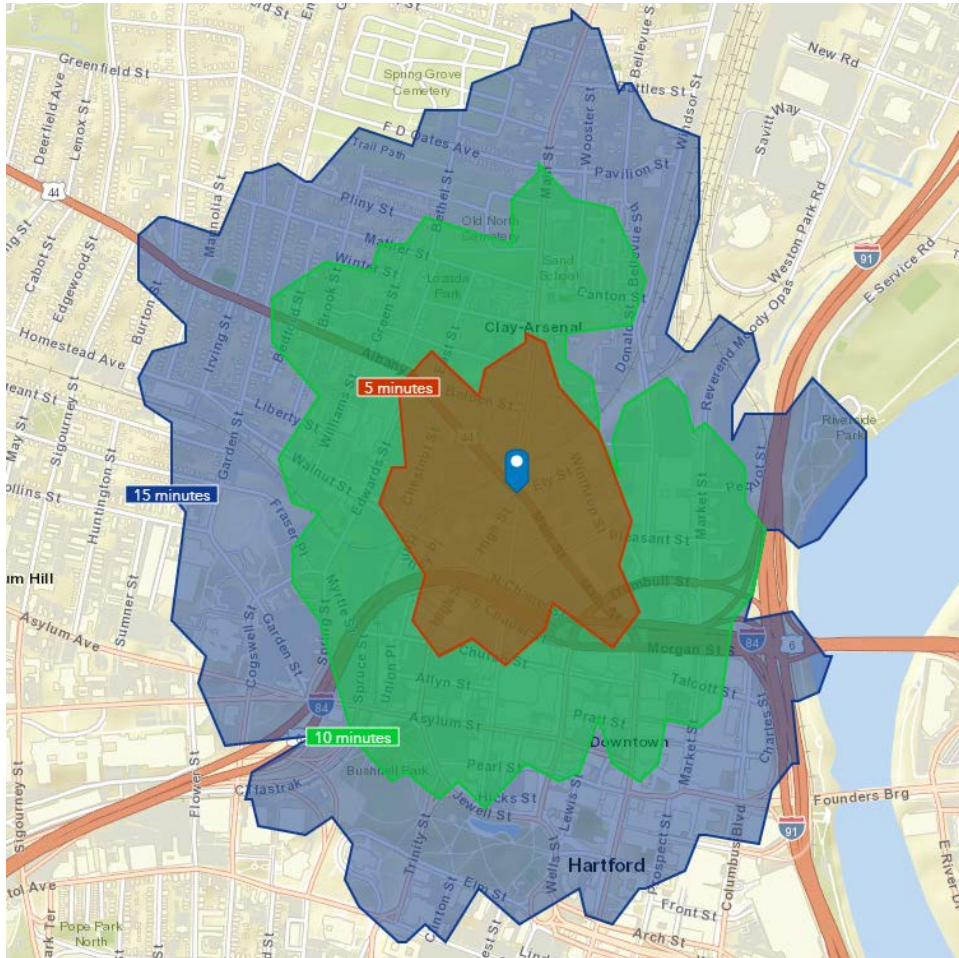
1. Downtown Residents
2. Dunkin Donut Ballpark Visitors

These are discussed in the following sections.

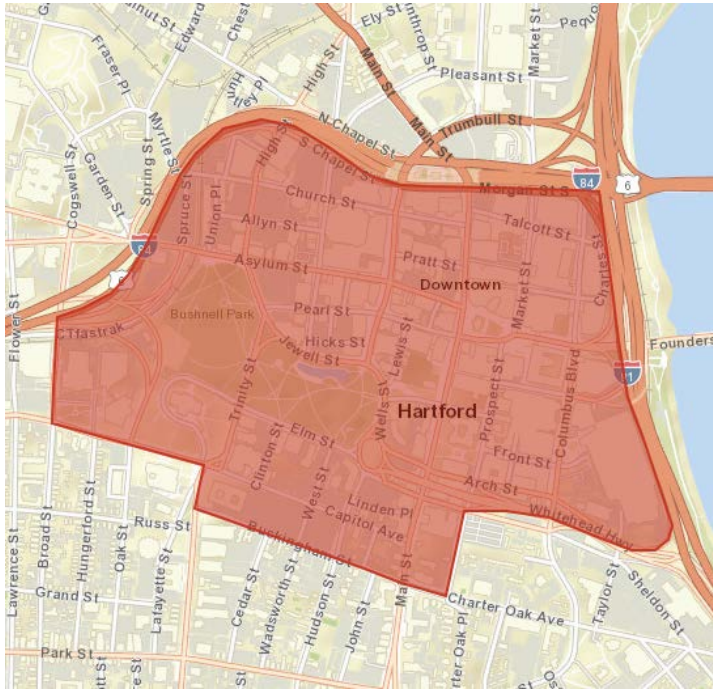
6.7.1 DOWNTOWN RESIDENT RETAIL SPENDING POTENTIAL

As shown in the map below, most of downtown is within a 15-minute walk radius of the Study Area (intersection of Main Street and Albany Avenue).

Map: Walking Distance Radius From Study Area



Downtown Hartford, as defined in the map below, has a population of approximately 3,030 people, which has grown by a significant 65% since 2010 and is projected to grow an additional 19% through 2026. Downtown residents are generally higher-income, with a median household income of approximately \$75,500. Residents are also younger (a median age of 32.6) and the vast majority are renters that are attracted to an urban lifestyle.



Downtown Hartford Consumer Profile

Median Household Income: \$75,481

Median Age: 32.6

Primary Market Segment*: Metro Renters (92% of households)

- Enjoy urban life
- Highly mobile and well educated
- Walk or use public transportation
- Typically live alone or with roommates
- Shop at Trader Joe’s and Whole Foods (or similar) for groceries; partial to organic foods
- Participate in leisure activities including yoga, Pilates, and downhill skiing

*Source: Esri Business Analyst Tapestry

Downtown Hartford Population Profile

	2010	2021	2026 Projected	Change 2010-2020		Change 2021-2026	
				#	Pct.	#	Pct.
Population	1,842	3,034	3,615	1192	65%	581	19%
Households	1,187	1,970	2,356	783	66%	386	20%
Housing Units	1,507	2,390	2,871	883	59%	481	20%
Average Household Size	1.40	1.45	1.46	0.05	4%	0.01	1%
Median Age	32.6	32.6	32.5	0	0	-0.1	-0.3%

Source: Esri Business Analyst; Camoin Associates

The following table provides a detailed breakdown of household incomes in the downtown area and how they are projected to change over the next five-years. Income levels are expected to rise with the most substantial increase occurring in the \$100,000 - \$149,999 income bracket.

Downtown Hartford Household Income Levels

Income Level	2021		2026 (proj.)	
	#	%	#	%
<\$15,000	326	17%	360	15%
\$15,000 - \$24,999	97	5%	104	4%
\$25,000 - \$34,999	74	4%	73	3%
\$35,000 - \$49,999	114	6%	130	6%
\$50,000 - \$74,999	363	18%	421	18%
\$75,000 - \$99,999	378	19%	433	18%
\$100,000 - \$149,999	390	20%	531	23%
\$150,000 - \$199,999	139	7%	198	8%
\$200,000+	88	4%	106	4%
Median Household Income	\$75,481		\$78,900	
Average Household Income	\$84,792		\$91,898	
Per Capita Income	\$53,864		\$58,504	
Per Capita Income	53,864		58,504	

Source: Esri Business Analyst; Camoin Associates

Estimated retail spending by downtown residents is shown in the following table (based on ZIP code 06103). Overall, downtown households spend approximately \$103 million on retail goods and services every year. The data also indicates that much of this spending is not occurring downtown with 83% occurring at businesses outside the downtown area.

Downtown resident demographic characteristics suggest that this growing population with more discretionary income than households in the Convenience Retail Trade Area, combined with substantial retail spending leakage out of the downtown area, may pose a significant opportunity for new retail, entertainment, and recreation uses in the Study Area – if they can be drawn across I-84. Interviews conducted for the market analysis suggest that it will be critical to establish a critical mass of retail, entertainment, recreation, and/or amenities to draw this population base. However, in the near-term the potential from attracting downtown residents appears to be limited.

Downtown Hartford Household Spending on Retail Goods and Services

NAICS	Retail Sector	Annual Retail Spending	Retail Need Not Being Met Downtown	Pct. Of Need Not Met Downtown
3118	Bakeries and Tortilla Manufacturing	\$948,092	\$948,092	100%
3121	Beverage Manufacturing	\$2,840,794	\$2,840,794	100%
4411	Automobile Dealers	\$7,746,182	\$7,673,758	99%
4412	Other Motor Vehicle Dealers	\$883,067	\$883,067	100%
4413	Automotive Parts, Accessories, and Tire Stores	\$2,039,583	\$2,039,583	100%
4421	Furniture Stores	\$716,305	\$707,977	99%
4422	Home Furnishings Stores	\$618,209	\$618,209	100%
4431	Electronics and Appliance Stores	\$1,600,878	\$1,588,679	99%
4441	Building Material and Supplies Dealers	\$6,047,217	\$6,024,412	100%
4442	Lawn and Garden Equipment and Supplies Stores	\$814,363	\$814,363	100%
4451	Grocery Stores	\$3,023,187	\$2,996,057	99%
4452	Specialty Food Stores	\$305,130	\$305,130	100%
4453	Beer, Wine, and Liquor Stores	\$177,721	\$170,823	96%
4461	Health and Personal Care Stores	\$1,254,502	\$1,171,350	93%
4471	Gasoline Stations	\$1,748,037	\$1,748,037	100%
4481	Clothing Stores	\$893,309	\$824,327	92%
4482	Shoe Stores	\$167,490	\$167,490	100%
4483	Jewelry, Luggage, and Leather Goods Stores	\$242,753	\$242,753	100%
4511	Sporting Goods, Hobby, and Musical Instrument Stores	\$912,529	\$892,255	98%
4512	Book Stores and News Dealers	\$114,428	\$114,428	100%
4522	Department Stores	\$1,064,414	\$1,053,095	99%
4523	General Merchandise Stores, including Warehouse Clubs and Supercenters	\$2,828,094	\$2,710,130	96%
4531	Florists	\$152,485	\$152,485	100%
4532	Office Supplies, Stationery, and Gift Stores	\$510,018	\$505,544	99%
4533	Used Merchandise Stores	\$400,416	\$400,416	100%
4539	Other Miscellaneous Store Retailers	\$1,486,598	\$1,486,598	100%
5121	Motion Picture and Video Industries	\$21,994,759	\$21,994,759	100%
7139	Other Amusement and Recreation Industries	\$1,714,510	\$1,484,668	87%
7223	Special Food Services	\$2,864,325	\$2,685,089	94%
7224	Drinking Places (Alcoholic Beverages)	\$794,251	\$467,073	59%
7225	Restaurants and Other Eating Places	\$25,495,047	\$10,300,310	40%
8121	Personal Care Services	\$859,665	\$581,804	68%
8123	Drycleaning and Laundry Services	\$691,529	\$691,529	100%
8129	Other Personal Services	\$2,105,210	\$1,799,587	85%
Total		\$102,692,026	\$85,721,599	83%

Note: Data is for Zip Code 06103

Source: Emsi; Camoin Associates

6.7.2 DUNKIN DONUTS PARK VISITOR SPENDING POTENTIAL

Dunkin Donuts Park, within a short walking distance of the Study Area, attracts thousands of visitors every year that come to watch the Hartford Yard Goats minor league baseball. Prior to the Covid pandemic, annual attendance at the ballpark reached nearly 415,000 in 2019 with an average attendance of 6,193. The team plays 60 home games each year.

Dunkin Donuts Park Attendance

	Attendance	Average
2021	287,752	5,138
2019	414,946	6,193
2018	408,942	6,014
2017	395,196	5,812

Source: Stats Crew

While the proposed Downtown North project includes substantial new development, there are few retail, entertainment, and restaurants within close proximity to the stadium. Interviews suggest that there is substantial unmet demand for food and beverage options around the stadium on game days, particularly for those that want to eat outside of the stadium before games.

While detailed visitor spending figures are not available, studies of other baseball stadiums have shown that visitors to games can spend upwards of \$104 per visit at bars, restaurants, hotels, and stores.¹ Even a fraction of that spending would represent significant spending potential to support new businesses. For example, if attendees at a game spent an average of \$10 per visitor before or after the game, it would result in spending of nearly \$4.2 million annually (based on 2019 attendance figures).

Despite this spending potential, the intermittent nature of games and lack of any substantial local population base, will make it challenging for any restaurants, bars, or stores to be successful relying on the visitor market alone. There may, however, be an opportunity within the Study Area for new businesses to cater to both neighborhood residents and ballpark visitors, as well as new residents of the future Downtown North project.

¹ <https://www.mlb.com/cubs/ballpark/1060-project/benefits/jobs>

7 COMMERCIAL OFFICE & LIGHT INDUSTRIAL

7.1 OFFICE SPACE DEMAND

The Hartford office market remains reasonably healthy in large part thanks to minimal additions to stock over the past decade. New deliveries have measured a mere 26,000 sf on top of a total inventory of over 24 million sf, well shy of the 1 msf of removals over the past ten years. This has allowed vacancies to remain significantly below the national average, standing at 9.1% as compared to the 12.3% rate seen across the entire U.S. While unspectacular, absorption rates since 2011 have proven entirely sufficient to maintain reasonable balance between supply and demand.

Hartford Office Market - 2021

	Study Area	Hartford/Middlesex	
	Neighborhood	City of Hartford	Counties
Inventory (sf)	809,758	24,566,357	70,737,471
Occupancy (sf)	616,758	22,335,184	64,039,103
Vacancy - Percent of Total	23.8%	9.1%	9.5%
Net Absorption (sf - 10 year cumulative)	24,395	126,890	377,650
Deliveries (sf - 10 year cumulative)	0	26,000	1,701,604
Gross Rental Rate	N/A	\$22.14	\$19.48

Source: CoStar

While a handful of new office-based construction projects are in the works for the Hartford market, none are found within the city limits. Of those projects found within a five-mile radius of the Study Area Neighborhood, the three developments in West Hartford are all slated for medical office use.

Office and Industrial Project Pipeline - Five Mile Radius from Study Area

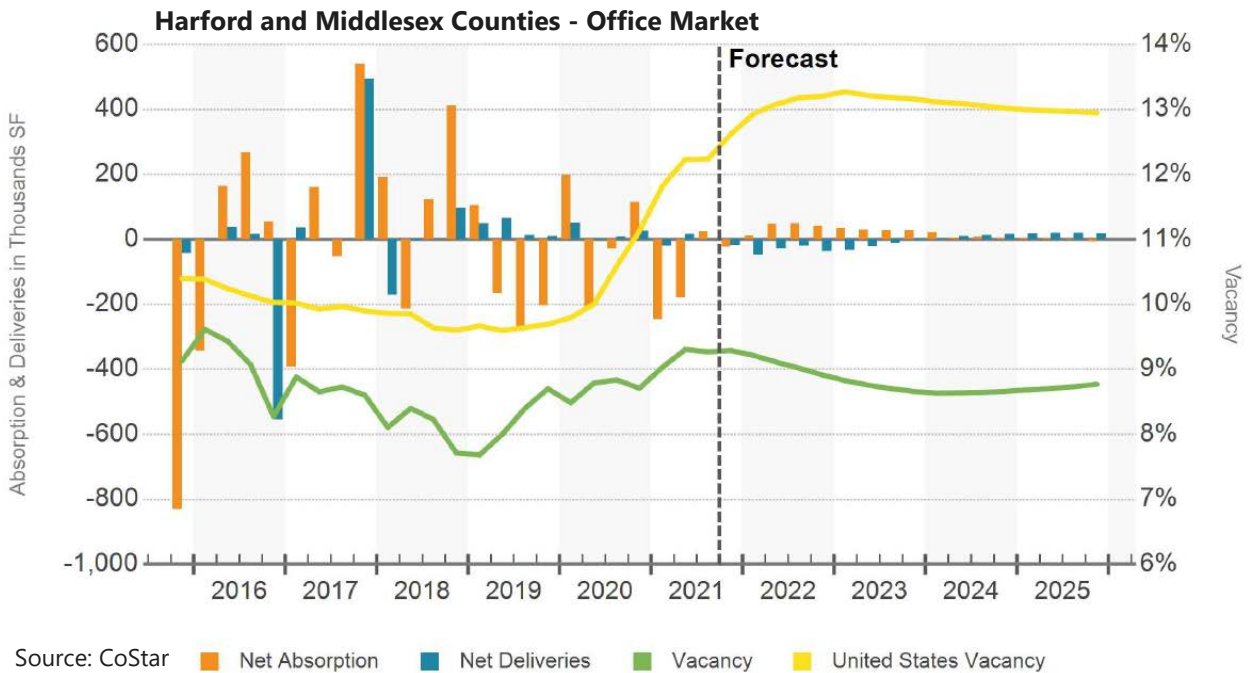
Property Name	Property Address	Submarket Name	Property Type	Rentable Area	Expected Completion Year
	89 Day St	Newington	Office	6,250	2022
	240 Ellington Rd	South Windsor	Industrial	182,000	2022
	136 S Main St	West Hartford	Office	17,000	2022
Medical Office Site	433 S Main St	West Hartford	Office	10,000	2023
Build to Suit	439 S Main St	West Hartford	Office	80,000	2022

Source: CoStar

The Hartford office market has proven relatively resilient over the pandemic period. Bucking national trends, Hartford did not suffer the same degree of rising vacancies found throughout most of the country. After dipping below 8% in 2019, negative absorption saw only modest upward movement in vacancies for the broader

Hartford/Middlesex County market. Though demand remained negligible, a lack of new capacity coming into the market allowed vacancies to hold a reasonable 9.5% in 2021, well below the national average of 12.3%.

NET ABSORPTION, NET DELIVERIES & VACANCY



In general, the outlook for office-based employment appears quite poor for Hartford. Over the coming five year period these jobs are actually slated to register marginal declines for both the city and, more specifically, for the Study Area Neighborhood. With no support for development to be seen on the demand side, any new construction would likely serve only to replace older stock facing removal.

Office Based Employment

	Study Area Neighborhood*	City of Hartford	Hartford County
2021 Office Employment**	2,315	32,576	177,675
2026 Office Employment**	2,280	32,492	180,205
2021-2026 Change	-35	-84	2,530

*Note: Data based on 06112 and 06120 Zip codes

**Note: Employment based on NAICS codes 51, 52, 54, 55 and 90

Source: Emsi

7.2 MEDICAL OFFICE SPACE DEMAND

Despite the shortage of planned development, additional medical office space is clearly needed in Hartford. Deliveries within the city registered just 26,000 sf over the past ten years while growing demand exceeded that level four-fold. As net new absorption surpassed 100,000 sf over the past decade, medical office vacancies dropped sharply, reaching to an exceptionally low 1.5% in 2021.

Hartford Medical Office Market - 2021

	City of Hartford
Inventory (sf)	1,487,301
Occupancy (sf)	1,464,839
Vacancy - Percent of Total	1.5%
Net Absorption (sf - 10 year cumulative)	105,472
Deliveries (sf - 10 year cumulative)	26,000
Gross Rental Rate	\$13.19

Source: CoStar

Future prospects for medical office space in Hartford look quite positive. At the city level, employment in medical based industries is slated to grow by 9.5% over the coming five years, well outpacing expected total employment growth by a factor of ten and providing steady demand for new space. Based on an estimate of 200 square feet per worker, this translates to nearly 100,000 sf

Medical Office Employment

	Study Area Neighborhood*	City of Hartford	Hartford County
2021 Medical Office Based Employment**	354	5,264	25,191
2026 Medical Office Based Employment**	383	5,762	27,229
2021-2026 Change	29	498	2,038
Pct Change	8.2%	9.5%	8.1%
Square feet per worker	200	200	200
Incremental demand for office space (sf)	5,800	99,600	407,600

***Note:** Data based on 06112 and 06120 Zip codes

****Note:** Employment based on NAICS code sectors 6211, 6212, 6213, 6214, 6215 and 6219

Source: Emsi

7.3 INDUSTRIAL SPACE DEMAND

Similar to the office market, limited development has allowed the Hartford industrial & flex space markets to remain fairly well balanced. While the city experienced negative absorption in excess of 128,000 sf over the past decade, this was more than offset by sizable removals in excess of 500,000 sf over the same period. This helped keep the lid on vacancies which registered just 5.6% in 2021.

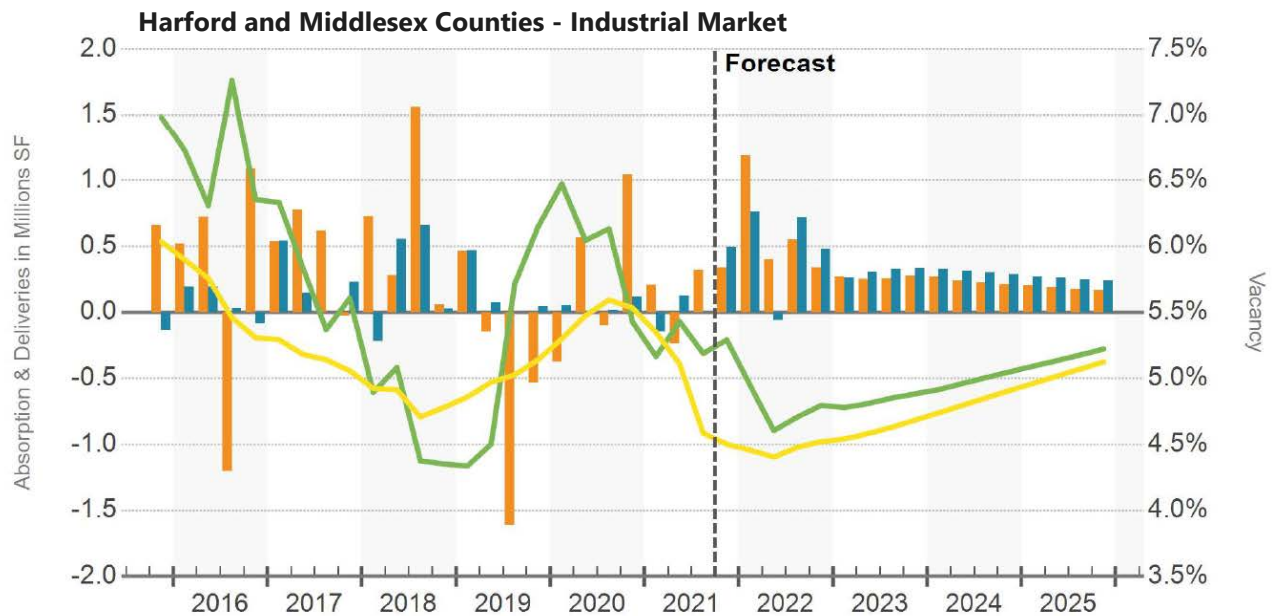
Hartford Industrial/Flex Space Market - 2021

	Study Area	Hartford/Middlesex	
	Neighborhood	City of Hartford	Counties
Inventory (sf)	2,691,740	8,870,923	132,961,412
Occupancy (sf)	2,519,574	8,372,142	126,209,229
Vacancy - Percent of Total	6.4%	5.6%	5.1%
Net Absorption (sf - 10 year cumulative)	143,792	-128,692	9,799,704
Deliveries (sf - 10 year cumulative)	0	10,816	7,492,447
Gross Rental Rate	\$8.80	\$7.23	\$6.02

Source: CoStar

Despite a spate of notable negative absorption in 2019, the broader Hartford & Middlesex County market saw overall demand climb over the past ten years by nearly 10 msf, significantly above the 7.5 msf of new construction over that same period. This left vacancies at a healthy 5.1% in 2021, about on par with the national rate.

NET ABSORPTION, NET DELIVERIES & VACANCY



Source: CoStar Net Absorption Net Deliveries Vacancy United States Vacancy

8 LODGING & HOSPITALITY

The hospitality industry suffered some of the most severe impacts of the pandemic and the City of Hartford saw its share of contraction over the past two years. Demand in 2020 as measured by room nights plummeted to less than half the pace seen the year prior, driving occupancy down to 33.8%. While the nation has enjoyed a degree of rebound in travel for 2021, this has been centered primarily around vacation destinations. Any bounce back in business travel, however, has proven more elusive and improvements in the Hartford market remain muted.

City of Hartford Hospitality Market

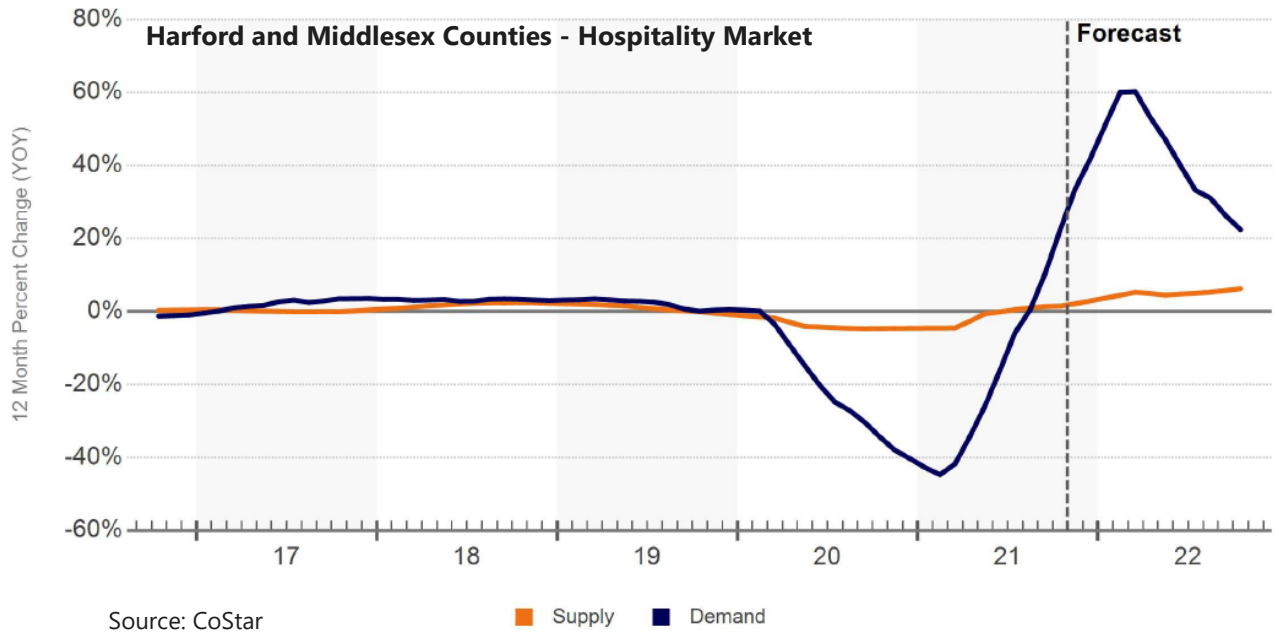
	Room Inventory	Deliveries/Removals	Supply (Room Nights)	Demand (Room Nights)	Occupancy Rate	Average Room Rate
2021	1,632	0	595,680	240,376	40.4%	\$106
2020	1,632	-274	612,658	207,293	33.8%	\$108
2019	1,906	6	694,604	436,110	62.8%	\$135
2018	1,900	0	693,500	429,067	61.9%	\$135
2017	1,900	81	661,448	398,076	60.2%	\$134
2016	1,819	-200	673,811	396,353	58.8%	\$130
2015	2,019	0	656,635	383,316	58.4%	\$126
2014	2,019	0	679,963	386,479	56.8%	\$126
2013	2,019	0	691,675	390,940	56.5%	\$123
2012	2,019	0	691,675	385,993	55.8%	\$118
2011	2,019	0	691,675	398,504	57.6%	\$113

Note: 2021 Preliminary

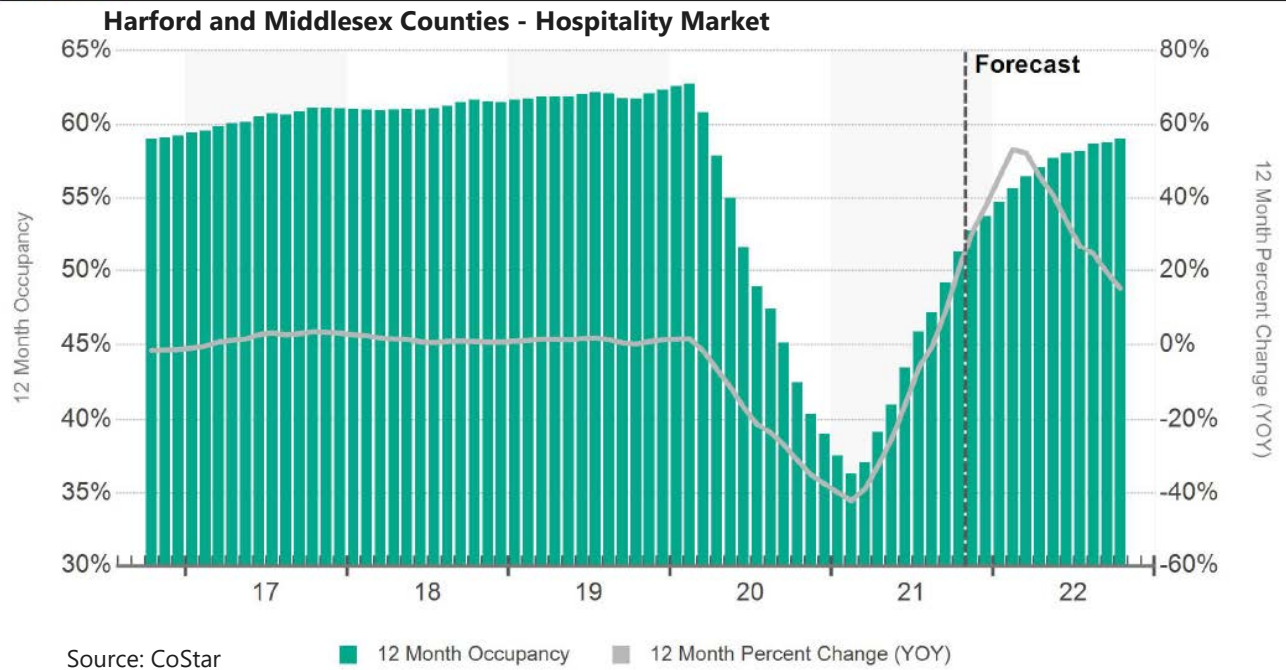
Source: CoStar

This story appears slightly more promising for the broader Hartford/Middlesex County market. Similar to the experience in the City of Hartford, occupancy rates dropped to the mid 30% range in 2020. At the two-county level, however, rates most recently have climbed back above the 50% line. Notably, this has come as a result of two hotels being removed from the market representing 761 rooms – a 5.7% reduction to total inventory.

SUPPLY & DEMAND CHANGE



OCCUPANCY



Looking forward, prospects for new construction remains modest with only one project currently in the pipeline. Notably, the 129-room hotel is planned for the downtown area – not far from the Study Area Neighborhood.

Hospitality Project Pipeline - Five Mile Radius from Study Area

Property Name	Property Address	Submarket Name	Rooms	Rentable Area	Expected Completion Year
AC Hotel By Marriott					
Hartford Glastonbury	75 Glastonbury Blvd	Hartford CBD/South	129	78,600	2024

Source: CoStar

APPENDIX A: RETAIL TRADE AREAS

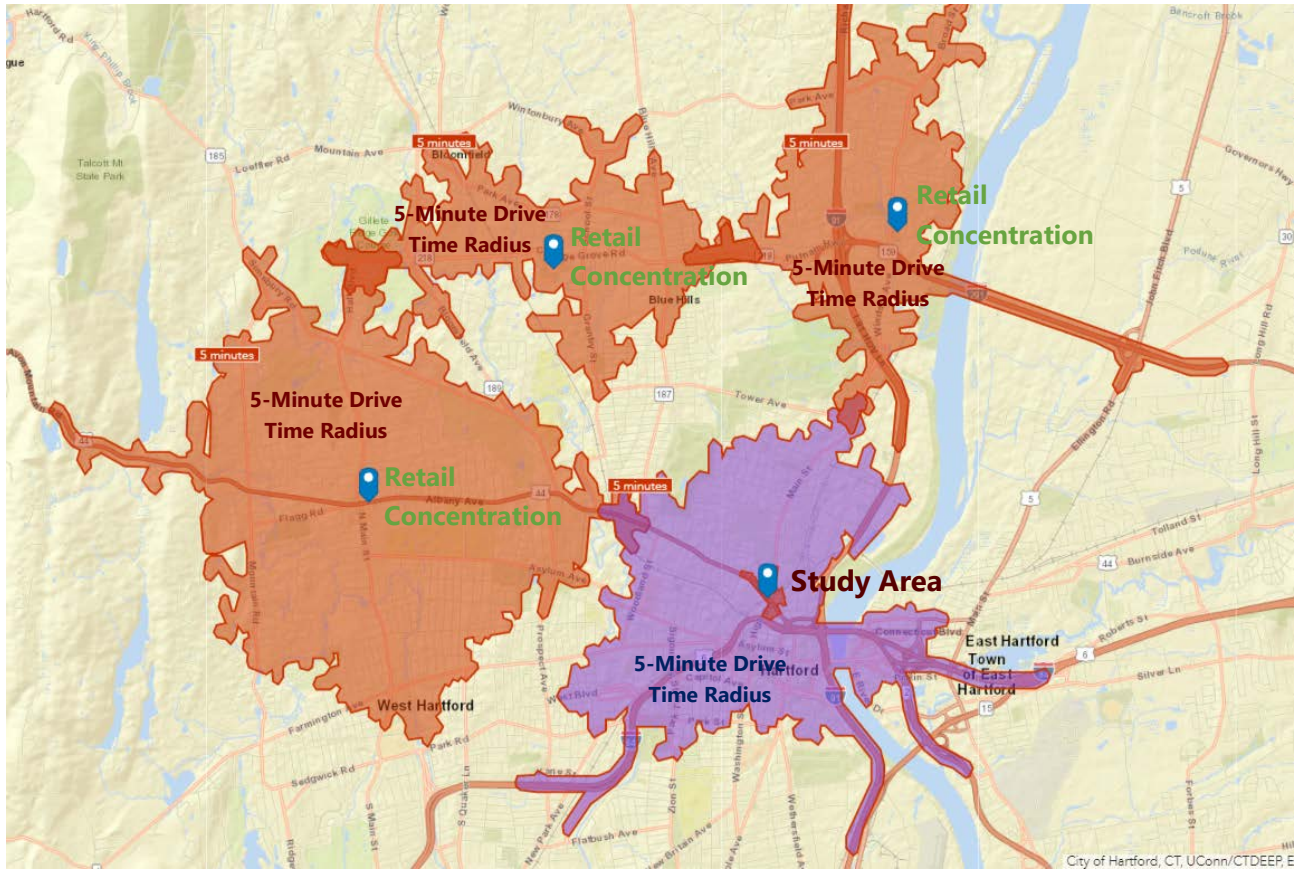
1. Convenience Retail Trade Area

- A Convenience Retail Trade Area was defined as the area from which most customers would be expected to be drawn from for convenience retail and services, such as those needed on a frequent basis (e.g., pharmacy, convenience store, etc.).
- Existing retail concentrations were mapped to understand the anticipated customer draw area potential for new convenience retail and services within the Study Area.
- The Convenience Retail Trade Area was based on this analysis along with the consideration of likely barriers (both physical and psychological) that are likely to impact the draw area potential (e.g., Route I-84).
- Additional mapping can be found on the following pages of this memo.
- The Convenience Retail Trade Area will be used in the retail market analysis to identify opportunities for new convenience retail and services in the Study Area.

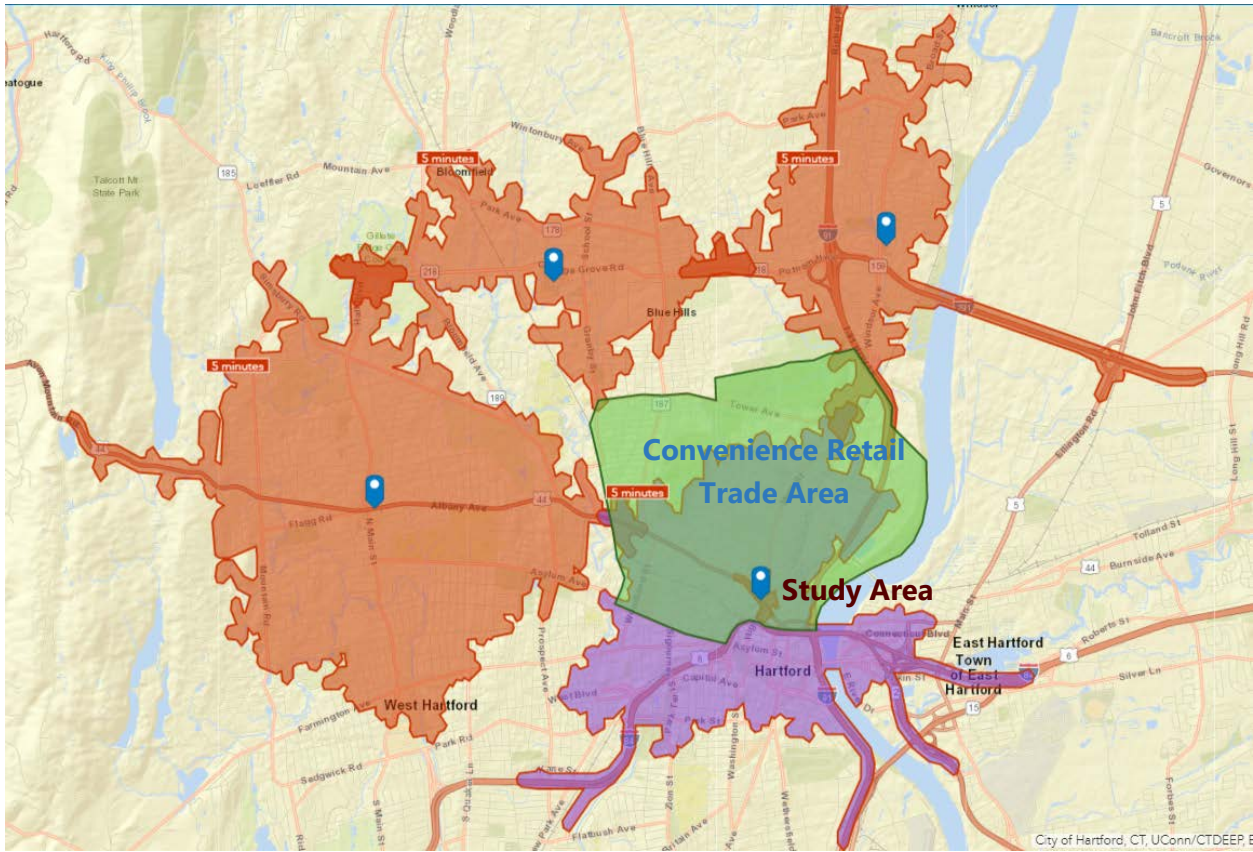
2. Destination Retail Trade Area

- A larger Retail Trade Area will also be used to understand potential destination retail opportunities that may be able to draw customers from further away.
- This trade area adopts the Trade Area previously established for the downtown north area in the City of Hartford's Hartford North Park: Downtown Area Plan (Utile, 2013).
- The Destination Retail Trade Area will be used in the retail market analysis to identify opportunities for new convenience retail and services in the Study Area.

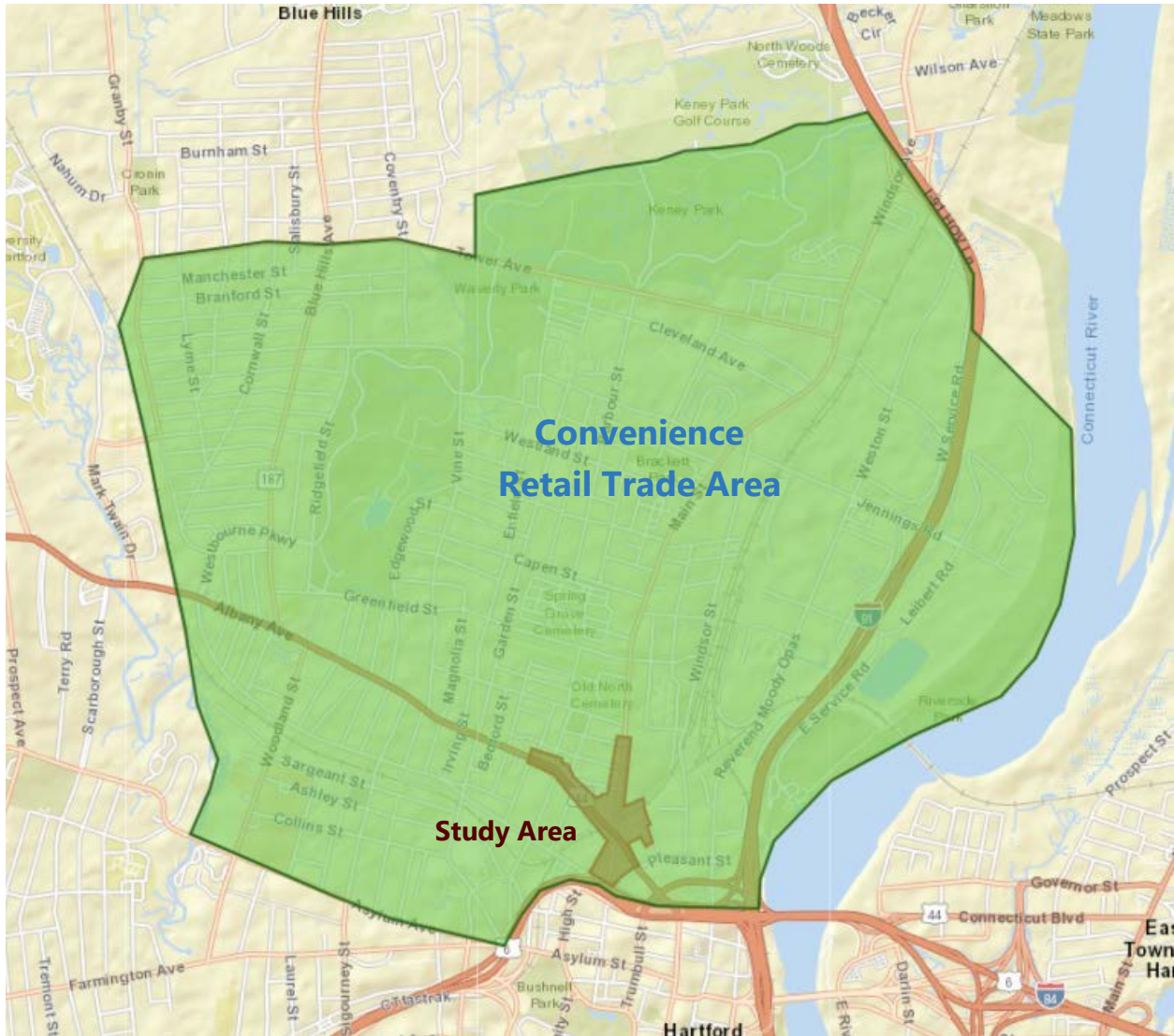
MAP: EXISTING RETAIL CONCENTRATIONS



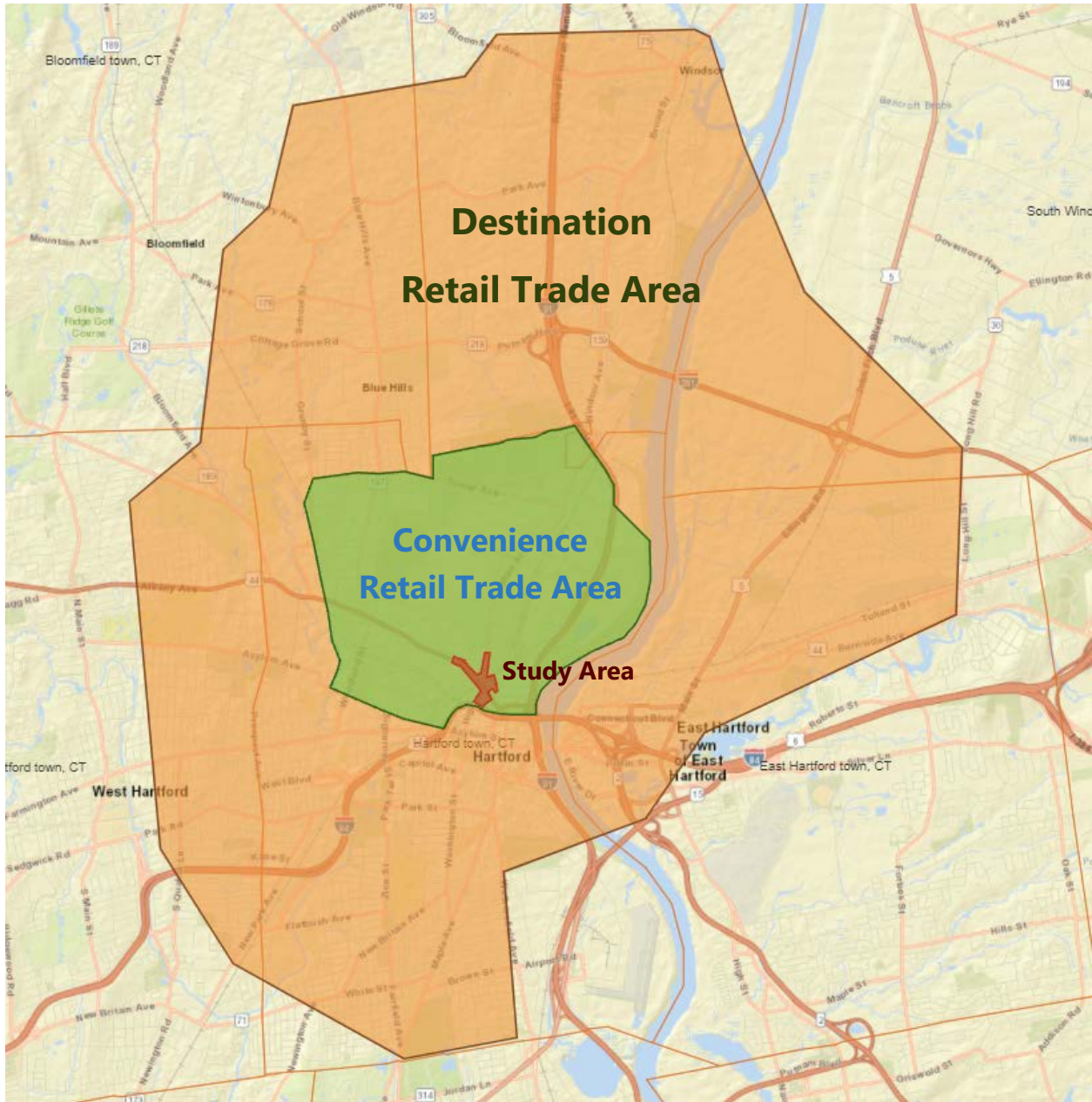
MAP: CONVENIENCE (NEIGHBORHOOD) RETAIL TRADE AREA ESTABLISHMENT



MAP: CONVENIENCE (NEIGHBORHOOD) RETAIL TRADE AREA DETAIL



MAP: DESTINATION RETAIL TRADE AREA



APPENDIX B: REVIEW OF EXISTING STUDIES

This project has been informed by the foundation laid by a number of previous reports and planning efforts. Key studies are summarized below.

UTILE: HARTFORD NORTH PARK: A DOWNTOWN AREA PLAN

The slide deck, dated December of 2013, was prepared for public presentation, and defines a study area including Downtown North and Downtown West.

- The study identifies five sites with development potential which include adjacencies between underutilized land and city-owned property noting that i) underutilized land can provide shovel ready development sites, ii) parcel acquisition and assemblage may be necessary and iii) there is a focus on proximity to existing activity
- For each of the five sites, specifications of possible residential units, retail and commercial square footage and parking spaces are suggested.
- Retail and Housing analysis quantifies the number of households, population, household income and educational attainment as of 2013. Based on these figures, Downtown North supportable retail was estimated by type of store, determining that the area is underserved with a \$211 million retail gap.
- While urban life is an important driver, the perception of lack of weekend activities and the housing options are inhibitors to moving into the downtown area.
- Both the discussion groups and a survey indicated a preference for townhouse-style housing.
- Site visits identified several items of interest:
 - The demographic is young and active.
 - Downtown housing is primarily on the fringes of downtown not in the central business district.
 - There are multiple options available including adaptive reuse as well as new 3-4 story garden-style apartments some have developed townhouse / row house models.
 - Retail shopping is challenging – night life activities expand.
 - Groceries and fresh food are addressed by every community with both small farmers market and Public Market models (3 of the 4 had major public markets easily accessible from downtown).
- The study anticipated substantial growth in Downtown residents, largely driven by young adults and empty nesters.
- The study presents an analysis of household profiles (psychographics), the quantity of each within the metro area and the share currently living in Hartford.
- The study states that there is pent-up demand for downtown living spaces and that there is a need for an additional 3,000 to 5,000 residential units to satisfy potential demand.
- Attracting new residents will be driven by desirable housing products at the right price points and Place-making initiatives to enhance the downtown residential experience.
- The study proposes:
 - Adding several new streets to aid traffic flow.
 - New pedestrian and bike routes to connect neighborhoods.
 - Development of a new Town Green.

HARTFORD AREA MULTIFAMILY HOUSING STUDY

Prepared for The Capital Region Development Authority in February 2020, Goman+York Property Advisors conducted a market study of the multifamily residential rental market in the Hartford region.² Points highlighted in the study include:

- With the support of the CRDA, there has been considerable growth in the number of apartments coming to market over the prior five years.
 - Public financial support has been crucial to this development.
 - Three proposed developments reviewed for this study were reliant on tax agreements or other financial support to be viable.
- While new rental units have come largely from conversion of non-residential space, looking forward, more will come from new construction.
- The report includes a list of “Essential Amenities” to attract Millennials and Baby Boomers.
- West Hartford has the highest rents - East Hartford has the lowest.
 - Hartford CBD rents are 6-8% higher than the overall citywide average.
- The report includes a discussion of importance of ROI exceeding 12%-18% and provides a list of public funding sources.
- Multifamily absorption rates have recently been exceeded completions.
- Hartford’s urban core, represented in four target towns, will continue to witness stronger demand for high-end multifamily housing units.
- Of the Capital Region Development Authority, the study encourages a continuance of financing at reduced rates as incentive for private investment. This will “stimulate new investment, rebrand and promote the district as a multicultural destination for all ages to enjoy and as a vibrant multidimensional downtown.”
- Four (4) projects from the CRDA portfolio have seen a +1200% increase in their assessment values.
- The study quotes Randy Salvatore of RMS Development as saying, “Subsidies are needed to jumpstart developments in Hartford which in turn will attract private investment – without the public funding the ROI is not there.”
- The study includes results of a survey of renters in thirteen Hartford neighborhoods. Measures include number of units, average rental rates and average square footage.

² <https://crdact.net/wp-content/uploads/2020/02/GOMAN-YORK-HartfordMFMarketStudy-021820.pdf>

HUD COMPREHENSIVE HOUSING MARKET ANALYSIS HARTFORD-WEST HARTFORD-EAST HARTFORD, CONNECTICUT

This study provides an historic picture along with a 2019 snapshot of the Hartford Market Area residential market conditions put in the context of the local economic environment.³ Highlights of the study include:

- Definition of the Housing Market Area (HMA) to include Hartford, Middlesex, and Tolland Counties.
- Discussion of the economic background:
 - Hartford known as the “Insurance Capital of the World” – home to Hartford Financial Services Group, Inc., Aetna Inc., and The Travelers Indemnity.
 - From 2000 to 2019, employment in Financial Services (including Insurance) declined 18%.
 - Three of the 4 largest manufacturers in the HMA— Pratt & Whitney, Collins Aerospace, and Kaman Corporation—are aerospace manufacturers.
- The population of the HMA has declined every year from 2010 to 2019 as net out-migration exceeded natural change (births minus deaths).
 - Only area of population growth was in the 65 and older age cohort.
 - Number of households were essentially unchanged.
- Homeownership (66.5% in 2019) was down from 2010 (67.9%) due to weak labor market and periods of tight credit.
- 60 percent of all sales during the 12 months ending August 2019 were homes priced below \$250,000, and almost one-fourth of all sales were below \$150,000.
- Levels of new home construction are low.
 - From 2010 to 2019, decreased population growth counteracted the effect of improved economic conditions on the housing market.
 - In 2019, new homes sales accounted for only 2 percent of all home sales. That figure had peaked in 2006 at 9%.
- During the 12 months ending August 2019, distressed home sales accounted for about 8 percent of all home sales.
 - As of August 2019, 1.8 percent of all mortgages were seriously delinquent or in REO status in the HMA, compared with 1.4 percent nationally.
- Total rental vacancy rate registered 7.5 percent in 2019, down from 8.1% in 2010.
 - Apartment vacancies rate have registered below 5.0 percent since 2016, averaging 3.4 percent during the second quarter of 2019.
- Rent growth averaged 1 percent annually during 2015 and 2016 but increased to an average of 4 percent during 2017 and 2018. By comparison, national annual rent growth averaged 5 percent during the former period and 4 percent during the latter. Slow household growth and moderate residential construction have led to many older vacant single-family homes entering the rental market.
- HUD’s Rental Affordability Index increased from 83.6 in 2011 to 91.2 in 2018 indicating a more affordable rental market.
 - The national rental affordability index averaged 109.0 during 2018.

³ <https://www.huduser.gov/portal/publications/pdf/Hartford-WestHartford-EastHartfordCT-CHMA-19.pdf>

DATA SOURCES

ECONOMIC MODELING SPECIALISTS INTERNATIONAL (EMSI)

To analyze the industrial makeup of a study area, industry data organized by the North American Industrial Classification System (NAICS) is assessed. Camoin Associates subscribes to Economic Modeling Specialists Intl. (EMSI), a proprietary data provider that aggregates economic data from approximately 90 sources. EMSI industry data, in our experience, is more complete than most or perhaps all local data sources (for more information on EMSI, please see www.economicmodeling.com). This is because local data sources typically miss significant employment counts by industry because data on sole proprietorships and contractual employment (i.e. 1099 contractor positions) is not included and because certain employment counts are suppressed from BLS/BEA figures for confidentiality reasons when too few establishments exist within a single NAICS code.

ESRI BUSINESS ANALYST ONLINE (BAO)

ESRI is the leading provider of location-driven market insights. It combines demographic, lifestyle, and spending data with map-based analytics to provide market intelligence for strategic decision-making. ESRI uses proprietary statistical models and data from the U.S. Census Bureau, the U.S. Postal Service, and various other sources to present current conditions and project future trends. Esri data are used by developers to maximize their portfolio, retailers to understand growth opportunities, and by economic developers to attract business that fit their community. For more information, visit www.esri.com.

COSTAR

CoStar is the leading source of commercial real estate intelligence in the U.S. It provides a full market inventory of properties and spaces—available as well as fully leased—by market and submarket. Details on vacancy, absorption, lease rates, inventory, and other real estate market data are provided, as well as property-specific information including photos and floor plans. CoStar covers office, retail, industrial, and multifamily markets. CoStar data is researched and verified by the industry's largest professional research team. With 1,200 researchers and 130 field research vehicles, CoStar's team makes calls to property managers; reviews court filings, tax assessor records and deeds; visits construction sites; and scans the web to uncover nearly real-time market changes. More at www.costar.com.

IBISWORLD

IBISWorld is one of the world's leading publishers of business intelligence, specializing in industry and procurement research. Through its detailed industry reports available at 5-digit NAICS level, IBISWorld provides insight into market conditions for targeted industries, helps to identify major suppliers or supply chain, and provides an understanding of competitor activity. More at www.ibisworld.com

AMERICAN COMMUNITY SURVEY (ACS), U.S. CENSUS

The American Community Survey (ACS) is an ongoing statistical survey by the U.S. Census Bureau that gathers demographic and socioeconomic information on age, sex, race, family and relationships, income and benefits, health insurance, education, veteran status, disabilities, commute patterns, and other topics. The survey is mandatory to fill out, but the survey is only sent to a small sample of the population on a rotating basis. The survey is crucial to major planning decisions, like vital services and infrastructure investments, made by municipalities and cities. The questions on the ACS are different than those asked on the decennial census and provide ongoing demographic updates of the nation down to the block group level. For more information on the ACS, visit <http://www.census.gov/programs-surveys/acs/>

LOCAL AREA UNEMPLOYMENT STATISTICS (LAUS), U.S. BUREAU OF LABOR STATISTICS (BLS)

The Local Area Unemployment Statistics (LAUS) program estimates total employment and unemployment for approximately 7,500 geographic areas on a monthly basis, from the national level down to the city and town level. LAUS data is developed through U.S. Bureau of Labor Statistics (BLS) by combining data from the Current Population Survey (CPS), Current Employment Statistics (CES) survey, and state unemployment (UI) systems. More information on LAUS can be found here: <http://www.bls.gov/lau/lauov.htm>

ONTHEMAP, U.S. CENSUS

OnTheMap is a tool developed through the U.S. Census Longitudinal Employer-Household Dynamics (LEHD) program that helps to visualize Local Employment Dynamics (LED) data about where workers are employed and where they live. There are also visual mapping capabilities for data on age, earnings, industry distributions, race, ethnicity, educational attainment, and sex. The OnTheMap tool can be found here, along with links to documentation: <http://onthemap.ces.census.gov/>.



APPENDIX B
Arrowhead Gateway Plan

Placemaking Strategy

This appendix explores unique opportunities and strategies for creative placemaking and heritage-based tourism in the Arrowhead Gateway neighborhood.

Appendix





Creative placemaking

Until recently, arts and culture organizations have been overlooked as potential anchors to community revitalization. However, in recent years, along with the Creative Placemaking movement, cultural strategies have become powerful tools that augment traditional community development.

Hartford's culture has always been a powerful current locally as well as nationally. As discussed in Chapter 3, in past centuries Hartford was a crucible of culture that influenced many aspects of American life, and institutions like the Wadsworth Atheneum and The Bushnell have been leading lights for generations.

In the middle of the 20th century Hartford lost much of its historic built fabric to urban renewal and highway building. However, the culture of the city never lost ground, but surged forward with downtown's many signature cultural venues, which are stronger than ever. Nevertheless, there are even more cultural undercurrents, which are less visible and harder to find, but which spring from the rich and diverse neighborhoods across the city.

To quote from the 2019 Greater Hartford Arts Landscape study: "Focus group participants emphasized that artists have to be

“Cultural creativity may well be the driving force of community revitalization in the 21st century.”

– Rip Rapson, President and CEO, Kresge Foundation

entrepreneurs to flourish in Greater Hartford, and that success in Hartford is harder to achieve than in other communities. There is no dedicated arts service organization for artists of any genre. Many artists, especially young artists, have worked to create infrastructure themselves. Individual artists are constrained from reaching the next level by a lack of money and space.”

The study also found that LatinX artists lack any place with a mission to showcase their talents; the same study found that people of color and foreign-born and especially LatinX people are underrepresented in the arts workforce.

The city can help support this remarkably diverse culture, which has particular strengths in music, visual arts, food, and food entrepreneurs. Creative placemaking

is an intentional approach to cultivate and highlight culture in a strategic way to uplift neighborhoods and the city as a whole. Within the Arrowhead Gateway study area, there is a strong culture of artists and food entrepreneurs. By embracing artists from across the city, there is the opportunity to create a cultural nexus and anchor destination within the neighborhood that serves the whole city and that is unique to the region.

Surveys and community interviews done through the Arrowhead Gateway project support the idea that local culture is paramount to community members as well as partners and stakeholders. For example:

- The top assets identified were parks, historic character, the diversity of people, and community resources and nonprofits
- The most desired activities were outdoor festivals or concerts, gatherings with family and friends
- There is a strong desire to center future developments around ethnic food and local entrepreneurs, as well as supporting the local arts scene

Arts and culture is a bridge between diverse communities who might not otherwise intersect, especially through food and music, according to research. These cultural elements can anchor the Arrowhead Gateway, strengthen the neighborhood socially and economically, and create a distinct destination that welcomes visitors to experience Hartford's diversity.

“We must tell the complex stories of Hartford’s unique past, from pre-history to the Native American era to the past four centuries. And we must connect people across four seasons through sports, parks, arts, history, and nightlife.”

– *hartford400* (<https://hartford400.org/play400/>)

Placemaking Opportunities:

The investments to be made in the Arrowhead Gateway offer a unique opportunity to draw together Hartford arts and culture organizations and their funders to anchor neighborhood development. We hope that city leaders and community and economic development practitioners will consider Hartford arts and culture organizations as anchor institutions alongside hospitals, universities and corporations. Hartford's iQuilt plan suggests ways to reknit that fabric, with the downtown's cultural assets at the center. The Arrowhead Gateway plan has the potential to connect to these efforts and extend them to adjacent neighborhoods as iQuilt enters its second decade.

How Culture Builds Healthy Equitable Communities

An excerpt from WE-MAKING, a report by the Kresge Foundation

Healthy, equitable communities are places with strong social cohesion. Social cohesion is when individuals feel and act as part of a group that is oriented toward working together.

Research suggests that **social cohesion may be a “protective” factor for low-income and racially diverse communities that leads to positive health outcomes.** Place-based arts and cultural strategies can help grow and amplify social cohesion for community well-being. This is done particularly through strategies that:

- Build and share power through community ownership, which means that organizational partners should engage community members in decision making and the creative process.
- Connect people across difference: arts and cultural strategies, from food to storytelling, can spark conversation among diverse participants and open paths to collaboration.
- Include all types of community members: involving socially isolated and excluded community members in arts and cultural strategies can “move the dial” significantly in addressing health disparities for these populations.
- have a consistent presence in the community: cultural institutions that consistently invest in building relationships and community capacity can have the most impact over time.
- Align with community change goals to reinforce desired impacts: partnerships between arts and cultural practitioners, public health professionals, and the community development field offer immense potential to make progress toward equitable community well-being.

Four key concepts link place-based arts and cultural strategies to social cohesion:

- Arts and cultural activities contribute to place attachment by offering rewarding experiences tied to place and community. This increases people’s sense of belonging and builds relationships.
- Place-based arts and cultural activities can foster connections, networks, and understanding among community members, which builds social capital.
- Place-based arts and cultural strategies provide an accessible way for community members to engage with one another and offer a lower bar to entry compared to other civic engagement strategies. For those who have been actively excluded from civic life—unhoused populations, individuals with substance abuse disorders, youth, and incarcerated individuals—arts and cultural activities can offer civic participation when other avenues might be closed.
- Place-based arts and cultural strategies can be used to affect individuals’ mindsets toward the “common good.”

However, social cohesion alone does not lead a community all the way to these impacts. **Social cohesion enables coordinated organization and activity. The development of shared values, collective efficacy, and collective action are the next “steps” of the process** toward achieving equitable community well-being. Place-based arts and cultural strategies contribute to and amplify a feedback loop that builds equitable community well-being.

1 // A Proudly Ethnic Neighborhood



Culture can be expressed in the built environment through design treatments, programming, and commerce, all coordinated to convey a certain brand identity. Community identities are strengthened when interactions among people, places, and their historic and cultural roots are reinforced and encouraged.

The Arrowhead Gateway study area is a complex quilt of ethnicities, but it is currently a torn fabric. Stitching this together into a more continuous and legible landscape will help the community develop as a destination that serves a much broader clientele. With its location on a major artery into downtown and anchored by the ballpark, the Albany Avenue and Main Street corridors offer an opportunity to be branded with an ethnic or cultural identity that marks a very visible and vibrant economic landscape.



Case Study

The East Oakland Black Cultural Zone promotes community health and celebrate the area's Black cultural heritage, providing space and educational opportunities for youth, and support Black-run businesses. It also offers anti-displacement counseling and services for local community members and utilizes real estate development as a strategy to achieve this goal. The Black Cultural Zone is creating a cultural activation space to include artmaking and cultural programming, a farmers' market, and a community visioning process for a permanent development on the site. Using culture as the driving force that can bring community together, the BCZ uplifts and celebrates Black cultural traditions and innovations--stories, blues/jazz/hip hop; dance; theater and visual arts.

2 // Arts and Culture Anchor Space



Hartford has an unusually large proportion of arts organizations that are community-based – small organizations that struggle for visibility and are often at a disadvantage in the competition for grant dollars. Giving them a central place where they can access space and run programs will help them on both fronts – making them more visible to patrons as well as to potential funders. Although the City lacks any significant funding to support arts organizations in a granting capacity, its real estate assets can be combined with other partners to magnify impact of all those involved.

Actions:

- Create a new anchor space for community-based arts and programming, with a potential focus on music, food, visual arts, and/or performance.
- Include a coworking space that offers shared facilities for artists, such as studios, a darkroom, a blackbox theater, and a recording studio. There is currently nothing comparable in the region.
- Offer community programs for youth and adults, engaging them in their community and building a sense of empowerment and belonging.

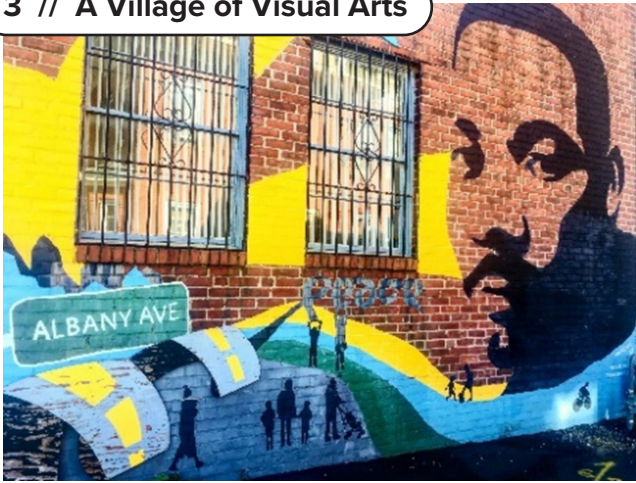


Case Study



The Northampton Community Art Trust's mission is to serve the community by acquiring and protecting spaces for creative work. Their 33 Hawley building is flexible enough to program multiple simultaneous events and activities in four broad categories: community classes and workshops in visual arts, theater, dance, media and other disciplines; arts exhibitions, dance, theater, and music performances, film screenings; generative research and process; and revenue-generating rentals to individuals or groups. According to the Trust, "Our assumption is that imagination is essential to the creation of a future we will want to inhabit and that a thriving arts community inspires and nourishes such community imagination. It is therefore incumbent on a responsible citizenry to take steps to secure permanently affordable spaces for creative work within a community."

3 // A Village of Visual Arts



Engaging artists to adorn the Arrowhead Gateway will give it a distinct identity and foster exciting activities that will engage residents of all ages. The existing fabric of buildings and spaces are a canvas on which local artists can go to work, partnering with programs like Rise Up for Arts and the Greater Hartford Arts Council.

Actions:

- Use of Murals, a street mural festival, painted basketball courts, and artist designed streetscape features are all examples of potential treatments that can be implemented over time.
- The creation of “ethnic storefronts” designed with murals and bright colors to build on a grassroots activity already taking place in Hartford (as documented by photographer Pablo Delano). Establishing a program to bring artistic flair to help local retailers will strengthen their presence while improving their marketability to a wider audience. This effort could be implemented as part of the hARTford Love Initiative.



Case Study



The Village of Arts and Humanities, in Philadelphia, is a 30+ year old arts organization that provides arts-based opportunities for self-expression and personal success that engage youth and their families, revitalize physical space, and preserve black heritage. In addition to arts programming with local residents, it hosts public artists from around the world for six to nine month residencies, during which they also work with community members. This approach has gradually helped to transform a once-blighted neighborhood into an art attraction and has attracted people and investment back to the area.

4 // Music and Performance



“Music connects us with other people as almost nothing else can, across language barriers, across social and cultural and economic divides.”

– Elizabeth Cawein, of Music Export Memphis

Many people think the City of Austin was always a capital of live music, but there was intentional effort put in to strengthen and brand the downtown scene. Hartford has a vibrant music scene that spans from live jazz to drill and drum, and residents attend music events at a higher rate than almost any other arts and culture event. On the other hand, dance is in serious decline (Greater Hartford Arts Landscape Study). Since music and dance are often such a central part of cultural and ethnic expression, a focused effort to bring them to the public spaces of the Arrowhead Gateway would be a strong strategy for engaging all kinds of people from the community.

More youth activities and programming are one of the most consistently referenced needs based on responses to our community survey and our community outreach. Hartford’s Proud Drill, Drum, and Dance Corp is one example of an organization that brings music and dance programming to young people ages 5-24 through its programs in neighborhoods and in schools.

Actions:

- As part of the Arrowhead Gateway redevelopment, provide dedicated indoor and outdoor practice and performance space for local groups like Hartford’s Proud Drill, Drum, and Dance Corp, who focuses on youth.

5 // Food culture



Food culture stands out as both a marked strength in the Arrowhead Gateway area and a pronounced opportunity. Jamaican and Puerto Rican restaurants already offer great food, but there remains a deep well of talent to tap – entrepreneurs who may be selling fresh juices from the back of a car or who may want to expand their operations and move into a larger space. Ethnic food can also be a major attraction to people in the region, especially if it's offered and organized in a welcoming environment. The Arrowhead Gateway can capitalize on this opportunity, and pair it with other visitor destinations like the Dunkin' Donuts ball park.

Actions:

- Restaurant/Retail mix: One of the biggest determinants for attracting diverse audiences is to offer the right mix of retail and activities, as well as the way these products are displayed and priced. A customer base both from the neighborhood and from the whole city can be grown very significantly at Arrowhead Gateway. The market study conducted for the Arrowhead Gateway shows potential for several new restaurants in the area.

- Street food and sidewalk vending should also be promoted, in sanctioned areas and under guidance from the city. A street food program can create opportunities for more food entrepreneurs and kick-start positive activity in the short term. Designated public areas for such vending can also be designed to play up the Jamaican and Puerto Rican cultural identity through choice of colors, landscaping, lighting and other urban design elements.
- In a similar vein, food trucks can be grouped for greater impact in regular events that draw people together in a festive atmosphere. International Hartford currently runs a One World Market program that provides opportunity for immigrant and minority populations to sell their food via food trucks. Currently they operate food truck courts at two locations.
- Arrowhead Plaza is a proposed new public space on Anne Uccello Street, which would be a prominent site appropriate for outdoor dining.
- A shared commercial kitchen would support the many existing and potential food entrepreneurs in the neighborhood and the region.

6 // Public Programming



Arts and cultural programming provides education about the historical and cultural context of a community and creates opportunities for participation in community life through festivals, events and performances, interactive classes and workshops, and a variety of other activities.

Potential programs for public spaces:

- Outdoor concerts
- Public art projects that engage members of the community
- Block parties and dances (e.g., Salsa in the Street) with live music from local musicians
- Outdoor barbecues, in collaboration with the Public Safety Complex
- Festivals in collaboration with local community groups (e.g. San Juan Center)
- Art programs and after-school activities
- Pop-up shops – Hartford has a growing pop-up scene, including “Sto”, which features artists, paint-parties, beading/ Waist beads, candle makers, and other micro entrepreneurs.
- Farmer’s markets in collaboration with the Keney Park Sustainability Project and network of urban farmers
- History tours

7 // Parks and gathering places

Parks are an unexplored asset in the Arrowhead Gateway and can anchor social and economic development. Success will depend on not just maintenance but also organized activities and programs. In neighborhoods where both parents work or where crime is a concern, many parents won't allow their kids (especially girls) to go to a park unless there is adult supervision.

Actions:

- The City of Hartford should consider offering organized recreation activities with on-site supervision. An afterschool program would be an additional component that could serve the neighborhood and Capital Preparatory Magnet School (Capital Prep).
- A community garden and “casita” can be a central element for a neighborhood place for socializing, barbecues, music, and gardening, adjacent to the proposed Center for Puerto Rican Diaspora at the Sacred Heart Church.
- Play areas and play features can be distributed throughout the Arrowhead Gateway and integrated with other activities so young people can benefit from exposure to community arts and culture. Combining play areas with uses and comfort for parents will be essential to helping attract families and users of all ages, and an adjacent daycare facility would also increase access for families and children. Capital Prep is a potential partner in designing, developing and programming an educational play space, as they have previously investigated playscapes that reinforce STEM with young people (3rd - 6th grade).
- Family picnic areas. Many urban populations lack sufficient park spaces for group picnics. Group picnics are particularly popular among the Latinx community, but also with many other groups.
- Shared-use sports fields should be established to the north side and adjacent to Capitol Prep to benefit both the school and the community.
- Another potential programming partner is the Public Safety Complex, which has a large presence in the neighborhood and benefits from strong ties to the community. Examples of programs they could lead include: community barbecues, basketball tournaments, or a “Sprinkler Beach” in one of their parking lots.



Case Study



Sprinkler Beach is a pop-up project that transformed a parking lot into a water park by painting an ocean on the asphalt and setting up sprinklers. It was led by the Sullivan County (NY) Planning Department, Village of Monticello Department of Public Works and Fire Department, and Center for Workforce Development's Youth Program.

Potential Partners:

Community organizations, both nonprofit and for-profit:

- Local churches and organizations
- The San Juan Center
- Local universities (e.g., UCONN)
- Trinity Health
- Local Initiatives Support Corporation (LISC)
- Friends of Keney Park
- Keney Sustainability Project
- Community Renewal Team
- Public Safety Complex
- Capital Prep
- Wilson-Gray Youth and Family Center (YMCA)
- Knox Hartford

State and local arts organizations:

- City of Hartford, Commission on Cultural Affairs
- Greater Hartford Arts Council
- CT Office of the Arts
- Commission of Cultural Affairs
- Rise Up for Arts

Foundations and funders:

- New England Foundation for the Arts' Public Art Grants
- Kresge Foundation
- Robert Wood Johnson Foundation
- Centers for Disease Control
- Local and State health departments and orgs
- Local corporations
- Institute for Living
- Artspace Projects, Inc., real estate developer for creative communities

“Rather than standing outside the community development fence line and looking in, arts and culture can step inside it and join a multitextured fabric of land use, housing, transportation, environmental, health and other systems necessary for stronger, more equitable and vibrant urban places.”

– Elizabeth Cawein, of Music Export Memphis



Heritage tourism

Hartford has a history equal to great cities like New York and Boston. And yet, it's a story that is relatively unknown, preventing the city from receiving the recognition it deserves.

In fact, the story of Hartford is the story of America, tracking the highs and lows of the birth of our democracy, creation of the American identity, urban renewal, segregation, and more. These powerful American themes come into particular focus in Hartford, partly because of the rise of leading thinkers and activists who lived here, and partly because of the fallout from urban renewal and racist policies of the 20th century.

Exploring these themes is particularly relevant to our current moment in history, as democratic norms and institutions are being tested and threatened, and as the country races forward to become more diverse even while many members of the Black, Indigenous, and people of color (BIPOC) community face increasing discrimination.

The dramatic, at times heart-breaking history of Hartford can be told in a way that has not been done before, which has the potential to become a distinguishing feature and attraction for years to come.

Placemaking Opportunities:

1 // A Center for the Hartford Story

The city would do well to establish a central point to interpret Hartford's role in the American cultural landscape, from early democratic ideals and abolitionism to segregation and urban renewal; from the city parks movement to the creation of the national parks and the environmental movement; from suburbanism to the Great Migration and the diversification of our country. An interpretation center would partner with the City's many groups dedicated to local history, such as CT Landmarks and its Isham-Terry House, but tie them together in a more sweeping narrative of the evolution of America's democracy, its cities, and our struggles to reach our ideals of liberty and justice for all. The Arrowhead Gateway is in a strategic location to house such a Center, from which a number of tours could depart.

An interpretive center would be ideally located in close proximity to the Isham Terry House, on Parcel A between High and Ann Uccello Streets.

2 // Historic Walking Tours

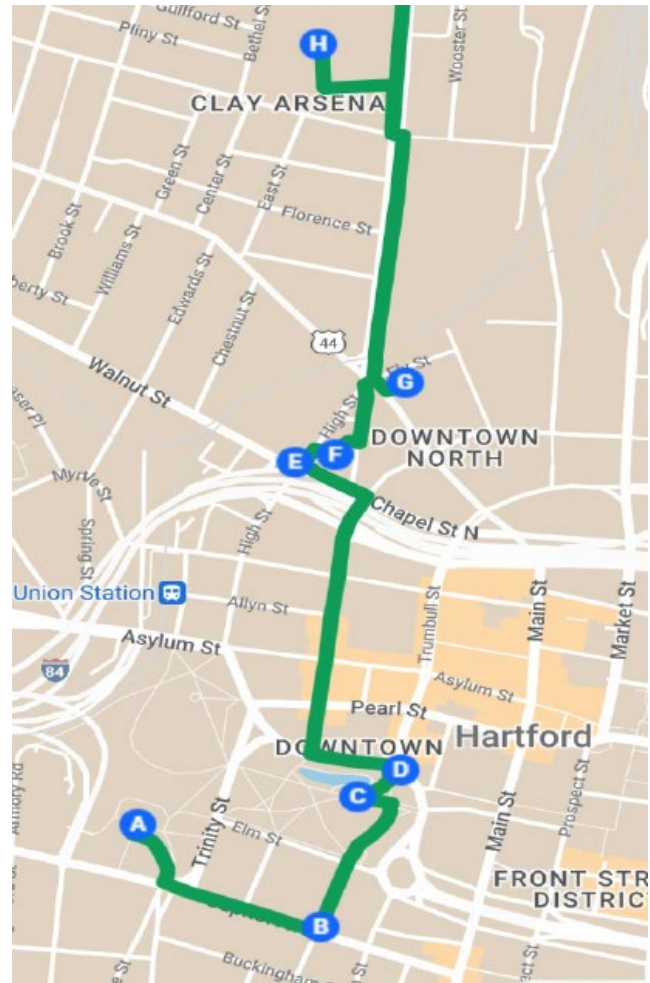


Departing from this center, guided and self-guided tours of the city can be greatly expanded, organized, and interpreted with signage and wayfinding. Developing these tours can also be an educational project that engages local people, high school students, and others, together with local history groups. Some of the tours that already exist or could easily be developed include:

Legacy landscapes tour:

A story that would interest and surprise people from around the country would be the life and work of Frederick Law Olmsted and the landscapes he and his firm created in and around the neighborhood. This includes the site of his birthplace in downtown and that of his boyhood home, as well as his final resting place in Old North Cemetery. The cultural milieu that Olmsted was steeped in were all neighbors and friends who lived nearby, including Frederic Church, Horace Bushnell, Lydia Sigourney, who all lived in close walking distance and who lie buried in Old North and Spring Grove cemeteries. Meanwhile the landscapes designed or renovated by Olmsted, his sons, and Jacob Weidemann are also in walking distance. There are few places in the country that can boast such a rich portfolio of landscapes and personages who had such a lasting influence on America.

Sample itinerary:



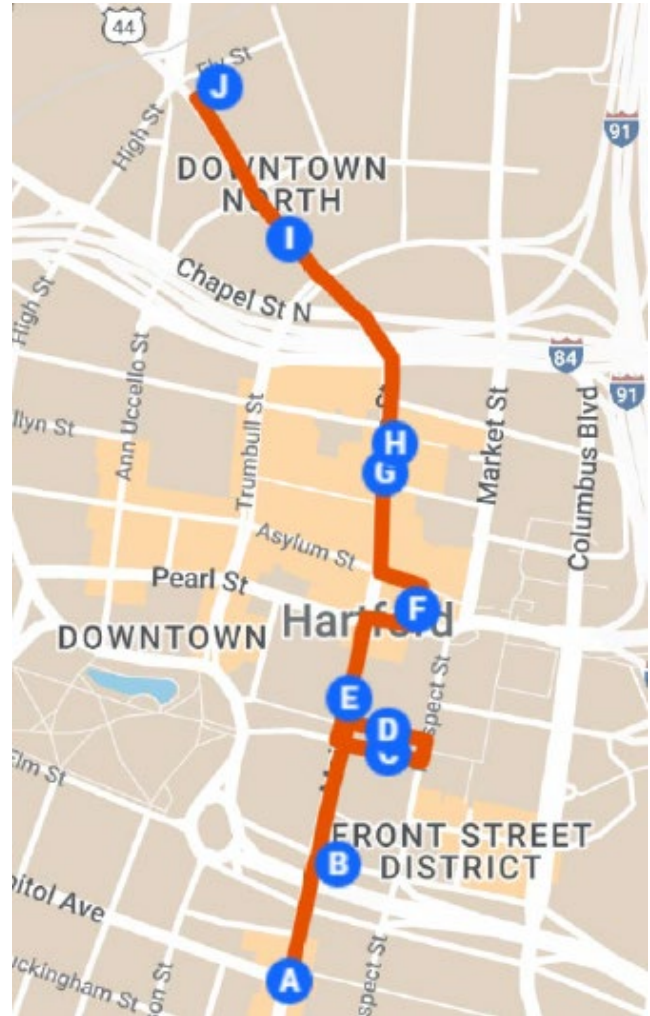
- A. Connecticut State Capitol. Grounds designed by Olmsted
- B. Olmsted Birthplace
- C. Bushnell Park. Inspired by Bushnell, designed by Jacob Weidenmann, and renovations by the Olmsted Brothers, this park marked the birth of the American parks movement
- D. 28 Trumbull St. Frederic Church home and sometime studio
- E. Isham-Terry House. The lone survivor of a once vibrant Hartford neighborhood, the Isham sisters refused to give up their house to I-84.
- F. Potential Interpretive Center
- G. Keney Tower, designed by Olmsted sons.
- H. Burial site of Olmsteds, Bushnell, Frederic Church, and Lydia Sigourney
- I. Keney Park, designed by Charles Elliot of the Olmsted firm



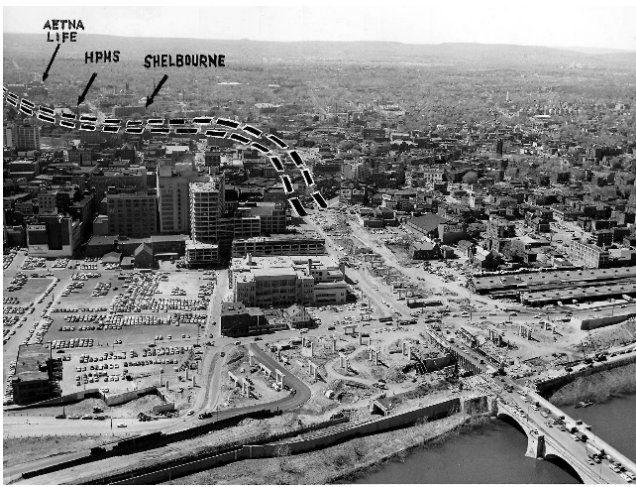
Main Street tour:

From the Butler-McCook House, where four generations of one family experienced the evolution of downtown, to Keney Tower Park, Main Street is rich with history. Highlights include: the nationally renowned Wadsworth Atheneum, along with its Amistad Center relating to Black history and culture; the remarkable Ancient Burying Ground and Center Church; and architectural gems designed by H.H. Richardson, Charles Bullfinch, and Cass Gilbert. Main Street also helps tell the story of a city that has rich diversity of entrepreneurs who comprise a mosaic reflecting the cultural diversity of American cities. As Main Street crosses I-84 it acquires a distinctly different, multi-cultural identity that marks a very visible and vibrant economic landscape. This unique business district, anchored by Dunkin Donuts Stadium, can be a defining element of what it means to a more diverse community.

Sample itinerary:

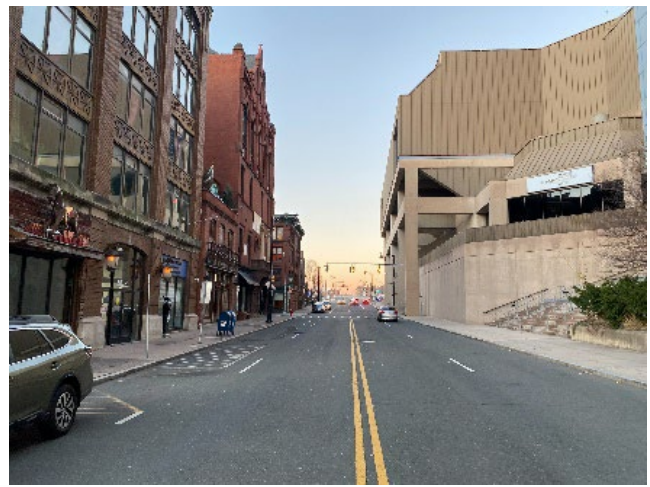


- A. Butler-McCook House & Garden
- B. Hartford City Hall
- C. Wadsworth Atheneum Museum of Art
- D. Travelers Tower
- E. Ancient Burying Ground
- F. Connecticut's Old State House
- G. R. and F. Cheney Building, designed by H.H. Richardson
- H. G. Fox Building, designed by Cass Gilbert
- I. Dunkin' Donuts Park
- J. Keney Tower



Mid-century cities tour:

Almost all American cities suffered damage during mid-century policies such as urban renewal and red-lining. Undoubtedly, Hartford suffered more than most, but rather than bury this history it can be told in a way that inspires and educates. While Hartford continues to struggle with the vestiges of urban renewal and racist policies, it is taking inspiration from other cities around the country which have rebounded and reclaimed urban neighborhoods as livable places. Much of the progress from the last 50 years was through grassroots efforts, such as the Riverfront Recapture initiative in Hartford. In many cities, the highways that clearcut neighborhoods and amplified segregation are being removed to reconnect neighborhoods to each other and in some cases to their waterfronts. Hartford itself is having these discussions around I-84, which did incalculable damage to the health of downtown, its neighborhoods, and its communities. One such effort to remove or redesign the highways of Hartford is Hartford 400, which imagines a realignment that would remove highways from downtown and create 150 acres of prime real estate for development.



Ann Street Historic District tour:

In 1983 the Ann Street Historic District was created to preserve 22 historic buildings before they were torn down. These commercial and light industrial structures all date from the late 19th and early 20th century. In addition to Ann Street, the district encompasses buildings on the intersecting streets of Allyn Street, Asylum Street, Hicks Street, and Pearl Street.

Ann Street is an important link between Downtown North and downtown, leading directly to Bushnell Park. It has several vacant lots and parking lots that hold great potential for urban infill development.



APPENDIX C
Arrowhead Gateway Plan

Small Business Entrepreneurial Strategy

The Small Business Entrepreneurial Strategy provides an assessment of the current business environment in the Arrowhead Gateway and makes recommendations for retaining and supporting small and BIPOC businesses and entrepreneurs in the neighborhood.

Appendix



SUBMITTED TO:

City of Hartford, CT
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Hartford, CT 06103

Small Business Entrepreneurial Assessment and Strategy

ARROWHEAD GATEWAY SMALL AREA PLAN + CORRIDOR STUDY

Hartford, CT

JUNE 2022

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Arrowhead Gateway Small Business Entrepreneurial Assessment and Strategy

In support of the Arrowhead Gateway Small Area Plan + Corridor Study, Camoin Associates conducted a small business entrepreneurial assessment. The purpose of this analysis is to provide the City of Hartford with recommendations for retaining and supporting existing small businesses and entrepreneurs in the neighborhood, with a focus on providing equitable solutions that create an inclusive, resilient, and vital commercial hub in the community.

To conduct this analysis, we interviewed business owners and entrepreneurs as well as business support organizations working in and around the Arrowhead neighborhood. This information was used to assess the current business environment, evaluate the business support network, and identify gaps in small business and entrepreneurial support. The findings from this analysis and recommendations for the City of Hartford are provided below.

ARROWHEAD SMALL BUSINESS ENVIRONMENT

Sometimes referred to as the Insurance Capital of the World, Hartford is known for having a strong tech-entrepreneurial ecosystem, specifically FinTech. The region has also experienced a revival in its key manufacturing sectors - aerospace, advanced metals, and food and beverage - which is driving new startup growth and innovation in these sectors.

The entrepreneur and small business environment in Hartford's Arrowhead neighborhood, however, has a much different vibe than the high-growth, highly competitive tech and manufacturing environment and is somewhat isolated from downtown Hartford's 'mainstream economy'. First, most of the entrepreneurs in the Arrowhead Study Area are traditionally underrepresented founders, including women and/or Black, Indigenous, People of Color (BIPOC), which is a reflection of the rich racial and ethnic diversity of the neighborhood. These local entrepreneurs tend to own and operate community-based businesses in retail, food, and service sectors that accentuate the neighborhood's culture and sense of place.

The general trade area for study area businesses (i.e. where the majority of their customers come from) is relatively small, just a few mile radius around their storefronts. Many of the founders interviewed have deep roots in the local community, and those close personal networks serve to drive most of their sales. As such, social media platforms and digital networks are very important to these businesses for communicating with their intimate customer base. The businesses also generate new customers who are drawn to the area by notable anchors like Dunkin' Donuts Park and, during their visit, explore the small business community. Despite their proximity to downtown Hartford, most study area businesses are not seeing many customers come up from downtown and feel there is additional potential to tap into that market.

Interestingly, of the businesses we spoke with, over half opened just within the last 12-24 months, after the coronavirus pandemic began, and are therefore still very much in startup mode – establishing the business and ensuring survival. None of the startup businesses we spoke with used any publicly available funding to kickstart their venture and very few were engaged with any technical support programs.

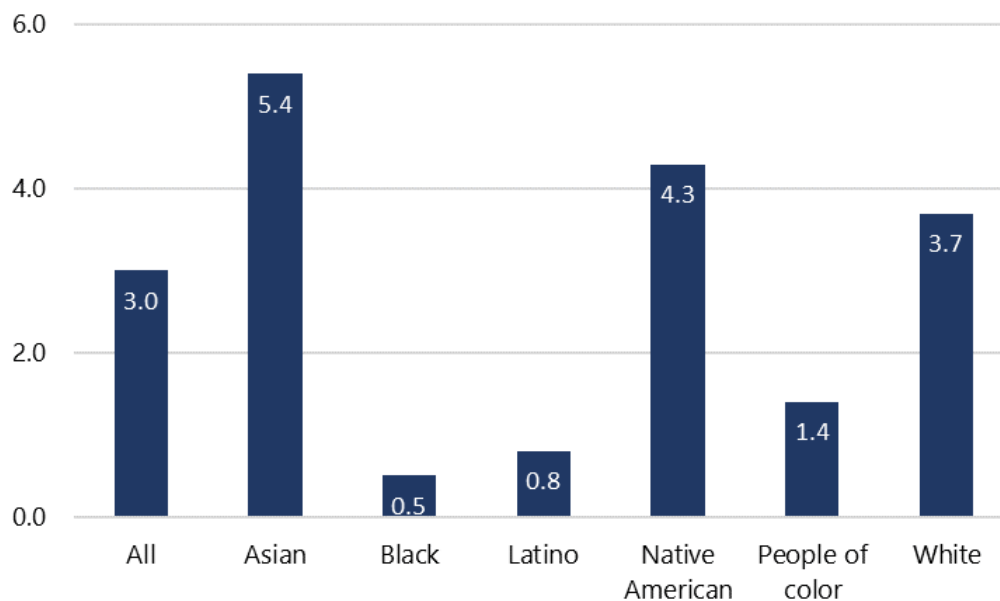
In addition to the main street businesses with physical storefronts, there are many entrepreneurs in the Arrowhead neighborhood that have side-hustles selling homemade goods, like food, art, and clothing. These entrepreneurs tend to have a multi-channel approach to reach their customers that includes online sales, attending fairs and pop-up events in and around the city, and/or selling directly out of their homes, food trucks, or personal vehicles. The Sto, which is a pop-up event that was started in late 2021 and held

semi-monthly at the Swift Factory on 60 Love Lane (about 1.5 miles north of the study area), is one local example of where small businesses and entrepreneurs from the community and region come together in a shared space to create a temporary marketplace with the critical mass that attracts shoppers from the community, across the city, and from the greater Hartford region.

REGIONAL ECOSYSTEM

Business ownership in Greater Hartford – the Hartford-West Hartford-East Hartford Metro – varies significantly by race and ethnicity. For firms with paid employees in 2017, there were 0.5 Black and 0.8 Latinx-owned firms per 100 workers, compared to an average of 3.0 for all race/ethnicity groups. This indicator tells us that there is still work to be done when it comes to removing barriers to ensure that Black and Latinx residents can start and grow successful businesses in the region.

Firms with paid employees (per 100 workers) by race/ethnicity, Hartford-West Hartford-East Hartford, CT, 2017



Source: [Annual Business Survey and NES-D series; Survey of Business Owners; American Community Survey | Business Ownership | National Equity Atlas](#)

SMALL BUSINESS SUPPORT SYSTEM

Hartford has strong assets for new and growing businesses, some of which include:

- City of Hartford Small Business & Community Development
www.hartfordct.gov/Government/Departments/DDS/DDS-Divisions/Small-Business-Community-Development
- U.S. Small Business Development Center (SBDC): Connecticut District Office, Hartford, CT
www.sba.gov/offices/district/ct/hartford
- ReSET – Social Enterprise Incubator/Accelerator
www.resetco.org

- SWIFT – Offices, CoWorking, Commercial Kitchens
www.swiftfactory.org
- Entrepreneurial Center & Women’s Business Center at the University of Hartford
www.hartford.edu/academics/schools-colleges/barney/about/centers-and-institutes/entrepreneurial-center
- MakerSpace CT
makerspacect.com
- International Hartford
interhartford.org
- Greater Hartford Chapter of SCORE
greaterhartford.score.org
- Startups and Scholars
www.startupsandscholars.com
- Breakfast Lunch & Dinner
www.breakfastxlunchxdinner.com
- Hartford Economic Development Corporation (HEDCO)
www.hedcoinc.com
- Connecticut Innovations
ctinnovations.com

Additionally, there are many statewide organizations focused on supporting and promoting under-represented entrepreneurs and business owners. Some of these include:

- Dept. of Economic and Community Development (DECD) Minority Business Funding
portal.ct.gov/DECD/Content/Business-Development/05_Funding_Opportunities/Minority-Business-Funding
- The Black Business Alliance & Black Owned Connecticut Business Directory
www.bbusinessalliance.org & www.blackownedct.com
- SHOPBLACKCT
www.shopblackct.com

Note: This list is a small selection of the numerous programs and organizations working in and around innovation, entrepreneurship, and small business development. Additionally, Hartford and the State contain many organizations and programs supporting innovation and new ventures in high-tech, high-growth, high-wage sectors like advanced manufacturing, bioscience, and bluetech.

Accessing these support tools and networks can be a challenge for entrepreneurs in the Arrowhead neighborhood. Some are working outside of the sectors the programs target and others are simply not aware that the resources exist.

Additionally, many prospective entrepreneurs in the Arrowhead neighborhood face higher barriers to entry with challenges related to poverty, illiteracy, skills, mental and physical health, access to childcare, transportation, etc. In order to create a robust entrepreneurial and small business ecosystem in the Arrowhead, a wholistic 360 degree approach is needed. Services and initiatives that focus on quality of life and wellness must be integrated fully into the small business support system.

GAPS IN THE LOCAL ENTREPRENEURIAL SUPPORT SYSTEM

In speaking with entrepreneurs, small business leaders, and service providers in the Arrowhead neighborhood, we identified opportunities to increase support for local business starts, retention, and growth:

- **Access to Technical Assistance** – As noted above, there are many resources available in Hartford and the State to help founders in their startup journey, yet we heard that the capacity of these programs is limited and not necessarily reaching the Arrowhead neighborhood. Local entrepreneurs, small businesses, and prospective entrepreneurs in the community need basic knowledge like business planning, financial management, digital literacy, how to establish a business, where to apply for trade certificates, etc.
- **City's Capacity to Support Small Businesses** – Many of those individuals we spoke with noted that in their experience, the City does not come across as being business friendly. Specifically, the City's development process is viewed as slow and inefficient, which can deter investment. In addition, it was noted that staff turnover at the City has made it difficult for collaboration with local business service providers who mentioned many starts-and-stops with different initiatives and programs. These issues seem to be the result of a lack of City staff capacity and resources creating an unintended anti-business perception.
- **Access to Financial Assistance** - Despite the concentration of small businesses in the study area, only a handful of Paycheck Protection Program (PPP) loans were issued to Arrowhead businesses; most were issued to public and non-profit entities. This is an indication that the local capital delivery system needs improvement. Local entrepreneurs we spoke with tend to rely on personal savings and/or small bank lending and do not have relationships with the larger financial institutions in the region.
- **Space for Food-Specific Ventures** – The local food sector is among the fastest growing in the region and the Arrowhead neighborhood is an important part of this growth. However, the local infrastructure and service providers are struggling to keep up with demand, especially when it comes to real estate for these ventures. We heard through the interviews that there is rapidly increasing demand for manufacturing and co-packing space, shared kitchen space, and pop-up space for smaller entrepreneurs. We also heard that Hartford's high property taxes can be prohibitive for businesses.

The following section presents strategies to close these gaps for Arrowhead entrepreneurs and small businesses.

OPPORTUNITIES FOR EQUITABLE ENTREPRENEURSHIP + SMALL BUSINESS DEVELOPMENT IN THE ARROWHEAD NEIGHBORHOOD

"Expanding entrepreneurial opportunity leads to more jobs, greater productivity, higher incomes, wealthier communities, and less poverty."

- Victor Hwang, Right To Start

As discussed in the Market Analysis for this project, the Arrowhead neighborhood is among the poorest in the city. A crucial way to develop community wealth, and close the existing wealth gap, is through entrepreneurship and business ownership, which benefits not only the entrepreneurs/owners themselves, but the residents that are employed, trained, and promoted at community-based businesses.

As noted above, there are many initiatives underway that are supporting business growth within the Arrowhead neighborhood. The following recommendations are intended to help the City of Hartford take a larger step into the local business support system and address some of the disparities that exist.

Network the Arrowhead Entrepreneurs into a Micro-Entrepreneurial Ecosystem

Typically, the geography of an entrepreneurial ecosystem is a metro or larger region; however, the Arrowhead and its adjacent neighborhoods have the necessary density, entrepreneurial activity, and energy to become a micro-network connected into the greater Hartford entrepreneurial ecosystem.

At this time, the different community groups and business support organizations tend to work in very small units that are delineated by race/ethnicity, neighborhoods, and even generation. These silos need not to be broken down, as they are fundamental infrastructure for business support; but instead need to be better connected to create channels for resources and information to flow, increase overall capacity, and provide equitable access to the system. An illustrative example of this type of model is emerging locally with the Hartford Culinary Collaborative, which is made up of seven food-industry organizations "working together towards a common goal of establishing equitable pathways for food businesses to grow and thrive in Hartford." (hartfordculinarycollaborative.org)

Defining Entrepreneurial Ecosystems

In the report *Building Entrepreneurship Ecosystems in Communities of Color* from the Federal Reserve Bank of Kansas City, entrepreneurial ecosystems are defined as: "The individuals, organizations, support programs, investors, companies, relationships, policies, environments, spaces and cultures that interactively work together in support of entrepreneurs as they start and grow high growth companies in local communities."

The first step in building an equitable small business support network is to create onramps to the system by starting an Arrowhead neighborhood business engagement program. This is arguably the most important recommendation in this report. By dedicating City staff resources to spend time in the Arrowhead neighborhood talking and building relationships with local businesses, entrepreneurs, and service providers, the City will be able to better understand the needs of the Arrowhead business community and better support businesses to thrive and grow locally by lowering barriers and increasing access.

Economic developers will recognize this as a Business Retention and Expansion Program (BRE), which typically focuses on a community's largest employers in high-growth sectors. However, the Arrowhead Business Engagement Program should be designed to focus on small business owners and entrepreneurs

in and around the Arrowhead neighborhood, as well as organizations that provide technical and financial assistance to local businesses.

A typical BRE process includes:

- **CONNECT** with the business community through business visits, focus groups, and surveys
- **LISTEN** to understand the needs of local businesses
- **IDENTIFY** pervasive problems or trends affecting the business community
- **REPORT** findings from the outreach, including plans for action and outcomes, at least once a year
- **RESPOND** with resources and solutions to help businesses in-need
- **ENGAGE** in ongoing projects and initiatives collaboratively
- **TRACK** and adapt to trends over time

We recommend the use of a Customer Relationship Management (CRM) tool to track and report on engagement, findings, actions, and outcomes.

The type of topics to discuss with local businesses and entrepreneurs include: ¹

- Tell me about your business/idea, what do you sell and who do you sell it to?
- What are your current needs? (Financial assistance, technical assistance, etc.)
- What are your goals and how do you hope to get there?
- Who have been your strongest allies? What programs have you utilized?
- What have been your biggest roadblocks?
- How well does Hartford's infrastructure support your business? (Cover items like internet, childcare, healthcare, utilities, public transportation, etc.)
- Which policies or practices would you change?

Items to discuss with service providers and local financial institutions include:

- What is your mission and objectives for serving the Arrowhead neighborhood?
- What emerging trends are you seeing in the Arrowhead business community? Plans to adapt?
- Where do you see the greatest inequities in the community? Do processes and services serve all businesses equally well?
- Which policies and practices impede underserved entrepreneurs?
- Where do you need support? Where might we collaborate?
- Who have been your strongest allies in your work?

The Arrowhead Business Engagement program will position the City as a liaison and champion for small businesses, connecting them into the business support system that they are currently not accessing and benefiting from.

¹ Discussion topics modified from: *A Roadmap to Inclusive Entrepreneurship: Municipal Action Guide*, National League of Cities, Available at: https://www.nlc.org/wp-content/uploads/2021/12/CS-Inclusive-Entrepreneurship-Action-Guide_v3.pdf.

In addition to connecting Arrowhead entrepreneurs and small businesses with City and partner resources, the secondary role of the program should be to engage with the many service providers (local and state), so City staff are fully aware of all available resources. We also recommend routinely bringing these service providers together to create opportunities for them to work together to address new and emerging needs in the Arrowhead business community.

Creating a network of strong community support for entrepreneurs and small business owners in the Arrowhead neighborhood will encourage others to consider starting businesses in the area.

Build on Food Sector Strength

As detailed in the corresponding Real Estate Market Analysis for the Arrowhead Gateway Small Area Plan + Corridor Study, there are many opportunities for new ventures and business growth in the food and beverage industry and the local entrepreneurial community is responding in a big way. reSET noted that their food incubator program has seen a significant increase in interest from food businesses from all over the state in recent years, and this growth is expected to continue.

While the newly formed Hartford Culinary Collaborative has established a comprehensive network of business support for new businesses in the food and beverage sector, a persistent hurdle for these businesses across the spectrum of growth is finding affordable space, specifically micro-production space, shared kitchen space, and pop-up space for smaller entrepreneurs.

The City can support food-business establishment and growth in the Arrowhead neighborhood by aligning and advancing opportunities in the food sector from the market analysis. Recommendations include:

- Prioritize the emerging food and beverage industry within the Arrowhead neighborhood for City economic development.
- Concentrate on established and emerging food and beverage businesses as part of the new Business Engagement program. Reporting should include a sub-section on the unique needs of ventures from this sector.
- Cut the red tape. Conduct an analysis of local policy and regulations to ensure that the wide range of food businesses are supported in the Arrowhead neighborhood and desired development is encouraged.
 - Go beyond retail and restaurants, include micro-manufacturing and packaging of food items as allowable uses.
 - Consider a streamlined approval process for eligible businesses to shorten the timeline and associated cost of establishing a physical location.
 - Consider a business diversity ordinance to ensure that local businesses don't get pushed out by larger 'chain' businesses as development pressure increases. For example, the diversity ordinance in [Bristol, RI](#), bans large formula businesses of larger than 2,500 square feet in its downtown.²
- Eliminate registration and licensing costs for startup businesses in their first few years.
- Require development projects to reserve a portion of their street-level space for locally-owned businesses in the food and beverage sector.

² See the Institute for Local Self-Reliance website for additional examples of formula business restrictions: <https://ilsr.org/rule/formula-business-restrictions/>

- Lead coordination between the Culinary Collaborative, local property owners, and developers to create places and spaces for food ventures to thrive.
- Create an economic development incentive and/or tax relief program aimed at accelerating growth of new food and beverage businesses in the neighborhood.
- Celebrate the local food and beverage businesses in the neighborhood by increasing marketing and promotion of current offerings, and promote opportunities for growth and investment.

IDEA SEED: Startup Business Plan Competition for Real Estate

One tactic that has been used in communities to help startup businesses establish, and succeed in, physical retail locations is to run a business plan competition where the winners are gifted retail space and wrap-around services provided by local businesses and service providers. While labor-intensive, these initiatives build an incredible amount of excitement and community pride for startup businesses.

A key element of the program is requiring that all the competitors participate in a business training program in advance of the pitch competition. This is typically a multi-week series of courses that cover the basics of business planning, launch, management, marketing, finance, etc. These courses level the playing field and create the ability for founders who don't have past business experience to compete in the competition, as well as gain valuable skills and knowledge to help them succeed in the future.

Examples of past startup business plan competitions that have been successful include [Retailent Rochester](#) in Rochester, NY and the [Main Street Challenge](#) in Biddeford, ME.

Target Financial Support to the Arrowhead Neighborhood

Perhaps one of the most voiced concerns of local entrepreneurs and small business owners is their limited ability to access capital resources to start and grow their ventures. The time is now to radically change this issue. 2022 presents a once-in-a-lifetime opportunity to invest in inclusive entrepreneurship. Several significant federal programs are directing capital to communities to support inclusive small business recovery including the State Small Business Credit initiative, the second round of the American Rescue Plan Act (ARPA) funds, and opportunities for Minority/Women-owned Business Enterprises contracting found in the new Infrastructure Investment & Jobs Act.

Hartford's City leaders are in a unique position to take action to lower the barriers to access to capital by working with partners to create a loan or grant program focused on supporting entrepreneurs and businesses in the Arrowhead neighborhood. Additional work is needed to assess the specific capital needs of small businesses in the community; however, based on the preliminary research conducted for this study, the following should be considered:

- Prioritize grants over loans where possible, create a Catalyst Grant program to invest in new businesses
- Create a micro grant program (\$1K-\$15) to help startup and expansion of small businesses

- Any loans should be zero-interest with flexible repayment options, designed to build up credit scores of borrowers
- Use of funds should be flexible, outside the bounds of traditional bank financing
- Explore innovative funding models that retain capital locally – such as profit sharing or revenue-based investing. The Seed Commons is one example of this model (see: <https://seedcommons.org/>). Online crowdfunding platforms, such as Kiva, can support facilitation of these types of programs.
 - Other examples provided by [Right to Start](#) include Collab Capital (Atlanta), 1863 Fund (D.C.), Founders First (San Diego), Indie.vc (Utah), Novel Growth Partners (Kansas City), Earnest Capital, Lighter Capital (Seattle), Capacity Capital (Tennessee), MainVest (online), LocalStake (online), StreetShares (online).
- Consider convening a single-application portal for local entrepreneurs seeking financing. The [Philadelphia Business Lending Network](#) is an example of this model.

For any financial support program, assemble a review committee that is inclusive of people who live and work in the Arrowhead to make award decisions. Add all applicants to a centralized business support database such as a CRM to establish ongoing engagement and future support through the Arrowhead Business Engagement program. Provide technical assistance opportunities to businesses who received funds as well as those who did not.

Ecosystem Building must be Led and Owned by the Community

In all the actions recommended above, the Arrowhead’s entrepreneurs must be at the table as these efforts move forward, not only as advisors but as the leaders in inclusive ecosystem building efforts – redesigning programs and developing new initiatives that are open and welcoming to local entrepreneurs. The disparities that exist today will be worsened without the active engagement and direction of local business owners and entrepreneurs in identifying gaps and designing effective solutions.

A NOTE ABOUT TERMINOLOGY

When talking about race and ethnicity, we fully recognize that there is no ‘one size fits all’ vocabulary. The national discussion about which words are most appropriate to use when talking about individual racial and ethnic groups as well as ‘marginalized’ or ‘underrepresented’ people altogether is complex and evolving.

In all cases, the words we used are intended to acknowledge the experiences of the people in the Arrowhead neighborhood who are entrepreneurs, small business owners, entrepreneur-curious, investors, creators, etc. AND who identify with currently under-supported, and underestimated, racial and ethnic communities.