Market Feasibility Study for the Wall Street-West Avenue Redevelopment Area

City of Norwalk Redevelopment Agency
December 6, 2018
About CERC

• CERC drives economic development in Connecticut by providing research-based data, planning and implementation strategies to foster business formation, recruitment and growth.

• Private, nonprofit organization; founded in 1993

• Funded by utility and telecommunication companies, state contracts, and fee-based services

• Provides research, municipal, business, real estate, and marketing services
  • Research includes demographic, industry, employment, retail, housing, fiscal impact and economic impact analyses for a wide range of private and public clients across Connecticut
Overview

• Research into industry, demographic, housing, retail and employment conditions to determine market and economic support for Wall Street-West Avenue Neighborhood Plan

• Conclusion: Area is very well-positioned to meet the goals of the Neighborhood Plan
Demographic Trends

• Compared Norwalk to Fairfield County and Connecticut on a variety of indicators
  • Data from U.S. Census Bureau, Emsi, Esri

• Key Findings:
  • Norwalk has a higher portion of working-age population as well as fewer families and retirees
  • Norwalk has a greater variety of household types than Fairfield County or the state does
  • Norwalk households have higher incomes than Connecticut but lower than Fairfield County
Demographic Trends: Tapestry Segmentation

• 49% of households within 1-mile of neighborhood:
  - Diverse range of cultures and backgrounds
  - High labor force participation rate and typically employed in white-collar or service jobs
  - Lower incomes and higher housing costs

• 18% of households within 1-mile:
  - Also diverse, but higher incomes (still lower than national averages)

• 28% of households within 5-miles:
  - Older, wealthy, married with no or older children
Housing Analysis

• Compared Norwalk to Fairfield County and Connecticut on a variety of indicators
  • Data from U.S. Census Bureau, Emsi

• Key Findings:
  • Largest components of the existing population consist of young, mobile professionals who are not ready to buy and lower-income, asset-constrained families who may not have the financial means to purchase
  • Consider additional housing options, such as microunits or studio apartments, which could be more accessible financially
Housing Analysis: Norwalk Has Tighter Markets

Housing Vacancy Rates, 2016

Housing Analysis: Norwalk Housing is Expensive

Value of Owner-Occupied Units, 2016

<table>
<thead>
<tr>
<th>Value Range</th>
<th>Norwalk</th>
<th>Fairfield County</th>
<th>Connecticut</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than $100,000</td>
<td>6%</td>
<td>4%</td>
<td>6%</td>
</tr>
<tr>
<td>$100,000 to $199,000</td>
<td>10%</td>
<td>25%</td>
<td>25%</td>
</tr>
<tr>
<td>$200,000 to $299,999</td>
<td>14%</td>
<td>16%</td>
<td>27%</td>
</tr>
<tr>
<td>$300,000 to $499,999</td>
<td>26%</td>
<td>29%</td>
<td>43%</td>
</tr>
<tr>
<td>$500,000 or more</td>
<td>35%</td>
<td>40%</td>
<td></td>
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</tbody>
</table>

## Housing Analysis: Changing Household Numbers

<table>
<thead>
<tr>
<th>Age of Householder</th>
<th>Headship Rate</th>
<th>Number of Households</th>
<th>Change, 2015-2028</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2018</td>
<td>2023</td>
<td>2028</td>
</tr>
<tr>
<td>15-24</td>
<td>7%</td>
<td>783</td>
<td>767</td>
</tr>
<tr>
<td>25-34</td>
<td>38%</td>
<td>4,855</td>
<td>5,570</td>
</tr>
<tr>
<td>35-44</td>
<td>51%</td>
<td>6,036</td>
<td>5,991</td>
</tr>
<tr>
<td>45-54</td>
<td>56%</td>
<td>7,183</td>
<td>6,502</td>
</tr>
<tr>
<td>55-64</td>
<td>55%</td>
<td>6,977</td>
<td>7,062</td>
</tr>
<tr>
<td>65-74</td>
<td>62%</td>
<td>5,029</td>
<td>5,812</td>
</tr>
<tr>
<td>75-84</td>
<td>60%</td>
<td>2,301</td>
<td>2,723</td>
</tr>
<tr>
<td>85 and over</td>
<td>63%</td>
<td>1,243</td>
<td>1,203</td>
</tr>
<tr>
<td>Total Households</td>
<td><strong>34,407</strong></td>
<td><strong>35,629</strong></td>
<td><strong>36,210</strong></td>
</tr>
</tbody>
</table>

- Headship rate refers to percent of population within an age group that is considered head of household
- Young worker and retiree households to increase, while older worker households to decrease
  - Suggests need for smaller, more affordable housing with amenities
  - Also may need different mix of public services
Housing Analysis: Projected Housing Needs in 2030

<table>
<thead>
<tr>
<th></th>
<th>Single-Person Households</th>
<th>Multiple-Person Households</th>
<th>Total by Tenure</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Rent</strong></td>
<td>345-420</td>
<td>390-395</td>
<td>735-815</td>
</tr>
<tr>
<td><strong>Own</strong></td>
<td>440-530</td>
<td>460-630</td>
<td>900-1,160</td>
</tr>
<tr>
<td><strong>Total by Size</strong></td>
<td>785-950</td>
<td>850-1,025</td>
<td></td>
</tr>
</tbody>
</table>

- Norwalk will need more renter- and owner-occupied housing for both single- and multi-resident households in 2030

- **Other findings of note:**
  - Half of young (ages 15-34) renter households in Norwalk have roommates
  - Married couple families in Norwalk are less likely to own their home (than in state)
Industry Analysis

• Assessed each industry in Fairfield County and Fairfield County + New York County on basis of:
  • Employment growth in region and nationally
  • Employment concentration in region
  • Region’s jobs as share of national jobs
  • Job growth nationally
  • Regional employment and income multipliers
  • Average regional wage compared to average regional wage overall
  • If region has a competitive share (i.e., if job growth in industry in region cannot be explained by national industry)
  • Local input

• Data from Emsi
Industry Analysis: Growing Industries with Strong Presence

• Industries have relatively high concentration in Fairfield County and are growing nationally

• Industries:
  • NAICS 454 Nonstore Retailers
  • NAICS 512 Motion Picture and Sound Recording Industries
  • NAICS 519 Other Information Services
  • NAICS 713 Amusement, Gambling, and Recreation Industries

• Design development strategy to retain businesses as they grow
Industry Analysis: Mature Industries with Strong Presence

- Industries have relatively high concentration in Fairfield County but are not growing nationally

- Industries:
  - NAICS 425 Wholesale Electronic Markets and Agents and Brokers
  - NAICS 511 Publishing Industries (except internet)
  - NAICS 515 Broadcasting (except internet)
  - NAICS 517 Telecommunications

- Design development strategy to help businesses retain their local presence
Industry Analysis: Potential Attraction Candidates

- Industries do not yet have strong concentration in Fairfield County but are growing nationally

- Industries:
  - NAICS 312  Beverage and Tobacco Product Manufacturing
  - NAICS 518  Data Processing, Hosting, and Related Services
  - NAICS 522  Credit Intermediation and Related Activities
  - NAICS 523  Securities, Commodity Contracts, and Other Financial Investments and Related Activities
  - NAICS 524  Insurance Carriers and Related Activities
  - NAICS 551  Management of Companies and Enterprises

- Do further research to determine which are best fit for Norwalk and what will encourage them to locate in Norwalk
Industry Analysis: Priority Retention Targets

- Industries have previously done well in region but are demonstrating slower growth in region than nationally

- Industries:
  - NAICS 445 Food and Beverage Stores
  - NAICS 519 Other Information Services
  - NAICS 541 Professional, Scientific and Technical Services
  - NAICS 562 Waste Management and Remediation Services
  - NAICS 621 Ambulatory Healthcare Services
  - NAICS 632 Nursing and Residential Care Facilities
  - NAICS 624 Social Assistance

- Do further research to determine why they are not growing locally and how Norwalk can support them
Industry Analysis: Anchor Industries

• Locally determined key clusters
  • Healthcare
    1. Ambulatory Healthcare Services – strong and growing, but lower multipliers and wages
    2. Hospitals – higher employment multiplier but otherwise ranked low; however, existing hospitals are key anchors in Norwalk contributing to local growth
    3. Nursing and Residential Care Facilities - ranked as Priority Retention Target
  • Science, Design and Technology
    1. Professional, Scientific, and Technical Services - ranked as Priority Retention Target
Retail Analysis

- Identified if retail has:
  - Surplus (attracting sales beyond what resident population would suggest)
  - Develop complementary industries
  - Leakage (retail demand not met locally and residents shopping elsewhere)
  - Encourage retail growth to capture those sales
- Data from Esri
Economic and Employment Analysis

- Compared Norwalk to Fairfield County and Connecticut on a variety of indicators
- Used data from U.S. Census Bureau, CT Department of Labor

Key Findings:
- Norwalk’s employment profile by industry is similar to Fairfield County and Connecticut
- Number of businesses growing but employment declining in Norwalk
- Significant employment in high wage industries

Average Annual Wage in Norwalk, 2017

- Accommodation & Food Services $25,673
- Educational Services $36,128
- Arts, Entertainment, & Recreation $43,615
- Agric., Forestry, Fishing & Hunting $45,249
- Other Services (except Public Administration) $45,912
- Retail Trade $53,256
- Admin. & Support & Waste Management $59,038
- Health Care & Social Assistance $60,925
- Construction $69,393
- Real Estate and Rental & Leasing $92,819
- Wholesale Trade $109,781
- Information $115,688
- Manufacturing $116,821
- Professional, Scientific, & Technical $121,337
- Utilities $150,320
- Management of Companies & Enterprises $192,276
- Finance & Insurance $352,576

Source: State of Connecticut, Department of Labor
Redevelopment Sites
Redevelopment Site 1

370 West Avenue
(former YWCA site)

• Proposed mixed-use focused on health and wellness

• Data supports focus on healthcare for this site, although Professional, Scientific and Technical Services could also be well-situated here

• Convenience retail complementary to healthcare would be suitable on ground floor or nearby
Redevelopment Site 2

West Avenue between Merwin and Chapel Streets

• Proposed infill development with uses that generate pedestrian activity

• Data suggests auto-related leakage, but these businesses generate less pedestrian activity

• Consider growth industries of Nonstore Retailers and Amusement, Gambling and Recreation Industries
Redevelopment Site 3

Wall Street, West Avenue, Leonard and Commerce Street

- Proposed residential development with variety of industries for active and pedestrian-oriented ground floors
- Data supports residential development, especially single family homes although these may not be appropriate density for city center; consider also workforce housing
- Data suggest a number of relevant industries that would be good fits for street-level activity
Redevelopment Site 4

Wall Street between High and Main Streets

• Proposed mixed-use development maximizing connection to park and keeping parking spaces

• Data supports residential development, and park would be significant amenity

• Data suggest a number of relevant industries and retail that would be good fits
Redevelopment Site 5

Library and adjacent sites

• Proposed mixed-use development with new/expanded library that takes advantage of nearby transit hub

• Transportation resources suggest good location for workforce housing

• Data suggest a number of relevant industries and retail that would be good fits
Thank You

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