

Transit-Oriented Development (TOD) Roles, Visioning, Viability, and Tools Analysis

Final Specific Site Report

Newington Junction Station – Newington, CT

Background

For each site, WSP utilized a step-by-step process to determine site fit out and feasibility. Site Selection was determined by extensive review of previous plans, site visits and consultation with the municipalities. The site fit out was done in the context of current and recommended zoning and physical feasibility and constraints of each site. The program was validated by real estate market demand analysis and current construction and real estate cost data. Pro forma financial statements were developed to determine residual land value and perform gap analysis. Organization roles and responsibilities were analyzed, and recommendations developed for each municipality to advance TOD. All of the above analysis was distilled into recommendations for implementing TOD at the eight sites.

Site Selection

Based on input from the Town Planner, there are 6 parcels considered for TOD planning north of Newington Junction Station. The existing land use of the assemblage is predominantly light industrial. An existing historical Victorian home on parcel 2 would be preserved and relocated. Both parcel 3 and parcel 6 fall within two zoning districts with mixed residential and industrial designations. The topography on the east side of assemblage presents a design constraint. Full details for these parcels are listed in Table 1.



Figure 1 – Newington Junction Station TOD Sites

Table 1 – Newington Junction Station TOD Site Summary

	Address	Zoning District	Acreage	Square Feet
1	108 WILLARD AVE	R-7	0.32	13,939
2	112-114 WILLARD AVE	R-7	0.29	12,632
3	116 WILLARD AVE	R-7 & I	1.78	77,536
4	126 WILLARD AVE	R-7	0.53	23,086
5	120 WILLARD AVE	I	0.72	31,363
6	96 WILLARD AVE	R-12 & I	2.31	100,623
		TOTAL	5.95	259,182

These parcels were selected given their proximity to the station and their relative lack of development. The existing industrial and low-density residential zonings do not support TOD planning. The assemblage abuts the Newington Junction Station, which provides a direct link to transit. For these reasons, the six parcels were selected for the TOD exercise. It presents an opportunity to rezone these parcels that are not part of Newington’s TOD district (Transit Village Design District).

Zoning

The assemblage of parcels at Newington Junction Station are zoned as Residential (R-7 and R-12) and Industrial (I). Figure 2 shows detailed existing zoning designations. The study area is characterized by industrial uses. An automotive business, which sits on parcel 3, occupies most of the developable area. Parcel 3 has mixed Residential (R-7) and Industrial (I) designations. Parcel 6 has a mixed Residential (R-12) and Industrial (I) designations.

R-7, R-12, and I zones limit the uses, building height, and density for developments. However, town of Newington has a transit ready form-based code – Transit Village Design District, which promote mixed-use

development in the areas near the train station. This code has been applied to the area near Cedar Street Station in Newington. **All 6 parcels of the assemblage near Newington Junction Station are not part of Transit Village District. There are opportunities to rezone these parcels.**

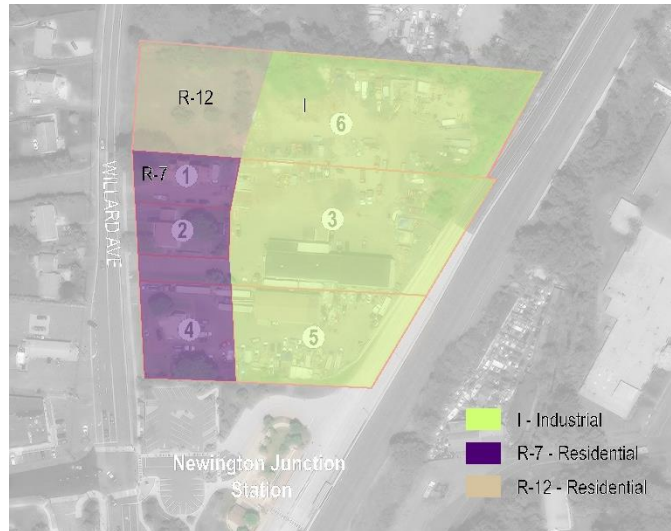


Figure 2 – Existing Zoning on Newington Junction Station TOD Sites

Transit Village Design District

The intent of Newington’s Transit Village Design District is to “inspire a Transit Village, unique in design for Newington, but still consistent with the overall character of the community” (Town of Newington Zoning Regulations, 2022). The Transit Villages has three integrated zones: Mixed Use 1 (MX-1) Zone, Mixed Use 2 (MX-2) Zone, and Civic Zone. MX-1 and MX-2 Zone are more relevant to this test-fit exercise. Both MX-1 and MX-2 promote mixed-use developments but with different intensities. According to the code, MX-2 supports higher density and intensity of mixed-use than MX-1. MX-2 allows a maximum density of 80 units per acre. In addition, the MX-2 Zone is intended to be adjacent to stations, while MX-1 Zone are located within in walking distance to stations. **For these reasons, this test-fit exercise recommends that all selected parcels to be rezoned as part of Transit Village Design District – MX-2 Zone to maximize TOD potential.**

Test-Fit for TOD Development Potential

This test-fit exercise assumes that the study parcels will be rezoned from low-density residential and industrial zones to Transit Village Design District – MX-2 Zone to promote TOD. The topography along CTfastrak Guideway and the northeast corner of Parcel 6 present issues, which reduces total developable area. Figure 3 shows the TOD test-fit design for Newington Junction Station. The test-fit proposes three multifamily buildings (Building A, B and C) in an “L” shaped form along the south and east edges of the assemblage. All three buildings are three stories high. Building A includes commercial space on the first floor and residential units on the upper floors, while Building B and C have residential uses only. The retail pad fronts the station plaza creates an inviting walkway.

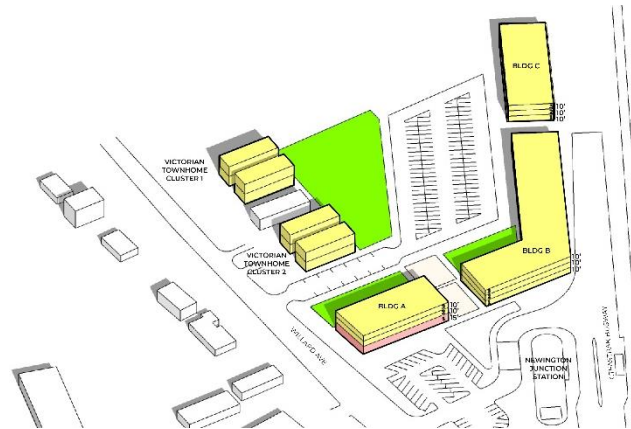


Figure 3 - Newington Junction Station TOD Test-Fit Massing

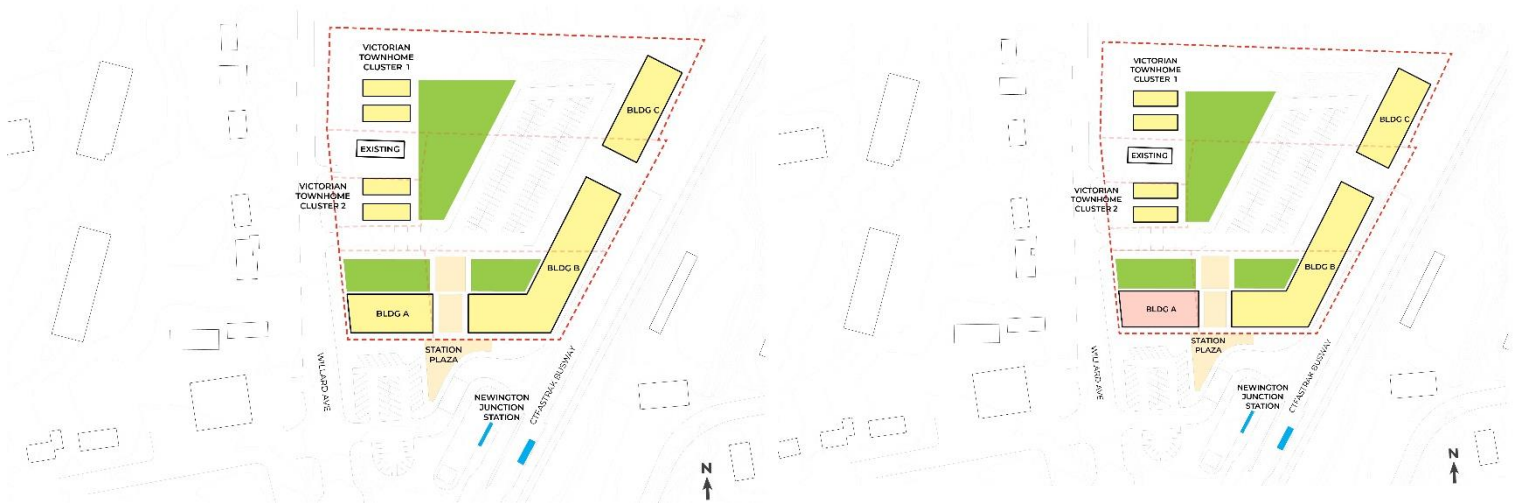


Figure 4 - Newington Junction Station TOD Test-Fit Ground Floor and Aerial Plans

Figure 4 presents the ground floor and aerial plan view of the TOD test fit. The orientations of Building A and B frame an extension of the station plaza. There would be a direct connection from Newington Junction Station to this new mixed-use development. More plaza and green spaces are located at the north of Building A and B. This exercise makes another assumption that an existing historic Victorian house at 112-114 Willard Ave would be moved into a perpendicular position to Willard Ave. The house would also shift to allow for similar townhomes to be built on either side. The townhomes would be designed to match Victorian aesthetics. The green space east of townhomes create a buffer to the large surface parking lot. **Density is concentrated on area along the guideway and adjacent to the station.** The transition from three-story residential buildings along the guideway to townhomes would preserve the

lower-density character in surrounding neighborhood. The parking standard requires a minimum of one space per dwelling unit and three spaces per 1,000 square feet of gross floor area for retail. Parking across the assemblage is accommodated through surface parking at the back of buildings.

Table 2 provides a summary total of the potential development square footage and required parking for the Newington Junction Station TOD.

Table 2 – Newington Junction Station TOD Development Potential Summary

Use	SF	Units	Parking
Commercial	9,170	N/A	28
Residential	130,740	94	96
Total	139,910	94	124

*119 parking spaces are provided on site, with the townhomes having parking on site.

Pro Forma Analysis

Example Building Program

The sample design for Newington includes five buildings, featuring retail on the ground floor with apartments above in one building, three apartment buildings, and two rows of townhouse units. A completed TOD-style development that would be something like this size and configuration in Table 3 below:

Building Program	Building A	Building B	Building C	Building D	Building E
Construction Type	1-3 Story Lumber	1-3 Story Lumber	1-3 Story Lumber	1-3 Story Lumber	1-3 Story Lumber
Primary Building Use	Apartment or Condo	Apartment or Condo	Apartment or Condo	Townhouse	Townhouse
Primary Gross SF	18,340	70,320	33,120	4,480	4,480
Primary Units	14	54	24	2	2
Secondary Building Use	Retail Store(s)	None	None	None	None
Secondary Gross SF	9,170	0	0	0	0
Parking Type 1	Surface	Surface	Surface	None	None
Parking Spaces Type 1	42	54	24	0	0
Parking Type 2	None	None	None	None	None
Parking Spaces Type 2	0	0	0	0	0
Parcel Acreage	0.53	2.50	1.16	1.16	0.29
Assessor's Property Value	\$ 139,810	\$ 574,950	\$ 77,090	\$ 77,090	\$ 177,460
Developer's Return	6.0%	6.0%	6.0%	6.0%	6.0%

Example Building Cost Analysis

Based on market prices at the time of analysis (3Q 2022), construction of 96 residential units and 119 parking spaces, totaling 139,910 total square feet, would cost approximately \$46.7 million to build. This outlined in Table 4 below:

Example Building Program	Building A	Building B	Building C	Building D	Building E	TOTAL
Typical Project Size (Units)	14	54	24	2	2	96
Dwelling Units per Acre	26	22	21	2	7	17
Gross Square Footage	27,510	70,320	33,120	4,480	4,480	139,910
Total Parking Spaces	42	54	24	0	0	119
Building Construction Costs	\$ 9,794,576	\$ 24,212,523	\$ 11,343,938	\$ 655,334	\$ 655,334	\$ 46,661,705
Construction (Hard Costs)	\$ 5,758,760	\$ 15,118,800	\$ 7,120,800	\$ 537,600	\$ 537,600	\$ 29,073,560
Parking (Hard Costs)	\$ 63,000	\$ 81,000	\$ 36,000	\$ 0	\$ 0	\$ 180,000
Entitlement, Services, Commissions (Soft Costs)	\$ 1,670,040	\$ 4,384,452	\$ 2,065,032	\$ 53,760	\$ 53,760	\$ 8,227,044
Site Preparation (Demo, Grading, Infrastructure)	\$ 465,741	\$ 1,215,984	\$ 572,544	\$ 26,880	\$ 26,880	\$ 2,308,029
Operating and Maintenance Costs (10 yrs)	\$ 1,282,624	\$ 2,041,767	\$ 907,452	\$ 0	\$ 0	\$ 4,231,844
Developer profit margin	\$ 554,410	\$ 1,370,520	\$ 642,110	\$ 37,094	\$ 37,094	\$ 2,641,229

Example Building Profit & Loss Model

At current market prices, the example building portfolio would cost approximately \$46.7 million to build. A similar building portfolio would sell for approximately \$33.0 million in the current real estate market, as described in Table 5 below:

Building Program	Building A	Building B	Building C	Building D	Building E	TOTAL
Dwelling Units	14	54	24	2	2	96
Dwelling Units per Acre	26	22	21	2	7	17
Gross Square Footage	27,510	70,320	33,120	4,480	4,480	139,910
Total Parking Spaces	42	54	24	0	0	119
Building Sale Value	\$ 8,948,531	\$ 15,753,744	\$ 7,001,664	\$ 650,000	\$ 650,000	\$ 33,003,939
Building Cost Total	\$ 9,794,576	\$ 24,212,523	\$ 11,343,938	\$ 655,334	\$ 655,334	\$ 46,661,705
Building Sale Value per Square Foot	\$ 325	\$ 224	\$ 211	\$ 145	\$ 145	\$ 236
Building Cost per Square Foot	\$ 356	\$ 344	\$ 343	\$ 146	\$ 146	\$ 334
Residential Section Sale Value per Unit	\$ 291,736	\$ 291,736	\$ 291,736	\$ 325,000	\$ 325,000	\$ 293,122
Residential Section Construction Cost per Unit	\$ 438,906	\$ 423,000	\$ 445,910	\$ 309,120	\$ 309,120	\$ 426,302
Retail Section Sale Value per Square Foot	\$ 530	N/A	N/A	N/A	N/A	\$ 530
Retail Section Construction Cost per Square Foot	\$ 358	N/A	N/A	N/A	N/A	\$ 358
Residual Value ("Land Value")	\$ (846,045)	\$ (8,458,779)	\$ (4,342,274)	\$ (5,334)	\$ (5,334)	\$ (13,657,767)
Residual Land Value per Acre	\$ (1,596,312)	\$ (3,383,512)	\$ (3,759,544)	\$ (4,619)	\$ (18,394)	\$ (2,425,891)
Land Acquisition Cost (Assessor's Most Recent Valuation)	\$ 139,810	\$ 574,950	\$ 77,090	\$ 77,090	\$ 177,460	\$ 1,046,400
Land Acquisition Cost per Acre	\$ 263,792	\$ 229,980	\$ 66,745	\$ 66,745	\$ 611,931	\$ 185,861

Example Building Financial Gap

With an estimated construction cost of \$46.7 million and land acquisition cost of \$1.0 million, compared to estimated sale value of \$33.0 million, WSP estimates a residual value of -\$14.7 million (the “land value”). This residual value indicates that a market-rate developer would require a subsidy of approximately \$14.7 million (about \$27,000 per unit) to build mixed-use, transit-oriented development in the current market, as shown in Table 6 below:

Building Program	Building A	Building B	Building C	Building D	Building E	TOTAL
Financial Profit (Gap) for Project Total	\$ (985,855)	\$ (9,033,729)	\$ (4,419,364)	\$ (82,424)	\$ (182,794)	\$ (14,704,167)
Financial Profit (Gap) per Acre	\$ (1,860,104)	\$ (3,613,492)	\$ (3,826,289)	\$ (71,363)	\$ (630,326)	\$ (2,611,753)
Financial Profit (Gap) per Unit	\$ (132,865)	\$ (66,917)	\$ (159,429)	\$ (35,682)	\$ (315,163)	\$ (27,206)
Financial Profit (Gap) per Square Foot	\$ (36)	\$ (128)	\$ (133)	\$ (18)	\$ (41)	\$ (105)

Roles & Responsibilities

Organizational Structure

Voters in the Town of Newington elect a mayor and eight town councilmembers for two-year terms. Seven regulars and three alternate members are appointed to the PZC by the Town Council. PZC members serve for staggered four-year terms. A Town Planner with professional planning qualifications serves as the administrative officer for the PZC. The Town Planner is a non-elected, unappointed professional who is hired by the Town Manager. Newington’s Zoning Board of Appeals consists of five regular members and three alternates, all of whom are appointed by the Town Council and serve for staggered terms of five years. Newington also has an economic development team which is comprised of public employees from a multitude of disciplines. The team works with developers to foster business and residential redevelopment, reuse and relocation as needed. The economic development team disseminates its knowledge and expertise with developers to streamline local permitting processes as required.

The 2020-2030 Newington POCD developed by the PZC and Town Planner lays out plans for two new CTfastrak locations as well as a new train station. The POCD suggests implementing municipal policy to promote the construction of TODs in the community. In the past there was concern about multi-family housing in Newington including moratoria on the construction of higher-density residential development in the CTfastrak station areas. The moratorium, however, expired in 2016 when TOD regulations for the Cedar Street Station were adopted. The moratorium in the area of the Newington Junction CTfastrak station expired in 2017 and current PZC members are enthusiastic about developing TODs in the community.

Prior Successes and Next Steps

Newington has made and will continue to leverage its existing town assets and location to increase TOD. The community has been sensitive to TOD and large-scale multi-family housing projects. In response, In response, the town utilized approaches to progress TOD and transit projects. First, the site for a TOD project that is being considered has some beautiful historic homes. Newington applied for and received a grant do a planning study and promotion of the area as a historical trail loop. The community supported

the idea of preservation and having a station that promoted tourism for their town. In addition, behind the site, there is an industrial area with underutilized properties. The town of Newington contacted those business and asked if they would be amenable to an overlay district that allowed a better market and return on their dollar. The commercial owners there said yes. By finding innovative ways to promote TOD in the town, the town planners have made the projects more acceptable to the town and more likely to succeed.

Newington will continue to make a concerted effort to educate the community on the benefits of TOD and how to best implement it. They will also continue to leverage the town's assets and location. The town believes this area offers a great opportunity for mixed use due to its proximity to West Hartford and its connectivity to Central Connecticut State University (CCSU). Newington was awarded a multi-purpose trail grant to support a trail from New Britain and terminate in Newington and another that would go from Newington to West Hartford which would connect to the guideway. The ultimate goal would be linking the two trails. Newington will submit an application for an award again for this competitive grant this year.

Implementation Recommendations and Gap Analysis:

A subsidy of \$14.7 million may be too large to be feasible. Waiting for market prices to reach equilibrium (as interest rates stabilize, supply chains return to fully operational, and prices adjust to reflect higher costs) is the advised course of action.

Next step: Begin discussions with landowners on site assemblage for potential future development as well as planning for rezoning to enable TOD at this site.