Welcome to the CEDAS Academy Economic Development Series

Reuse, Recycle, Rejuvenate
2018 CEDAS Academy Webinar Series
Making the most of your existing infrastructure from the ground, up
Register at https://www.cedas.org/

CEDAS Academy is a web-based educational learning series developed by the University of Connecticut Extension in collaboration with the Program Committee of the Connecticut Economic Development Association.
WebEx Housekeeping

● **Today’s webinar is being recorded.** The full recording will be made available to CEDAS members on the CEDAS member portal [www.cedas.org](http://www.cedas.org) within about a week. Slides will be available on request and at [https://communities.extension.uconn.edu/](https://communities.extension.uconn.edu/).

● **Participant audio has been muted to prevent background noise.** You may join the audio by computer or by phone. +1-415-655-0002 Access code: 648 156 441

● **To submit questions, please use the chat box on your WebEx screen** and submit the text to the panelists. We will be monitoring the chat box and will direct your questions to the presenters during our Q&A at the end of the presentation.

● **After you close your webinar window you will be directed to an short evaluation.** Please take a moment to tell us how we did!
Connecticut Economic Development Association, is a not-for-profit organization committed to advancing the practice of economic development within the state of Connecticut. CEDAS encourages communication among its members by providing a forum for discussion and information exchange.
Introducing the 2018 Board of Directors

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www.cedas.org

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Join a Committee!

Program, Professional Development & Events
Policy Development
Membership
Scholarship
Resource & Community Outreach
Communications
How to find us

Follow us on Twitter: @CTCEDAS  Like us on Facebook: CEDAS  Link on LinkedIn: CTCEDAS

Join us: www.cedas.org
Adaptive Reuse of Historic Mills - Resources and Tools

A CEDAS Academy Webinar
September 27, 2018 | 11:00 a.m. - 12:00 p.m. ET

This webinar is free and offered as a cooperative program of CEDAS and the University of Connecticut Extension Program in Community & Economic Development.
Today's Presentation

This webinar is part of our Reuse, Recycle, Rejuvenate Series and we hope you learn:

- The status of adaptive reuse in Connecticut as well as resources, programs and policies that your community can use to get started
- Lessons learned from other communities in working to adapt and reuse an historic structure
- Resources and tools your community can use to engage small or larger scale adaptive reuse of structures
Renee Tribert, Program Manager, Making Places Program, Connecticut Trust for Historic Preservation
Renée Tribert joined the Connecticut Trust as Project Manager of Making Places in 2014, after sixteen years in environmental consulting. She has an MS in Historic Preservation from the University of Pennsylvania, is a published author, and has been curator at the Harriet Beecher Stowe House and collections manager at the New Britain Museum of American Art. Connecticut Trust staff work with preservation and community groups, municipalities, organizations and individuals to identify and provide tools and guidance for preservation.

Jason Vincent, AICP
Jason Vincent, AICP is Director of Planning for the Town of Stonington. Jason worked in both the public and private sectors on various economic development initiatives over the past 22 year. Since 2002, Stonington has approved four adaptive reuse mill projects, providing over 150 multi-family housing units (34 affordable) and enabling over $50MM in private investment.
RESTORING AND REUSING OUR INDUSTRIAL HERITAGE

Renée Tribert

Making Places and Preservation Services
We assist and champion historic places
We protect and invest in historic places

grants
loans
easements
We identify and promote historic places

curremtrust.org
towngreens.com
connecticutbarns.org
lhdct.org

Barns
Historic Barns of Connecticut

Local Historic District and Property Commissions in Connecticut
Making Places

Historic Resource Inventory

Financial/Technical Assistance

Clearinghouse Network
Tour Connecticut Mills
By County

Fairfield County
Hartford County
Litchfield County
Middlesex County
New Haven County
New London County
Tolland County
Windham County

Click on a town in the map to view its mills

Important note regarding mills on private property:
You may take photographs from the public right of way, but you may not enter private property without prior approval from the owner. To do otherwise is illegal. Please respect the owners' rights and privacy.

connecticutmills.org
Obstacles

Size
Physical condition
Environmental issues
Zoning considerations

AND

Opportunities

Location
Flexibility
Interior Space
Financial Incentives
Trending Re-uses

- Residential
- Mixed Use
- Office
- Retail
- Industrial
- Restaurant
- Museum
- School
Montgomery Mill  Windsor Locks  197,000 SF

Beacon Communities Development
160 mixed income residential units
Construction began in 2018

Funding Sources:
1st mortgage  $ 7.2 million
LIHTC equity  $ 17.1 million
Fed HTC equity  $ 9.7 million
CT HRTC equity  $ 12.2 million
DECD Urban Act  $ 4.0 million
Brownfields  $ 4.0 million
DOH loan  $ 6.0 million
TIF  $ 0.5 million
Deferred fee/Owner equity  $ 1.9 million

Project Cost:  $ 62.6 million

Drawing courtesy Crosskey Architects
Remington Rand Middletown

City of Middletown
Ownership through foreclosure
1999-2000
Small business incubator

Funding Sources:
$350,000 forfeited taxes
$250,000 CDBG acquisition
$756,000 DECD grant for water/sewer extension
$400,000 EPA clean-up
$213,300 ECDBG
$200,000 EPA-DECD clean-up
$200,000 DECD loan

Project Cost:
Unknown - over $2.5 million
Hockanum Mill  Rockville/Vernon

150,000 SF

Kaplan Millworks LLC
Mixed use: New England Motorcycle Museum, motorcycle repair, brewpub
In progress since 2012

Funding Sources:
- private equity
- $296,000 Brownfields hazmat
- $2 million Brownfields development loan
- $750,000 Fed HTC and CT HRTC reservation

Project Cost to Date:
- $6.5 million
Upson Nut Unionville/Farmington 184,000 SF

Parker Benjamin Real Estate Services LLC
Mixed use in large building
5 residential units in small building
Work began in 2013; lease-up started in 2015.

Funding Sources:
$1 million private equity
$1.5 million infrastructure upgrades by the town
The Hilliard Mills  Manchester  103,000 SF

Hilliard Mills LLC
Mixed Use: offices, music/recording/photography studios, yoga, catering, brewpub

Funding Sources: private debt/equity

Project Cost: approx. $3 million to date

Planned Activities: application for HRTC for rehab of 1895 wood frame block (far left)
Cyril Johnson Woolen  Stafford Springs  500,000 SF

American Woolen Co.
Industrial/textile
Operations began in 2014

Funding Sources:
$300,000 DECD loan
$100,000 DECD grant for building acquisition
Private Equity

Project Cost:
$5,000,000 with planned future investment

Photos by Christopher Draghi for American Woolen Company
Fafnir Bearing  New Britain  122,850 SF

Mixed commercial and industrial uses:
Addaero Mfg.
Viking Kitchen Cabinets
H & S Beverage
got mill?

contact Renée Tribert
rtribert@cttrust.org
203-562-6312
OVERVIEW

- Market Alignment
- Master Plans
- Zoning
- Parking
- Code Correction
- Historic
- Dreaming

Vacant Properties are Often Functionally Obsolete

You Can’t Fix Them With the Wrong Tools
## WHY IS IT UNUSED?

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<th></th>
<th>SINGLE</th>
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<tr>
<td>Deferred Maintenance</td>
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<td>Unoccupied</td>
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WHY IS IT UNUSED?
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43 ACRES OF PRIVATELY-OWNED LAND

160 BUILDINGS

1.74MM SQUARE FEET OF BUILDINGS
WHY IS IT UNUSED?

43 ACRES OF PRIVATELY-OWNED LAND

160 BUILDINGS

1.74MM SQUARE FEET OF BUILDINGS

40% VACANCY
696,000 SF
WHY IS IT UNUSED?

43 ACRES OF PRIVATELY-OWNED LAND
160 BUILDINGS
1.74MM SQUARE FEET OF BUILDINGS

40% VACANCY
696,000 SF

65% OF VACANT SPACE IS UNUSEABLE
WHY IS IT UNUSED?

43 ACRES OF PRIVATELY-OWNED LAND

160 BUILDINGS

1.74MM SQUARE FEET OF BUILDINGS

PROPERTY
OWNER
CAPACITY

ABSENT | UNDER WATER | NOT REALISTIC | NO CAPACITY | NO MOTIVATION | TOO EXPENSIVE
WHY IS IT UNUSED?

43 ACRES OF PRIVATELY-OWNED LAND

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1.74MM SQUARE FEET OF BUILDINGS

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<td>37%</td>
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WHY IS IT UNUSED?

43 ACRES OF PRIVATELY-OWNED LAND
160 BUILDINGS
1.74MM SQUARE FEET OF BUILDINGS

PROPERTY OWNER CAPACITY

MARKET ISSUES

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DEMOGRAPHIC & SOCIOECONOMIC REALITY

8-Minute Drive Time – Demographic & Socio-Economic Summary

KEY FACTS

- **19,590** Residents
- **43.6** Median Age
- **$58,070** Median Household Income

Average Household Size: **2.26**

**HOUSING STATS**

- **$270,121** Median Home Value
- **$8,202** Average Monthly Mortgage & Tax
- **$865** Average Monthly Rent

**EDUCATION**

- **9%** High School Diploma
- **31%** Bachelor’s Degree or Prof Degree
- **28%** Some College

November 2017
DEMOGRAPHIC & SOCIOECONOMIC REALITY
13-Minute Drive Time – Demographic & Socio-Economic Summary

KEY FACTS
- Population: 30,242
- Average Household Size: 2.30
- Median Income: $65,972

HOUSING STATS
- Median Home Value: $292,705
- Average Annual Mortgage Payment: $9,840
- Median Home Tax: $872

EDUCATION
- High School Graduation Rate: 8%
- Some College: 30%
- Bachelor's Degree or Higher: 27%
- Median Family Income: $65,972

November 2017
MARKET ALIGNMENT

DEMOGRAPHIC & SOCIOECONOMIC REALITY

23-Minute Drive Time – Demographic & Socio-Economic Summary

HOUSEHOLD INCOME

Households By Income

- Highest group: $150,000+ (10.6%)
- Lowest group: $35,000 - $44,999 (16.4%)

HOUSING STATS

- Median Home Value: $278,386
- Average Home Mortgage & Interest: $9,394
- Median Rent: $898

EDUCATION

- No High School Diploma: 8%
- Some College: 27%
- Bachelor's Degree: 36%
- Associate's Degree: 10%

KEY FACTS

- Population: 99,896
- Median Income: $64,288
- Average Household Size: 2.34
- Median Age: 41.6

STONINGTON 16 - 49

GOMAN & YORK

November 2017
MARKET ALIGNMENT

MOST PUBLIC PLANS ARE IMPLEMENTED BY THE PRIVATE SECTOR
MARKET ALIGNMENT

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MARKET ALIGNMENT

IS THE PROJECT BANKABLE?
MARKET ALIGNMENT

IS THE PROJECT BANKABLE?

YES

DOES IT WORK?

NO
MARKET ALIGNMENT

50,000 Square Foot Mill
MARKET ALIGNMENT

50,000 Square Foot Mill
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| TOTAL COST          |       |
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TOTAL COST

$12,500,000
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TOTAL FUNDS

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<td>25%</td>
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TOTAL FUNDS $13,000,000

Traditional Bank

Life Insurance Company (not too excited about mills)

CHFA

Fannie Mae

HUD
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Debt Leveraging

TIMING IS KEY
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State and Federal Historic Preservation Tax Credits

Low Income Housing Tax Credits

State Programs (e.g., CHAMP, HOME, Housing Trust Fund, Pre-Dev. Loan Program)
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#### QUICK GAP ASSESSMENT

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<tr>
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<th>Amount</th>
<th>Note</th>
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<tr>
<td>7-YEAR DEBT SERVICE</td>
<td>$1,392,857</td>
<td>$9.75MM/7</td>
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<tr>
<td>Minimum Rent Needed (SF)</td>
<td>$28</td>
<td>$1.3MM/50,000</td>
</tr>
<tr>
<td>Market Rents (SF)</td>
<td>$15</td>
<td>Market Intel</td>
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<td><strong>DIFFERENCE (SF)</strong></td>
<td><strong>($13)</strong></td>
<td><strong>GAP</strong></td>
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**USES OF FUNDS**

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<td>$200/SF ($8)</td>
<td>$50,000</td>
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<td>$150/SF ($2)</td>
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### MARKET ALIGNMENT

**SOURCES OF FUNDS**

- **Equity**: $3,250,000 (25%)
- **Debt**: $9,750,000
- **Other Equity (Grants, Tax Credits)**: ?

**TOTAL FUNDS**: $13,000,000

### QUICK GAP ASSESSMENT

- **7-YEAR DEBT SERVICE**: $1,392,857 ($9.75MM/7)
- **Minimum Rent Needed (SF)**: $28 ($1.3MM/50,000)
- **Market Rents (SF)**: $15 (Market Intel)
- **DIFFERENCE (SF)**: $2 ($8)

### USES OF FUNDS

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<th>OPERATING</th>
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<tr>
<td>Gross Income</td>
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<tr>
<td>Vacancy</td>
<td>$37,500  10%</td>
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<tr>
<td>Effective Gross Rent</td>
<td>$675,000</td>
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<tr>
<td>Operating Expenses</td>
<td>$150,000  $3/SF</td>
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<tr>
<td>Real Estate Taxes</td>
<td>$50,000  $1/SF</td>
</tr>
<tr>
<td>Net Operating Income (NOI)</td>
<td>$475,000  63%</td>
</tr>
<tr>
<td>Debt Service</td>
<td>$840,000  6% 30-YEAR AM 7YRB</td>
</tr>
<tr>
<td>Cash Flow</td>
<td>(365,000)  ($7/SF)</td>
</tr>
<tr>
<td>Debt Coverage Ratio (DCR)</td>
<td>0.57  &lt;1 = NO GOOD</td>
</tr>
</tbody>
</table>
Many Mill Sites Do Not Conform!
ZONING

- SINGLE SITE
- MULTIPLE SITES
- NEIGHBORHOOD
- MULTIPLE NEIGHBORHOODS
ZONING

MARKET-DRIVEN

NEIGHBORHOOD-DRIVEN
ZONING

BULK / DENSITY
USES
MANAGEMENT
parking, lighting, trash
ZONING

INVESTOR RISK

NEIGHBORHOOD RISK
ZONING

[Diagram with circles and letters E and S]
ZONING

INDUSTRIAL HERITAGE REUSE DISTRICT

E | MILLS IDENTIFIED IN THE POCD
B | NO MINIMUM LOT SIZE
B | 1 DWELLING UNIT/1,000 SF OR 10/ACRE
M | 1 PARKING SPACE/ DWELLING UNIT
U | PROHIBITED USES
P | MASTER PLAN PERMIT PROCESS
ZONING

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P | MASTER PLAN PERMIT PROCESS

58 DWELLING UNITS
34 AFFORDABLE (59%)
$26.3MM INVESTMENT
$217/SF
$7.6MM APPRAISED VALUE
ZONING

HERITAGE MILL DISTRICT

E | REZONED TWO MILL PROPERTIES
B | 20,000 SF MINIMUM LOT SIZE; 100’ FRONTAGE
B | NO SETBACKS
U | MORE ELIGIBLE USES THAN PRIOR DISTRICT
P | EASIER PERMIT PROCESS FOR MOST USES THAN PRIOR DISTRICT
HERITAGE MILL DISTRICT

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B | 20,000 SF MINIMUM LOT SIZE; 100’ FRONTAGE
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ZONING PERMIT PROCESS IS AN INVESTOR RISK MANAGEMENT PERMIT STRATEGY
ZONING

HERITAGE MILL DISTRICT

82 MECHANIC STREET

9 ACRES

220,000 SF
ZONING

HERITAGE MILL DISTRICT

82 MECHANIC STREET

9 ACRES

220,000 SF

7 BUILDINGS
ZONING

HERITAGE MILL DISTRICT

82 MECHANIC STREET

9 ACRES

220,000 SF

7 BUILDINGS

APPRaised VALUE

LAND $285,000

BUILDINGS $613,500
ZONING

HERITAGE MILL DISTRICT

82 MECHANIC STREET

9 ACRES

220,000 SF

7 BUILDINGS

APPRaised VALUE
LAND $285,000
BUILDINGS $613,500

SUBDIVISION > CONDO
ZONING

HERITAGE MILL DISTRICT

REDEFINE 82 MECHANIC STREET

2.3 ACRE PARCEL

30,000 SF BUILDING
ZONING

COLLATERAL

HERITAGE MILL DISTRICT

REDEFINE 82 MECHANIC STREET

2.3 ACRE PARCEL

30,000 SF BUILDING
Building 1 façade is included in phase 1a

Firewall

CONDO A NORTH – 121 UNITS

BUILDING ONE

CONDO A SOUTH – 116 UNITS

BUILDING THREE

BUILDING FOUR

BUILDING FIVE INC

SEPARATE OWNERSHIP

SHETUCKET RIVER

ROUTE 97 – NORWICH AVENUE

CHAMP 5 REQUEST
### PONEMAH MILLS CAMPUS

<table>
<thead>
<tr>
<th>BUILDING 1</th>
<th>BUILDING 5</th>
<th>BUILDING 2</th>
<th>BUILDING 3</th>
<th>BUILDING 4</th>
</tr>
</thead>
<tbody>
<tr>
<td>CONDO A SOUTH</td>
<td>CONDO A NORTH</td>
<td>CONDO A SOUTH</td>
<td>1a</td>
<td>2</td>
</tr>
<tr>
<td>1a</td>
<td>1b</td>
<td>2</td>
<td>77</td>
<td>99</td>
</tr>
<tr>
<td>1a</td>
<td>1a</td>
<td>2</td>
<td>77</td>
<td>99</td>
</tr>
<tr>
<td>1a</td>
<td>1b</td>
<td>1a</td>
<td>2</td>
<td>99</td>
</tr>
<tr>
<td>116</td>
<td>121</td>
<td>0</td>
<td>77</td>
<td>99</td>
</tr>
<tr>
<td>172</td>
<td>181</td>
<td>0</td>
<td>99</td>
<td>99</td>
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<tr>
<td>$5,000,000</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

**ROUTE 97 – NORWICH AVENUE**
Building 1 façade is included in phase 1a

Separate Ownership

Firewall

Condo A North – 121 Units

Condo A South – 116 Units

Champ 5 Request

Route 97 – Norwich Avenue
HISTORIC PROPERTIES

Flood Zone Substantial Improvement Exemption

Tax Credits

Pre-Development Grants
Site / floor plan
Elevations
Proforma development

Any alteration of an “historic structure”, provided that the alteration will not preclude the structure’s continued designation as an “historic structure.”
PARKING

“You don’t go somewhere to park your car; you go there because you want to be there, and large parking lots in an area reduce the desire to be there.”

Donald Shoup, The High Cost of Free Parking
PARKING

8 spaces / car

95% parked

$5,000 - $50,000 / space to build

10% revenue v buildings

$20.6 Billion industry in NYC

27 spaces per household in Jackson, WY
PARKING

8 spaces / car
95% parked
$5,000 - $50,000 / space to build
10% revenue v buildings
$20.6 Billion industry in NYC
27 spaces per household in Jackson, WY
$0 amount spent by cars
PARKING

Is parking more valuable than used buildings?

**No Room:** Many of the properties in Norwich were built before the automobile was invented. There is insufficient lot area to accommodate off-street parking required in the zoning regulations.

The average assessed value / acre of the six buildings above = $2,843,637

**Make Room:** In some instances buildings have been demolished, often to meet the need to provide off-street parking. These sites are likely to remain off-street parking lots.

The assessed value / acre of this off-street parking lot = $362,500.
PARKING

Pawcatuck Parking District
New Businesses in Existing Buildings Are Exempt
PARKING

Pawcatuck Parking District
New Businesses in Existing Buildings Are Exempt

Off Street Parking Required in Downtown Norwich:
ZERO SPACES REQUIRED FOR ANY USE
PARKING

Pawcatuck Parking District
New Businesses in Existing Buildings Are Exempt

CREATIVE THINKING SPACE

Off Street Parking Required in Downtown Norwich:
ZERO SPACES REQUIRED FOR ANY USE
MASTER PLANS
MASTER PLANS
MASTER PLANS
MASTER PLANS

Mystic River
BOATHOUSE PARK
Illustrative Vision Plan - April 2016
MASTER PLANS

Mystic River
BOATHOUSE PARK
Conceptual Master Plan - June 2018
KENT FROST
MASTER PLANS
MASTER PLANS
MASTER PLANS
MASTER PLANS
MASTER PLANS
MASTER PLANS
52 Broadway, Norwich CT
0.05 Acre Site; 3,639 SF; 5 D.U.; 1 Commercial
2003 Acquired by Developer
2012 Fire
2012 Foreclosure
$80,000 Acquisition ($22/SF)
$90,000 investment ($25/SF)
$2018 Sold for $135,000 ($37/SF)
CODE CORRECTION
CODE CORRECTION
DREAMING
DREAMING
DREAMING
DREAMING
DREAMING
CONCLUSION

- Market Alignment ✓
- Master Plans ✓
- Zoning ✓
- Parking ✓
- Code Correction ✓
- Historic ✓
- Dreaming ✓

Vacant Historic Mill Properties are Functionally Obsolete

Expand Your Toolbox
Please use the chat box to send questions for our presenters. What sparked your interest in today's presentation? What resources or insights would you like to share?
Webinar Resources available for download at http://s.uconn.edu/cedasacademy

- NCDC 25 Percent is not Enough Documentation in Support of the Variance Application
- INDUSTRIAL HERITAGE RE-USE DISTRICT approved_text 9-2004
- Press Release for Heritage Mill District
- Grain Elevator Blight Intervention Report
- Stillman Avenue Mill Abandonment Report DRAFT
- NCDC Four Degrees of Change of Use 11-2014
- HM Approved Text and Map
- HMD Staff Report 4.18.17
- Updated proforma sheet (EXCEL WORKSHEET)
- All slides available at http://s.uconn.edu/cedasacademy
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