

Redevelopment of Mystic Education Center Groton, CT

Prepared for:
Town of Groton, CT
Planning and Development Services

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Table of Contents

Table of Contents.....i

List of Figures.....ii

List of Tables.....ii

Introduction1

Key Findings.....1

Site Analysis3

Locational Factors7

Market Assessment/Reuse Strategies.....13

Next Steps28

List of Figures

| | |
|---|----|
| Figure 1: Site Context..... | 8 |
| Figure 2: Existing Site Character | 9 |
| Figure 3: Existing Circulation..... | 10 |
| Figure 4: Existing Buildings | 11 |
| Figure 5: Potential Development Bays | 12 |
| Figure 6: Travel Accommodation Businesses | 18 |
| Figure 7: Office Employment in Groton..... | 20 |
| Figure 8: Concentration of Existing Health Care Business..... | 21 |
| Figure 9: Public Recreation Facilities | 25 |

List of Tables

| | |
|--|----|
| Table 1: Projected Change in Number of Households by Income and Age of Householder, Groton Economic Region, 2015–2020 | 14 |
| Table 2: Projected 65+ Population, New London County..... | 15 |
| Table 3: Renter-Occupied Housing Units by Rent..... | 17 |

Introduction

This report evaluates the Town of Groton's opportunities relative to the potential reuse of the 48 acre former Mystic Education Center property located in Groton, CT. The goal is to identify potential development strategies that are consistent with the Town's vision of how the campus might be repurposed factoring in physical site conditions as well as the findings of the regulatory audit and market study currently being undertaken by VHB and Camoin Associates.

The Mystic Education Center, formally known as the Mystic Oral School, served as a residential school for the deaf from 1895 until 1980. In 1921, the State of Connecticut assumed ownership and supervision of the school, but discontinued its usage in 1980 as education policy shifted to encourage placement of hearing impaired children in local and regional programs. The state continued to use the facility and a wide range of uses by various organizations including the Groton Parks and Recreation Department, Special Olympics, a dance program, a business, a day care center and firefighting training programs were housed there.

The state notified the Town of Groton in the fall of 2011 that the campus would be closed. The state closed the campus in order to save an estimated \$400,000 per year in operating costs. The campus is currently owned and managed by the Connecticut Department of Administrative Services.

As part of the initial planning effort, VHB and Camoin Associates conducted a kick-off meeting and site visit with representatives from the Town of Groton and State of Connecticut to confirm goals and obtain relevant site information. Following the meeting and site tour, the consultant team reviewed information provided by the Town including zoning, previous economic and environmental reports, and other local and state regulations and site condition reports pertinent to development on the site. An economic and real estate market analysis was conducted for the Town as part of a separate effort. This report takes what was learned from that analysis and applies it to the Mystic Education Center site to inform decision making about potential redevelopment of the property.

Key Findings

The site and real estate market assessment examined several reuse alternatives and assessed their feasibility based on current market conditions and site-specific attributes. The scenarios are summarized below.

- **Housing for an aging population:** There will be a demand for new senior housing in the future and the site offers an ideal place in a quiet residential area

for future senior housing. Its campus layout lends itself to the continuing care retirement community model, which offers different types of facilities on the same site depending on the needs of a resident so that seniors can age in place. The buildings could be utilized for different levels of care (i.e., independent living, assisted living, and nursing home). There is the potential to have a limited amount of medical office on site given the market and needs of senior housing.

- **High-end residential conversion:** Residential conversion may be a feasible alternative. The unique amenities that would be featured are in demand including open floor plans, high ceilings, on-site recreation, and reused buildings with character. Residents would have quick commuting access to I-95 and would be close to the amenities and entertainment in Mystic. Groton has already attracted a concentration of high-end rent payers in Mystic, which shows market potential as a conversion would require higher rent levels to be financially feasible.
- **Hospitality/Recreation:** Close proximity to Mystic means that there is a large tourism base from which to draw. Despite the competitive market, a lodging and hospitality reuse would differentiate itself from existing offers because of the potential for unique on-site amenities such as high-quality food grown on-site. The recreational offerings on site would support a hospitality business by enabling sports tournaments and camps to be hosted. The market for youth sports tournaments is supported by the proximity to Mystic's tourism attractions.
- **Institutional:** With a history of past institutional use the site lends itself to institutional uses. The potential for institutional use is subject to the needs of individual institutional organizations. The Town should not turn away proposals for institutional uses; however, this represents an "ideal" yet unlikely scenario. Even with a significant marketing and recruitment effort, this scenario is highly unlikely.
- **Mix of uses:** It is likely that no single use would occupy the site given the significant size of the campus. The most likely development scenario is a mix of complementary uses such as:
 - Market rate and senior housing with recreation and medical office
 - Hospitality and recreation
 - Institutional use with a residential or lodging component (e.g., a boarding school)
- **Municipal:** The site could be purchased by the Town and developed for municipal uses such as town recreation and/or other town program/operations.

Next Steps

It is recommended that the Town take the following steps in regards to the site reuse/redevelopment:

- Encourage the state to market the site to prospective investors and developers. The Town should not invest its limited resources in leading this effort.
- Engage and work cooperatively with interested developers by sharing the Town's preferred scenarios for the site, sharing information about the site (including the building analysis and this market assessment), and facilitating site visits.
- Explore adding the site to the State's Register of Historic Places as a way to open up new historic tax credits and incentives for potential developers. There is however a potential downside to utilizing historic tax credits as there can be restrictive architectural and/or use requirements associated with their redevelopment.
- Enter into a public-private partnership with interested developers that will build a project that aligns with the Town's vision. Be clear to prospective developers that the Town is willing to provide support in this way. Support could include expedited permitting and investment in off-site infrastructure improvements such as roadways and utility upgrades.

Site Analysis

Location

The 48 acre site is comprised of two parcels - 0 Oral School Road (8 acres) and 240 Oral School Road (40 acres) and occupies a portion of a 150 acre parcel owned by the State of Connecticut. Note that parcel acreage is based on measurements derived from a 2013 Phase 1 Environmental Assessment prepared by Loureiro Associates.

The site is located in the northeast corner of Groton just north of the intersection of Oral School Road and Boulder Court and approximately ¼ mile north of Interstate 95. The site is zoned RU-80, a residential zoning category that requires a minimum of 80,000SF of lot area. The site is bordered on the south by single family homes and the Mystic River to the west. Heavily wooded steep slopes are on its west side. To the north, the slopes are more moderate and wooded. Existing 2-3 story buildings and

open fields occupy the cleared portion of the upper plateau which sits at approximately elevation 160 feet above sea level.

History

The site originally housed the Whipple School for the Deaf which moved to this location from Ledyard in 1872. In 1895 the name was changed to the Mystic Oral School for the Deaf which operated the school until 1921 when the State of Connecticut took ownership. The school was incorporated and brought into the Department of Education until its closure in 1980. The name was changed to the Mystic Education Center and Mystic Community Center and from that point until 2010 the gymnasium and natatorium facility was leased to the Town of Groton. The Town's Parks and Recreation Department used the recreation field on the north side of the campus until 2011. A portion of the site was also leased to the Reliant Fire Department for training purposes. This current lease runs out in 2022. The Old Mystic Fire Department also conducted training exercises here.

In 2011 the property was classified by the State as surplus property for sale. The Department of Administrative Services currently maintains the site and has the responsibility for its environmental clean-up and mitigation.

Access and Roadways

Access to the property is from Oral School Road, a narrow, two lane road that intersects with Mystic Street (Rt. 614) to the north and Cowhill Road, a residential street, to the south. Minimal maintenance has been given to Oral School Road in the ensuing years since the closure of the school. There are no curbs and the road edges have deteriorated and are in poor condition. There is a looped, one-way drive that accesses the buildings of the former campus. A dead-ended two-way drive off this loop provides access to the former gymnasium/natatorium building and the maintenance garage. Internal roads are also in poor condition. All roadways would have to be rebuilt and brought up to Town standards were the site to be redeveloped or reused. It should also be noted that Cowhill Road is a rural residential street not designed to handle major automobile traffic.

Topography

The developed area of the campus occupies a plateau at the upper portion of the site. From this plateau the site drops rapidly to the south, varying from 60 to 100 feet below the inner loop road. The former Durant Building was built into the upper portion of this slope and there is a cleared, flat area directly south of this former campus building site. Towards the west and the river from Oral School Road, the slopes are much gentler. The gymnasium/natatorium (Pratt Building) is located at the eastern edge on a flat portion of the site approximately 30 feet below the campus center. From the east edge of the building the land slopes away steeply to the east.

North of the former recreation field and pond the land slopes more gently to the north.

Buildings

Although many of the campus buildings remain today, most are in poor condition due to lack of maintenance and neglect. A Phase 1 Environmental Assessment Report completed in June, 2013 by Loureiro Engineering (prepared for the State Department of Administrative Services), addressed a host of environmental issues related to the site and its buildings. Most of the original buildings are located on the campus loop road. The interior of this loop is an assemblage of interconnected buildings - the Administration Building, a four story masonry structure built in 1938 in the center of the campus, and the Boys Dormitory wing, also four story and built in 1938 on the east end. This wing was leased to Alion Science and Technology in 1980, which occupied 28,000 SF of renovated office space until 2011. The Girls Dormitory Building, a four story structure built in 1923 connects to the Administrative Building on the west end. The Whipple Building, a two story structure built in 1969, connects to the Girls Dormitory on the west side. Due to serious mold problems, the Durant Building located at the south edge of the campus, outside the inner loop road, was demolished several years ago. Outside the loop road on the north is the Crouter Building, a one story masonry structure built in 1958 that once served as the maintenance/carpentry operation for the campus. There are several smaller structures located outside the loop road including the Rainbow House, a former residence and its' garage at the southeast edge and a maintenance garage to the west. Further to the west at the far edge of the campus is the Pratt Building, a two story masonry structure built in 1975. This 40,000 SF facility served as the recreation center for the campus, housing a natatorium, full gym, and bowling alley. This facility was leased to the Town until 2010.

The total square footage for the buildings that remain on the campus is approximately 175,000 SF, broken down as follows:

| | |
|--------------------------------|--------------------------------|
| ➤ Administration and Boys Wing | 69,658 SF |
| ➤ Pratt Gymnasium | 40,000 SF |
| ➤ Girl's Wing | 28,711 SF |
| ➤ Whipple Building | 24,458 SF |
| ➤ Crouter Building | 7,588 SF |
| ➤ Rainbow House | 2,480 SF (Garage Building N/A) |
| ➤ Maintenance | 1,276 SF |
| ➤ Wood Shed | <u>720 SF</u> |
| Total | 174,891 SF |

Source: Phase 1 Environmental Assessment Report, June, 2013, prepared by Loureiro Engineering and for the State Department of Administrative Services

Historic Context

The State of Connecticut Department of Economic and Community Development maintains a register of Historic Places that lists structures and sites of importance in the state's historical development. The website lists the following criteria for the listing:

- The Connecticut Historical Commission's 1966-1967 survey of historic properties.
- All National Register nominations approved by the Review Board and all properties listed on the National Register of Historic Places or determined eligible for listing.
- All properties approved for Local Historic Districts and Local Historic Property designation by the Historic Preservation Council (even if they are not approved by the local municipality.
- All of the resources included in the survey of state owned buildings completed by the Commission
- All individual nomination of properties and districts approved by the Historic Preservation Council at their regularly scheduled meetings.

All files regarding listed properties and structures are held by the State Historic Preservation Office located in Hartford, CT. Unfortunately at the time of this writing, according to their website, "there is no database of list available" for the Mystic Education Center site so we are unable to determine if any of the current campus structures are included on the list.

Utilities

Town water and sewer are available to the property from Cowhill Road. According to the Environmental Assessment Report prepared by Loureiro Associates, prior to connecting to the Town system wastewater from the site was discharged to a series of filter beds located on State land southeast of the main campus. This facility was maintained by the State Department of Environmental Protection. Electric service, provided by Connecticut Light and Power, is available to the site. Heat and hot water were provided by on-site oil burning boilers.

Remediation

Loureiro Associates completed a Phase 1 Site Assessment Report in June, 2013 and a Phase 3 Subsurface Investigation Report in May, 2014. These reports provide an in-depth assessment of the environmental condition of the site and recommendations for site clean-up. Regarding clean-up, the State has a program to remediate State-owned brownfield sites including the Mystic Education Center property such that a "clean" site can be made available for redevelopment. The funding is set aside for active

redevelopment projects. If an agreement is made with a developer, funding can be made more easily.

Locational Factors

Reuse of the site depends on a combination of market, locational, and site-specific conditions. The market assessment focuses on how real estate market forces are likely to support or discourage different use types and how locational factors will help or hurt the feasibility of those uses. Key factors of the site's location that will affect its reuse potential include the following:

1. The site is easily accessible from major transportation systems. It is an approximately 3-minute drive from the nearest I-95 access point and a 10-minute drive from the Amtrak train station.
2. The site is within easy commuting distance from major employment centers and amenities. Mystic, Downtown Groton, the Naval Submarine Base and the City of New London are all within a 10-15-minute drive of the site.
3. Proximity to downtown Mystic, the Mystic Seaport and the Mystic Aquarium tourist attractions also means that there is a large existing tourism base in relatively close proximity to the site.
4. The immediate area is a quiet residential neighborhood, which means certain uses – especially high traffic volume inducing uses – will be incompatible with surrounding properties. Specifically, uses that would induce new truck traffic are especially problematic.
5. Other adjacent uses include large forested areas of parkland featuring trails that would complement most reuse options. These amenities should be highlighted in any marketing of the property.
6. The site is not located adjacent to any major roads and has poor visibility, which decreases the viability of many commercial uses that rely on foot traffic and visibility from major transportation corridors.
7. Access to the site is limited to low-volume residential streets. Local roads leading to the site are poorly maintained and in need of repair.

Figure 1: Site Context

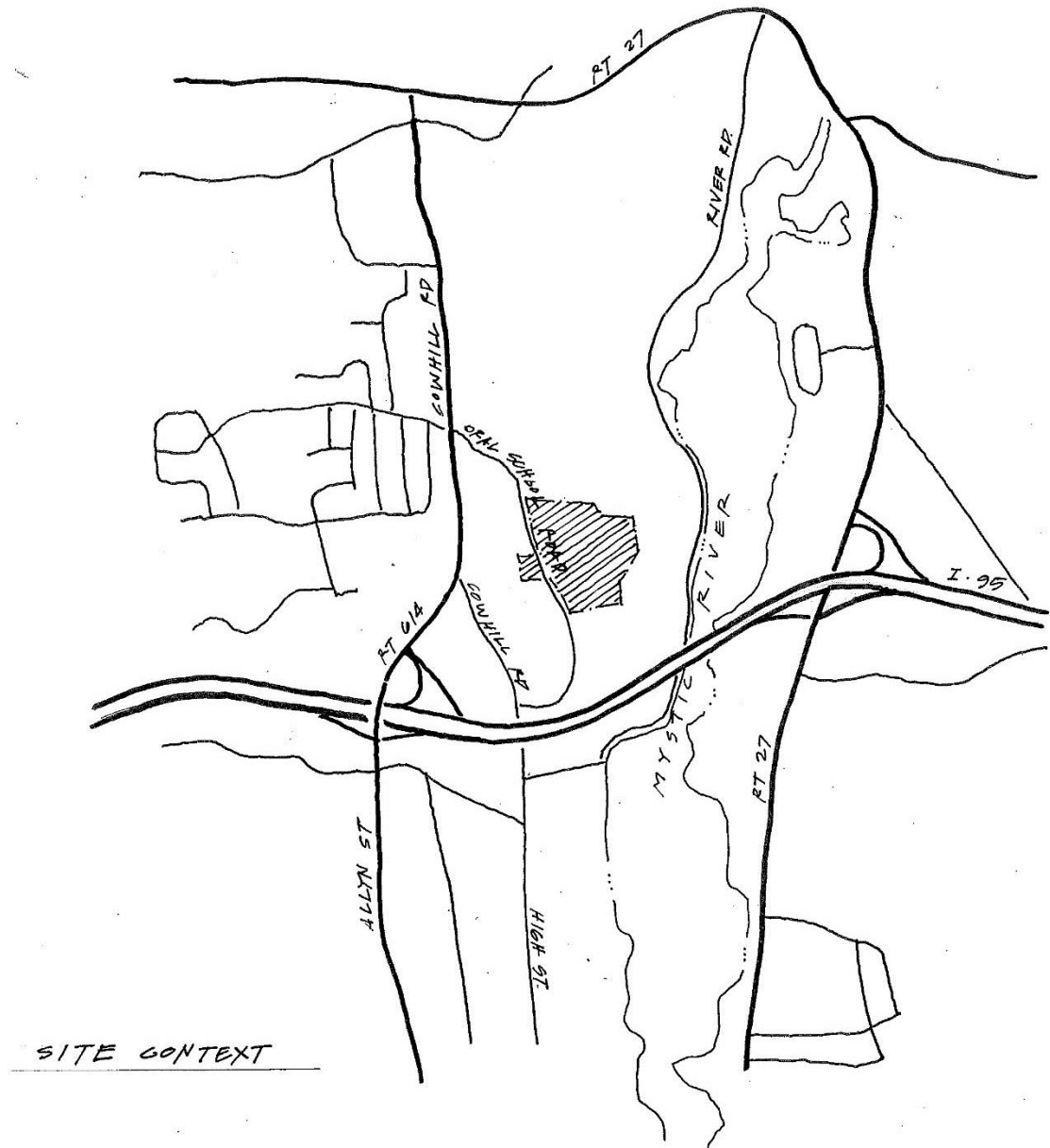


Figure 2: Existing Site Character

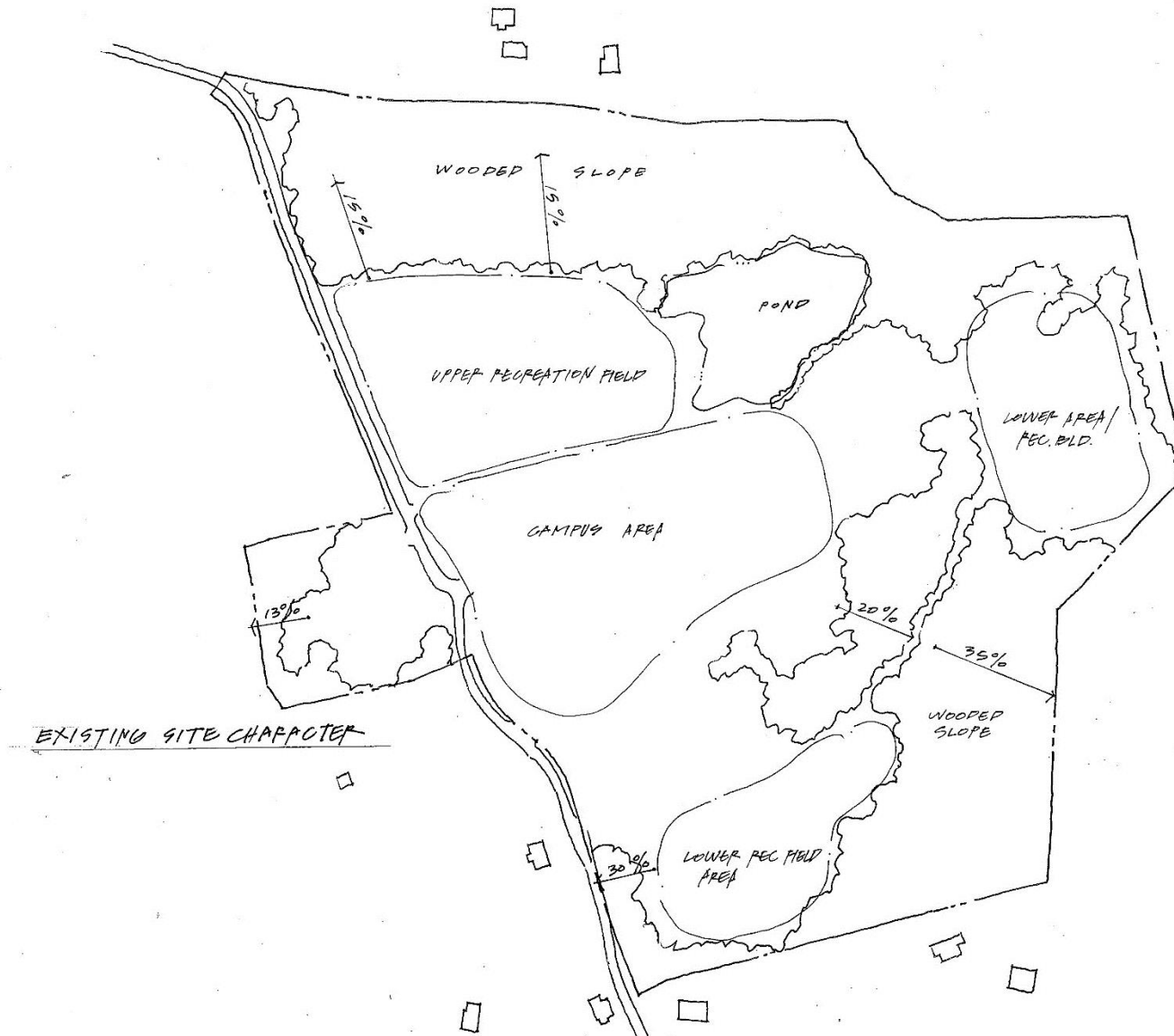


Figure 3: Existing Circulation

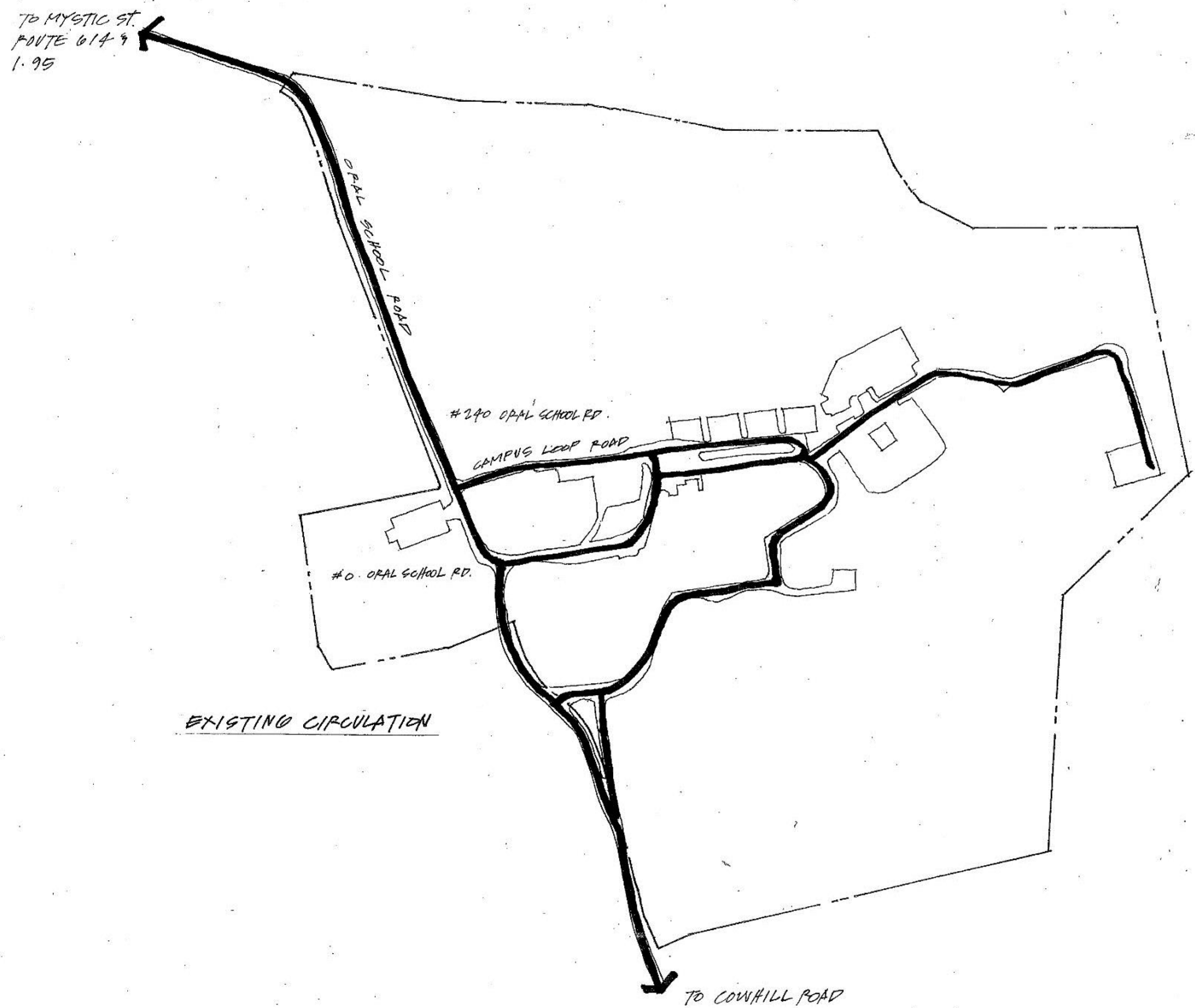


Figure 4: Existing Buildings

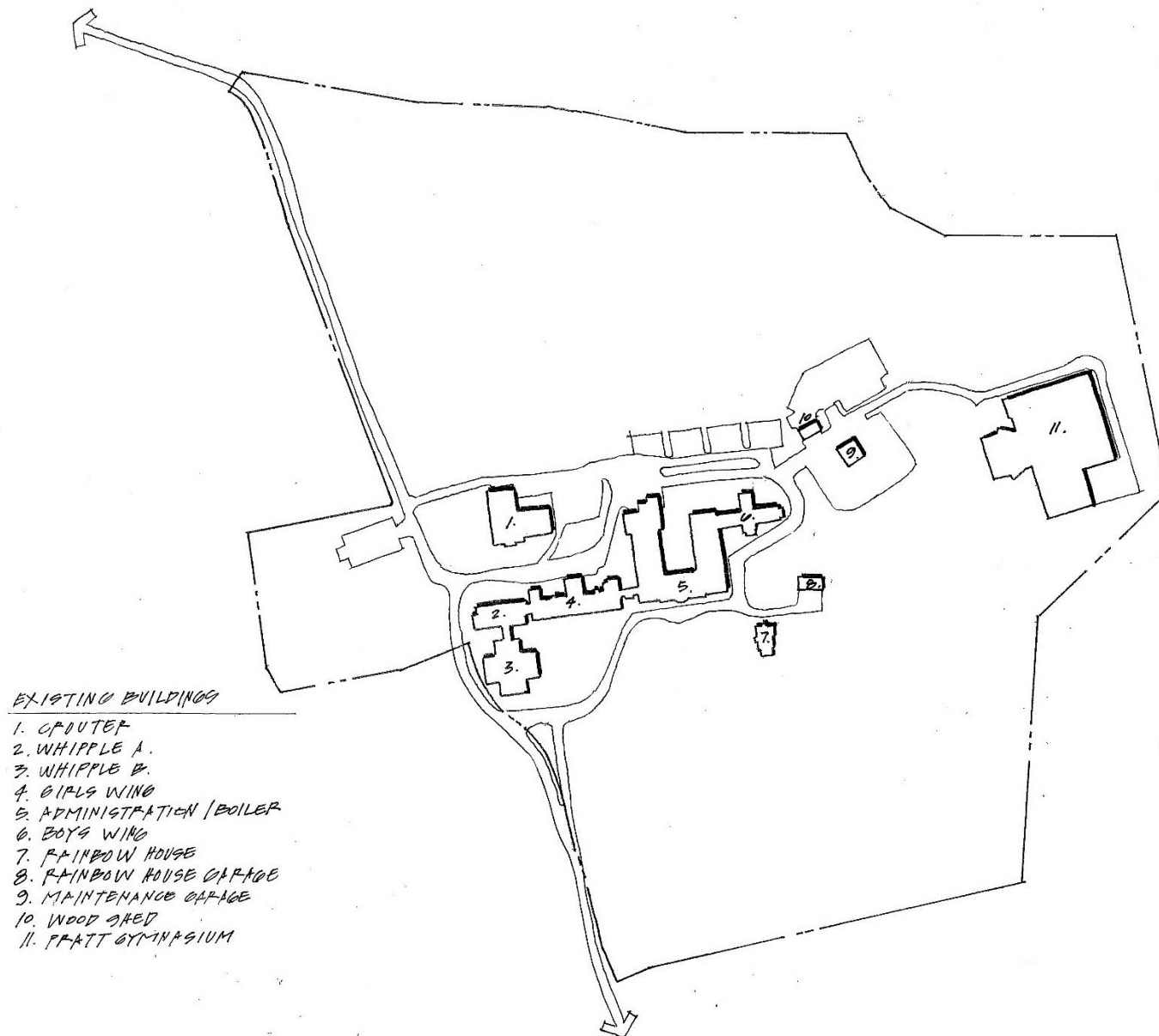
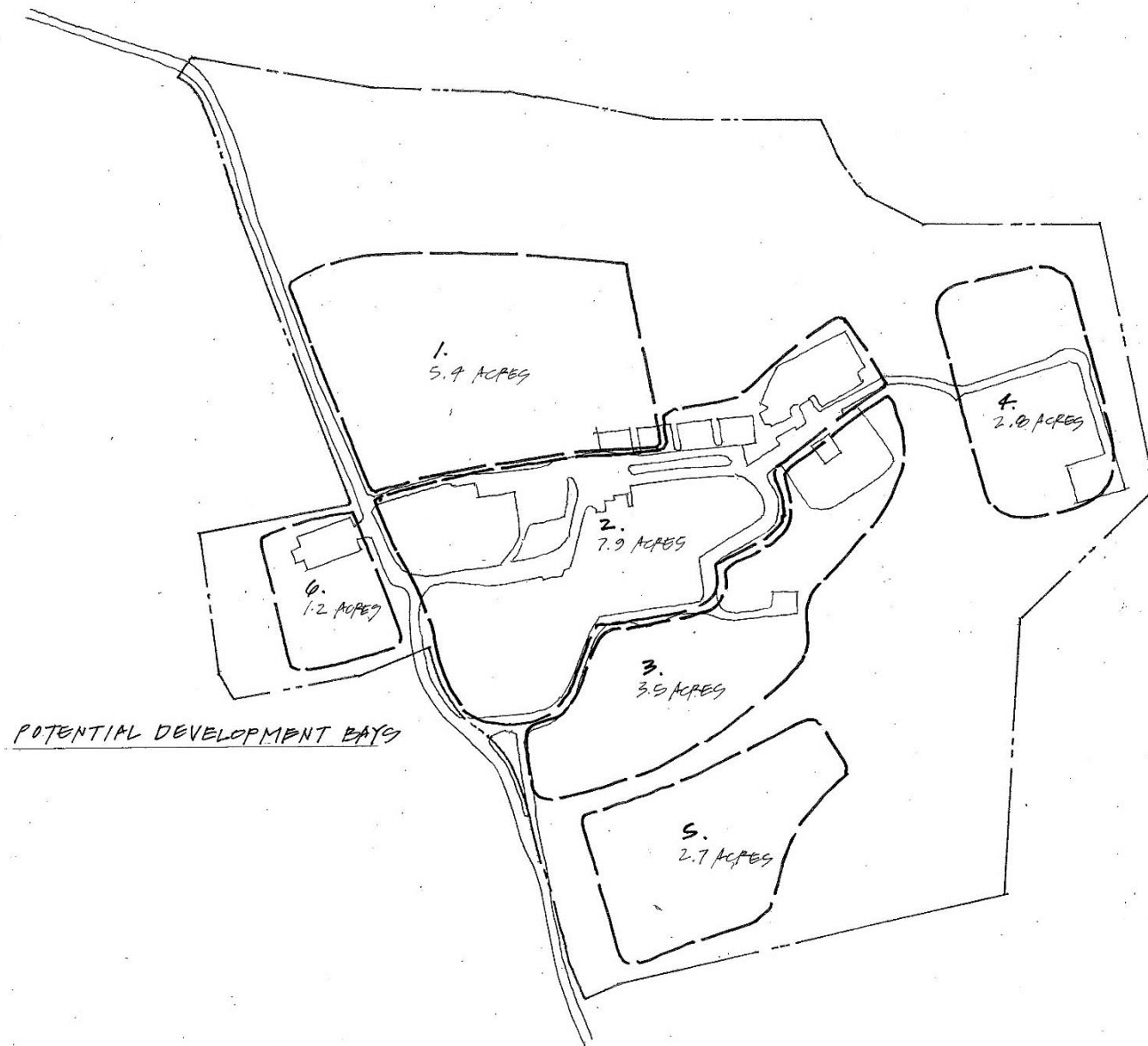


Figure 5: Potential Development Bays



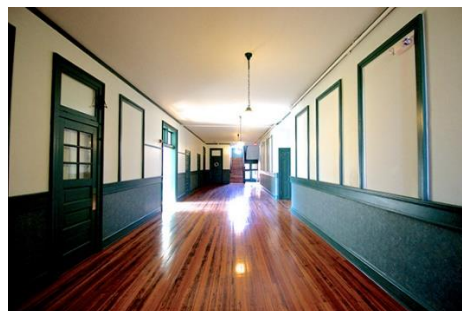
Market Assessment/Reuse Strategies

Market Assessment

Residential

The site location lends itself to residential use. A residential conversion would integrate well with the surrounding residential neighborhood, and while not within what is typically considered a reasonable walking distance, the site is still close to the amenities of downtown Mystic (approximately 1-mile). The site offers commuters very easy access to I-95 via exit 89 less than a mile (~3 minute drive) away and it is also less than 10 minutes from the Mystic Amtrak station.

Residential conversions have become a common adaptive reuse option for historic school buildings and properties that are no longer used for their original purpose. Developers often take advantage of historic rehabilitation and low-income housing tax credits for these types of projects. The photos below show an example of a school conversion named the Blair Central School Apartments in Blair, NV.ⁱ



When old school buildings remain in good condition, residential conversions can lend themselves to relatively easy re-use compared to other options. However, as noted earlier, the Mystic Education Center buildings are in poor condition due to lack of maintenance and general neglect.

A potential buyer/developer would conduct a detailed assessment of each building and prepare a financial feasibility analysis to determine reuse potential compared to building new and ultimately make that determination. It is also important to note that most developers have a niche or preferred focus; they might only do new construction or they might concentrate exclusively on historic re-development using historic tax credits.

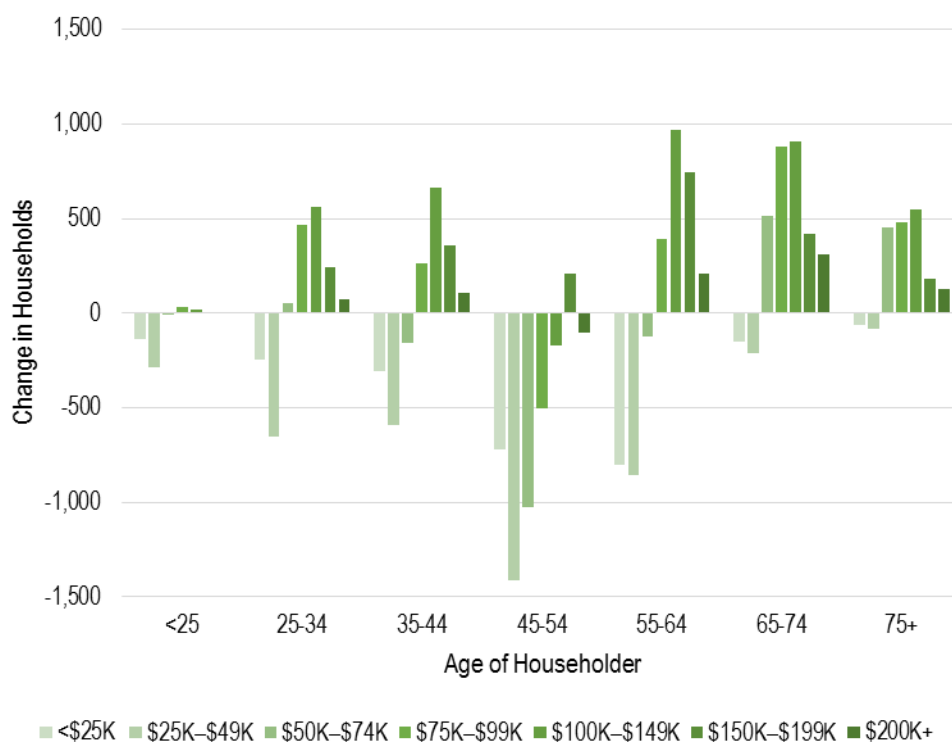
We caution against stipulating which route a developer must take. Instead, in order to enhance potential interest in the property, it is recommended that the Town and State

be flexible in terms of reuse vs. new construction. The target markets outlined below could be accommodated under either development approach.

Housing for an Aging Population

Groton is expected to add about 1,580 households by 2020. The real estate market analysis found that over the next five years, the group that will contribute the most to regional growth in the number of households will be higher-income seniors. That means that there will be growing demand for housing options for seniors who are looking to stay in the area but do not want to manage the upkeep of their single-family home. The following chart shows the expected change in households in the region in the next five years by age of householder.

Table 1: Projected Change in Number of Households by Income and Age of Householder, Groton Economic Region, 2015–2020



Source: ESRI Household Income Profile

National research has shown that about 90% of seniors prefer to stay in their homes as they age, which means that about 10% will be looking for alternative housing options. The County of New London's population aged 65 and older is expected to increase by about 7,450 people over the next five years. As a result, there will be approximately 600 and 900 older adults looking for different housing accommodations over the next five years.

Table 2: Projected 65+ Population, New London County

| Population | |
|---------------|-------|
| 65+ Growth | 7,452 |
| Capture (8%) | 596 |
| Capture (10%) | 745 |
| Capture (12%) | 894 |

“Senior housing” comes in many shapes and sizes depending on the preferred lifestyles and needs of residents:

- **Age-Restricted Communities:**ⁱⁱ Also referred to as age 55+ communities, these facilities provide apartment, single-family, townhome, or condo housing in which younger people are not able to live. These communities typically have amenities that encourage an active life style such as tennis courts and golf courses. This housing option is designed for those that are healthy, independent, and prefer to live and socialize with their peers.
- **Residential Care Facility:**ⁱⁱⁱ These types of facilities typically provide each resident with assistance bathing, dressing, and help with medications on a 24-hour basis. Medical services are provided only under certain circumstances.
- **Assisted Living Facilities:**^{iv} This category of facilities are for those requiring a variety of in-home support services to assist them with activities of daily living. This model differs from nursing homes where residents receive a more continuous level of nursing care. Assisted living facilities often provide individual apartments complete with a kitchen area and bathroom. Some models use a dormitory or hotel style with common areas for socializing.
- **Nursing Homes:** Nursing home facilities provided nursing care and have doctors on staff. Nursing assistants provide most of the care and help with basic daily activities. Nursing homes provide the highest level of care outside of a hospital. All meals and housekeeping services are provided.
- **Continuing Care Retirement Communities:**^v For those requiring a comprehensive range of services including housing, residential services and nursing care there are these types of facilities that provide an opportunity for a resident to move from one level of care to the next, usually all within the same campus. Therefore, a resident could start off living in their own apartment, then move into an assisted living facility as their needs increase, and then ultimately could move again into a nursing home as they age.

The site is also ideal for senior housing because of its close proximity and easy access to existing medical facilities. This is a key factor for senior housing as residents need more frequent medical care. The proximity to existing medical facilities is discussed in the “medical office” section of this report.

Market Rate Housing

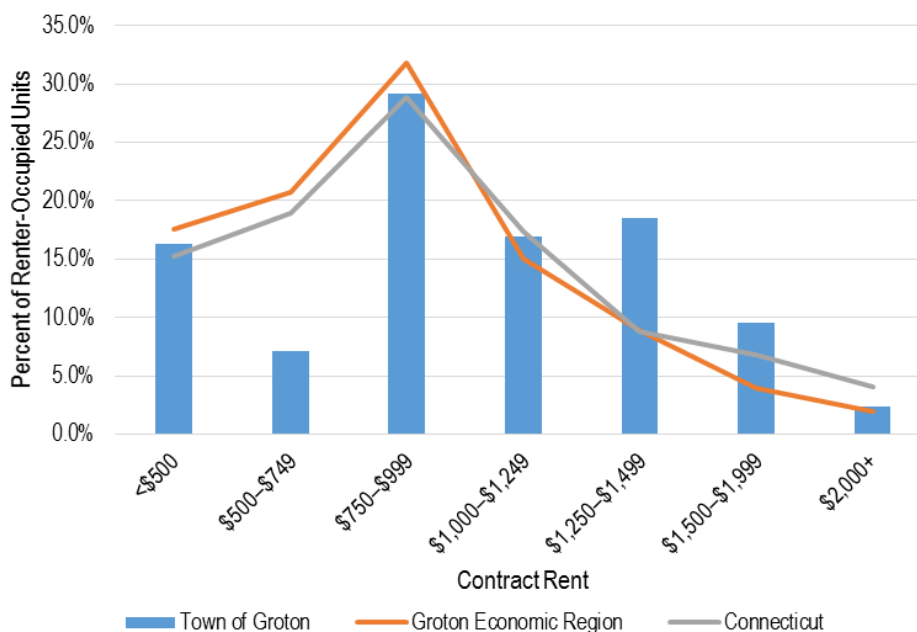
A market-rate residential project may have potential but would likely need to be a high-end project to be successful. The site is less ideal for apartment housing targeting a price-sensitive younger demographic as this market typically prefers to be located in community centers and downtown areas within walking distance of entertainment options and other amenities. The higher rent levels that would be necessary to make the project feasible require a market with relatively higher household incomes than this market segment.

As of 2010, the rental vacancy rate was approximately 11%. A healthy rental market generally has a vacancy rate of 5% to 10%. This indicates a slight weakness in the rental market that has likely not improved considering building permit data for residential development in Groton. Between 2010 and 2014 only 9% of residential building permits in the County were in Groton even though the town comprises 15% of the county’s total housing units.

There may, however, be potential for a high-end residential redevelopment because of the unique characteristics that the property would offer that are generally in demand in today’s upper-scale housing market. These include on-site trails, high ceilings, and open floor plans. Furthermore, residential units in converted historic buildings are popular in today’s housing market because of their unique characteristics. The market for this type of high-end residential development would include primarily professionals without children in the age 25-44 demographic and empty-nesters. Both of these age cohorts are expected to grow in the next five years.

Adding to the feasibility of a residential development scenario is that apartment units in Groton also rent for more on average than the surrounding region (\$976 compared to \$844 in the region). There are relatively more renters paying between \$1,250 and \$2,000 compared to the region and the state (about 2,200 housing units in Groton).

The higher rents in Groton are driven by military families receiving a Basic Allowance for Housing (BAH), which varies by rank and family size between \$1,000-\$2,000 per month. If we know that there are about 6,500 military personnel in Groton and about 3,725 military housing units on the base, we can estimate that there are – at the most – 2,775 military personnel living off base nearby.

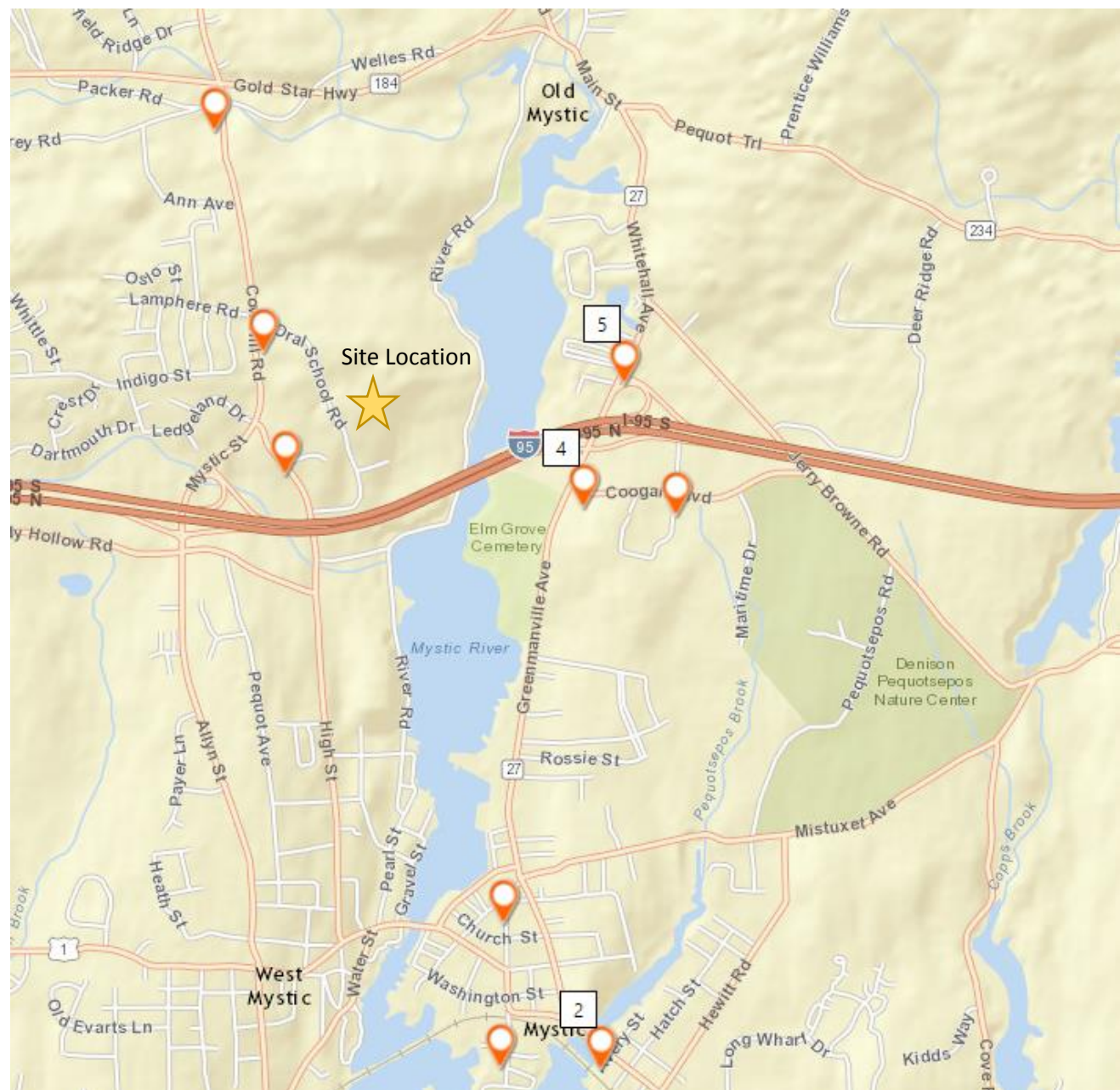
Table 3: Renter-Occupied Housing Units by Rent

Source: ESRI - 2009-2013 ACS Estimate

While there is a clear concentration of higher rents in Groton compared to the region, the same pattern does not hold true for owner-occupied units. This indicates that high end rental conversion is likely more feasible than a condo-conversion project; however, we would recommend that to the extent possible apartments be designed in a way so that conversion to condominium units is feasible to allow for any future shift in market demand.

Tourism/Hospitality/Recreation

The site is close to the major tourism destinations of Downtown Mystic and the Mystic Seaport. However, the existing hospitality and lodging market is competitive. There are 17 businesses that fall in the “accommodations” industry category in close proximity to the site including several national chain hotels just across the Mystic River. The competitive hospitality market will make it challenging for a new entrant into the market. The map below shows the location of nearby accommodation businesses.

Figure 6: Travel Accommodation Businesses

Source: ESRI Business Analyst

Despite the competitive market, the site offers a unique setting with a potentially differentiating experience for visitors to the area compared to current offerings. The existing on-site amenities and potential future amenities could attract an owner or developer to create a unique destination resort. Guests at the resort would have appealing recreation offerings available including the on-site trails, gymnasium, and swimming pool. The resort could also capitalize on new trends in the food tourism industry by growing food on the property's lands in new gardens and orchards that would be served at an on-site restaurant. These types of farm-to-table establishments have proven successful in attracting visitors.

Recreation use on the site would complement any hospitality uses. Groton has seen significant recreation-focused development in the recent past including Mystic Indoor Sports, Fields of Fire, The Sandbox, and Fearless Flyers Academy. The site may be able to capture some of this recreation market and enhance Groton's image as a recreation destination.

The combination of lodging and sports fields would allow accommodation of businesses to host sports tournaments and camps where participants and family members could spend the night on-site. These types of events do well in markets where there are nearby attractions and amenities for family members of participants to enjoy. In that respect, the close proximity to the Mystic Seaport area would make the site an attractive location for major tournaments and camps. Limiting the potential for a tourism or recreation use is the limited access to the site and poor road conditions.

Office

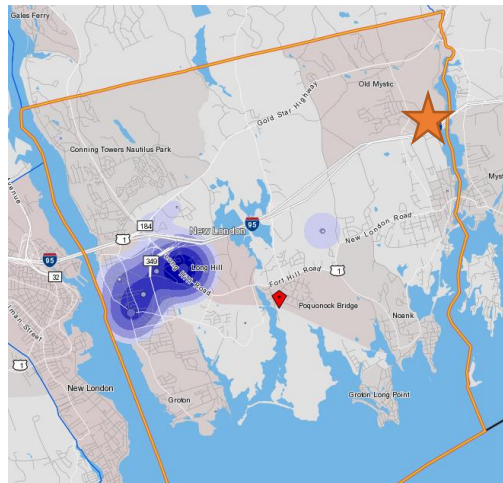
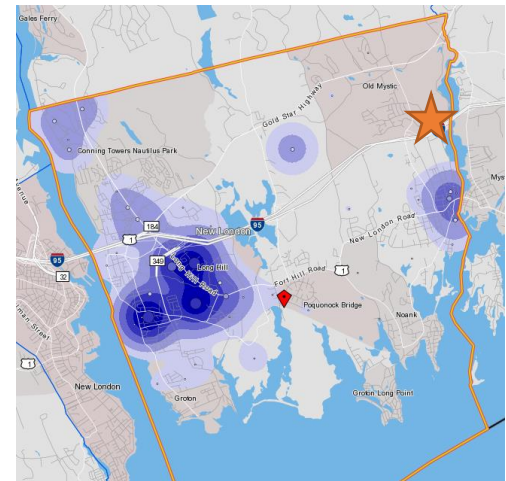
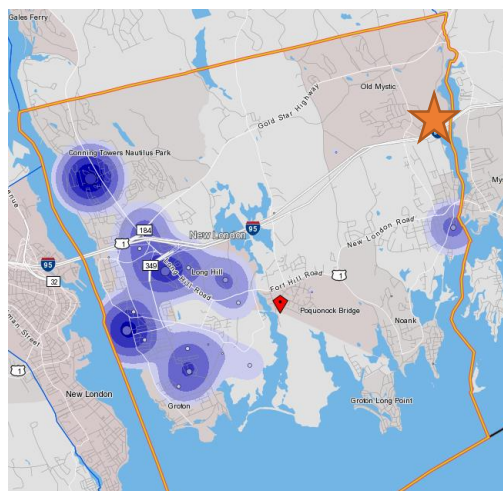
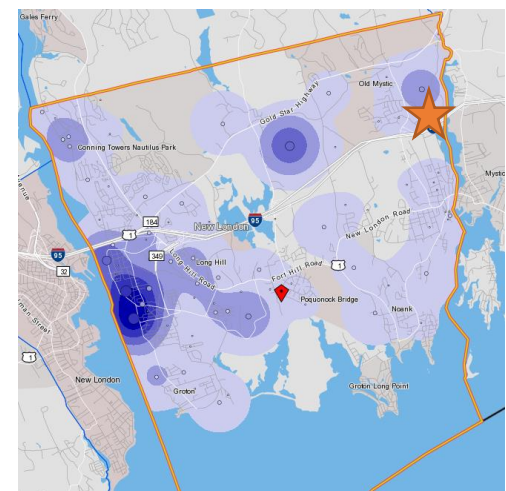
There are several factors that make office development a poor option for the site. The first is that the office market in the County is expected to be weak over the next ten years, with office-utilizing industries adding a net total of only 50 jobs – an increase of 0.1%. That equates to demand for approximately 7,000 square feet over 10 years, or an average of only 700 square feet per year. The lack of demand for office space in the region means that any office development on the site would have a difficult time attracting tenants and would very likely experience high vacancy rates and low lease rates. Given the resources that would be required to convert the existing space into usable office space, it is not anticipated that office would be a feasible option.¹

Additionally, the site is poorly situated for most office uses. In today's market, the locations closest to downtown areas and the core of communities are in the greatest demand. These types of sites are walkable to amenities and are easily accessible by different transportation options. The Mystic Education Center Site is in an isolated, largely residential area that is not attractive to most office-utilizing businesses. Furthermore, the Town should be encouraging any future office development to locate in its downtown areas as a way to increase vibrancy in these locations.

The maps below show where office employment is currently located in the Town. The patterns show clearly how the site (indicated by the star) is far removed from existing concentrations of office space (indicated by job concentration for the four major office-utilizing industries).



¹ We note that the exception to these trends are Electric Boat, which recently purchased office space to accommodate 700 to 800 employees in Groton. However, this large acquisition is a stand-alone project and not a reflection of larger industry trends in the region.

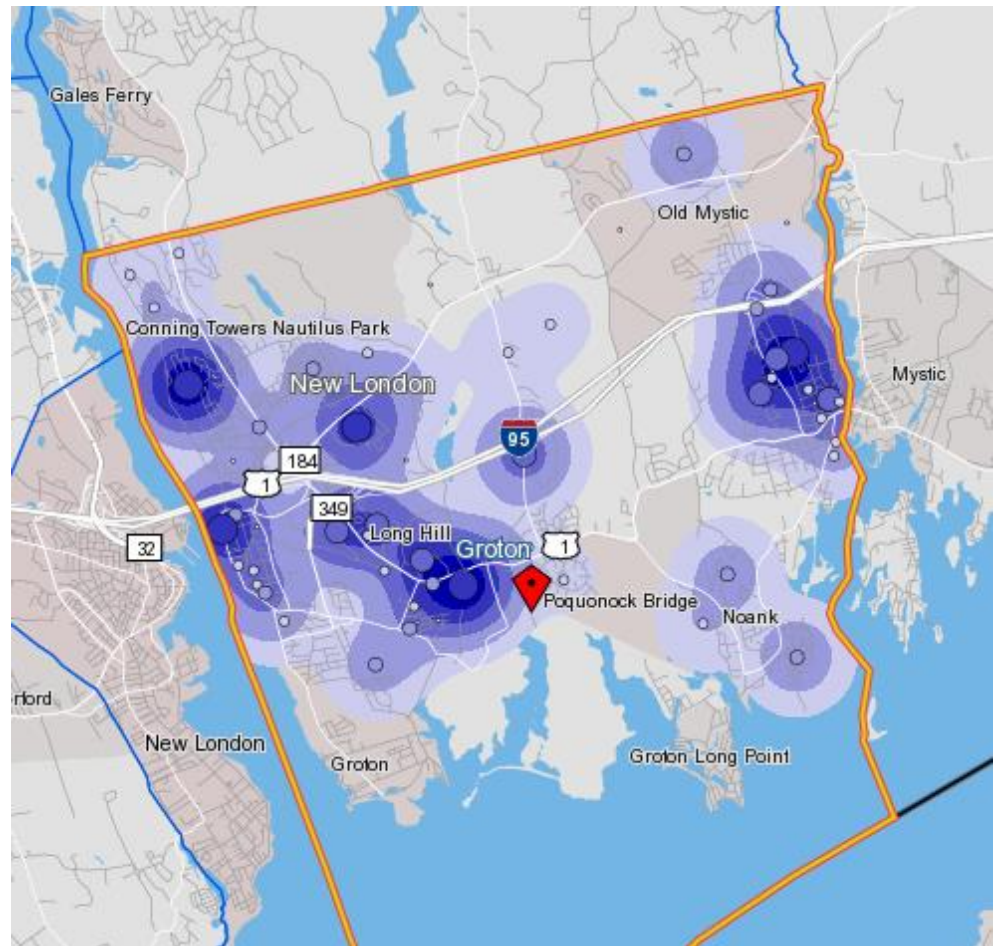
Figure 7: Office Employment in Groton**Information****Finance & Insurance****Real Estate Rental and Leasing****Professional, Scientific & Technical Services****Medical Office Buildings**

Medical office buildings have very specific characteristics and must be considered separately from the general office market. As estimated in the real estate market analysis, there will be demand for 33,250 square feet of medical office space over the next 10 years. The demand is driven by growth in the ambulatory care services sector, which will add about 190 positions in the Town over the next 10 years. Within the greater economic region, demand for medical space is expected to be nearly 240,000 square feet over the next decade.

There is clearly a market for medical office building development in the Town but that does not necessarily mean that the site is a feasible location for such development. Typically medical offices are located in clusters or close geographic

proximity to a hospital or major medical center. The adjacent map shows that the site is relatively close to a major concentration of existing healthcare businesses as indicated by the density of employment in the industry. The site is only 1 mile from the Mystic HealthCare facility. There is also easy access between the site and Mystic Medical Center across the Mystic River. There is only 2.7 miles driving distance (7 minutes) between the two sites.

Figure 8: Concentration of Existing Health Care Business



The site also has some unique characteristics that would play well in attracting medical office development. Its swimming pool, trails, and gym space may give the site a competitive advantage for medical uses that may require rehabilitation facilities. The cost to get the existing facilities up and running, however, may be too prohibitive for existing amenities to provide a competitive advantage compared to build-to-suit options.

While the proximity to the existing concentration of healthcare businesses and the presence of potentially useful amenities increases the feasibility of a medical office development at the site, there are strong factors limiting this feasibility. The site has poor visibility because of its isolation. Site selectors for medical office typically favor areas with high visibility (as measured by traffic count). Medical office is typically targeted towards places where people are already located such as retail shopping centers or big box retailers. Medical office buildings will locate near these “anchor tenants” because they draw specific types of markets that they are targeting (e.g., elderly populations).

Additionally, many (but not all) medical office buildings locate so that they are easily accessible by mass transportation. The Mystic Education Center site is only accessible by automobile, but could be potentially accessed via shuttle service. The condition of the roads to the site, however, is poor and the roads are ill-equipped to handle large traffic volumes.

The site will also need significant investment to upgrade it to the type of modern facility needed for medical office. It will likely be more cost-feasible for a developer to do new construction rather than rehabilitate existing.

The most feasible medical office development scenario on the site is in conjunction with a residential component for the elderly or the infirm. There are several models for this type of use that are discussed in the residential section. The medical office would then be servicing an on-site patient base rather than drawing patients who would increase traffic volumes significantly on the poor-quality residential access roads. This type of development could be complementary to existing healthcare facilities in the area providing long-term care for patients that will need frequent access to the local hospital and other medical offices. This scenario would also minimize the issues surrounding the lack of site visibility.

Retail & Industrial

There is some potential for retail development in Groton but the Mystic Education Center site is not well suited for this use. Its isolation in a residential neighborhood means it has low-traffic volume and poor visibility. Access to the site is limited to residential roads that are not suitable for the high traffic volume associated with retail uses. Retail businesses also prefer to locate in existing commercial centers in order to capitalize on the presence of customers already shopping at other local businesses.

The building style of the Mystic Education Center Property is also not in demand by modern retail establishments. The corridor style of the existing buildings do not align with the open floor plans required by the vast majority of retail businesses. Therefore, the site would need to be significantly demolished and redeveloped. This would make retail uses infeasible from a cost-perspective. Furthermore, the town should encourage any retail development in its commercial core areas to enhance the vitality and vibrancy of these areas.

Similarly, the site would be a poor option for future industrial uses. There is little market demand for industrial space and the site access roads would be unable to accommodate high traffic volumes or any truck traffic. The buildings on-site are also not likely suitable for industrial businesses and would require demolition.

Institutional

With a history of past institutional use the current construction on-site lends itself to institutional uses. The potential for institutional use is subject to the needs of individual institutional organizations. The Town should not turn away proposals for institutional uses; however, this represents an “ideal” scenario but even with a significant marketing and recruitment effort directed at local institutions, this scenario is highly unlikely.

The feasibility of a new institutional use is dictated primarily by the needs of local and regional organizations. There are number of colleges and other institutions that have a presence in or nearby Groton, including University of Connecticut Avery Point Campus (in Groton), Eastern Connecticut State University (classroom in Groton), Rensselaer Polytechnic Institute (satellite campus in Groton), and Connecticut College (nearby in New London). There is no community college in Groton and the closest, Three Rivers Community College, is 20 to 30 minutes away from most of the town’s population. A satellite use may be feasible given the ability of students and faculty to access the site.

Town Recreation

This scenario assumes purchase of the land from the State following complete environmental cleanup and removal of most of the building on the site to make way for new recreation fields. While the State has the responsibility for the cleanup and environmental mitigation, it is assumed that the Town would carry the burden of building removal and preparing the site for future recreation use. If pursued, the Town may wish to consider keeping the following buildings for support to the various recreation programs.

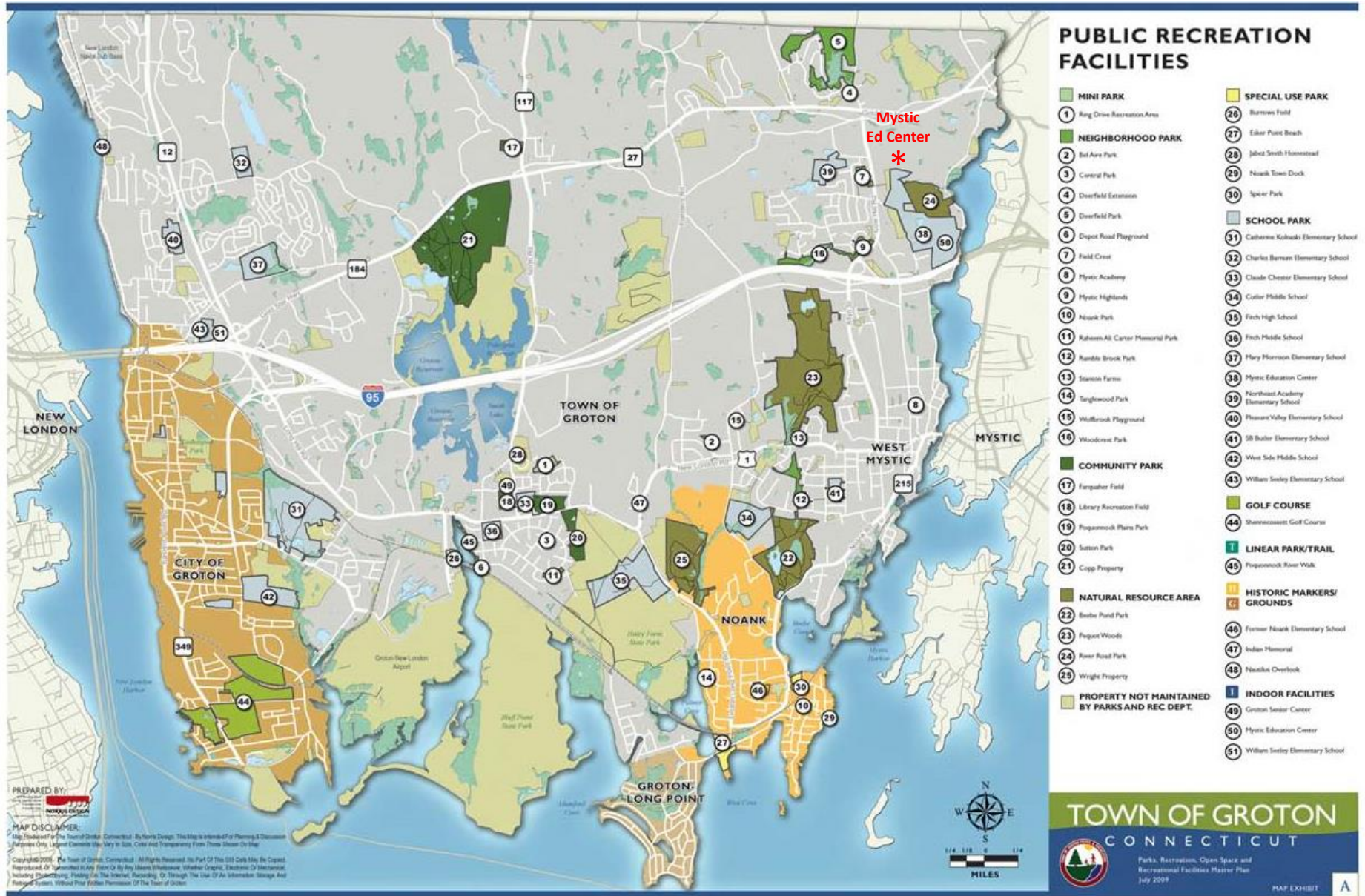
- Pratt Building - As this was once leased to the Town for active recreation programs (swimming, gymnastics, basketball, bowling) it would be logical to assume this would again be a vital part of the overall recreation program for the site. Parking would have to be provided to support this facility. Expansion to the north could provide space for approximately 100 spaces.
- Rainbow House – The Rainbow House could potentially serve as offices for the recreation staff.
- Crouter Building – The Crouter Building could provide space for indoor programs.
- Maintenance Building – The Maintenance Building could be used for storage of mowers and other maintenance related equipment.

It is assumed that the remainder of the site would be developed as outdoor recreation fields. The existing upper field area could become a regulation soccer field as the dimensions are appropriate. The cleared area of the main campus would support additional smaller soccer fields and courts for basketball. Parking could be provided at the periphery of the former campus area. As a major recreation center, an additional 100- 150 parking spaces should be provided. The lower flat area south of the former Dexter Building (now demolished) could serve as a site for a tennis center with 6-8 courts. The remainder of the site and its adjacency to State land could provide for a variety of trail experiences from mountain biking to hiking with connections down to the river, though it should be noted that the State has maintained ownership of the parcels that abut the river so river related activities would depend on State support and cooperation.

Reuse of the site for recreation provides an opportunity to create a focal area for Town recreation uses, both active and passive and to support and expand existing recreation programs.

While a study would have to be performed to determine actual yield for play fields and parking and their associated costs, this scenario would be very expensive even if the site acquisition cost was minimal. The Pratt Building has been minimally maintained since its closure and is in need of significant repairs. Though not as expensive, this would be true for other buildings as well. Costs for removing buildings would be high as would site preparation in the central campus area. As this site is not centrally located, traffic issues would have to be mitigated. As noted, the existing Oral School Road is in poor shape and would have to be brought up to meet Town standards.

Figure 9: Public Recreation Facilities



Summary

The following table offers a comparison of the pro's and con's by use type.

| Use | Pros | Cons | Assessment |
|--|--|--|--|
| Senior Housing | <ul style="list-style-type: none"> - Demand exists from aging population - Compatible with adjacent uses - Close proximity to hospital and medical facilities - On-site amenities | <ul style="list-style-type: none"> - Strong regional competition - Isolated from services | Greatest potential because of suitability of site and future demand for senior housing |
| Market-Rate Housing | <ul style="list-style-type: none"> - Easy conversion - High rents achievable - Proximity and access to employment centers - Compatible with adjacent uses - On-site amenities | <ul style="list-style-type: none"> - Isolated from services - Isolated location - No significant population growth | Moderate potential because of unique amenities and ease of commuting |
| Recreation/ Tourism/ Hospitality | <ul style="list-style-type: none"> - On-site amenities - Strong tourism market - Strength in recreation - Unique setting | <ul style="list-style-type: none"> - Strong competition - Not directly in tourism area - Traffic inducing | Moderate potential because of strong market but traffic and access concerns |
| Office | | <ul style="list-style-type: none"> - Little demand for office space - Traffic inducing - Too far from employment centers - Incompatible with adjacent uses | Low potential because of lack of demand and site location unsuitable for office. Low to moderate potential for medical office due to proximity to health facilities and projected demand |
| Retail & Industrial | | <ul style="list-style-type: none"> - Poor visibility - Traffic inducing - Incompatible with adjacent uses - Limited demand | Low potential because of lack of visibility, site isolation, and adjacent uses |
| Institutional | <ul style="list-style-type: none"> - Least amount of conversion required - Complementary to other local institutional uses - Compatible with adjacent uses | <ul style="list-style-type: none"> - Depends on specific needs of institutional users | Low potential because of lack of market demand |
| Town Recreation | <ul style="list-style-type: none"> - Opportunity to create a focal area for Town recreation uses, both active and passive - Opportunity to support and expand existing recreation programs | <ul style="list-style-type: none"> - Expensive building restoration or removal, high site preparation and roadway improvement costs - Traffic inducing and mitigation | Low potential because of high costs and isolated location. Not highest and best use of property |

Reuse Strategies

Based on the site and market assessment, three potential reuse strategies have been identified:

1. Developer Partnership – the Town partners with a private developer to develop/reuse the site in response to market demand.
2. Other Town Uses – The Town utilizes some of the existing buildings for municipal purposes.
3. No Action – The Town does not pursue any development on the site.

Developer Partnership

Under this scenario, the Town and the State would enter into a public-private partnership in order to create an incentive for redevelopment. The partnership would utilize brownfield planning and clean-up funds that are currently available from the State. Uses on the site would be more market driven but the potential for the Town to maintain some use of the site if desired could still exist.

Advantage

The Town could maintain ownership of the land and provide a long term lease of the property. Such a partnership could be attractive to a developer. Partnering with a private developer will reduce the risk and burden to the Town compared to making preemptive investments such as infrastructure improvements for which the Town may not ultimately see a return on investment. In addition, this scenario would get the property back on the tax rolls.

Disadvantage

The Town would have to assume the cost for off-site improvements, such as Brownfield/clean-up liability, maintenance, etc. The Town would need to balance an interest in seeing the site redeveloped and not overextending its resources. Further, it should be noted that given the Town's desire to attract high quality mixed use development to the Downtown Design District, care should be taken to make sure residential development on the Mystic Education Center site not compete with the Town's vision for economic development along the Route 1 corridor.

Other Town Uses

This scenario assumes the Town would adapt some or all of the existing buildings for municipal use. Not knowing what the demand for municipal use is, it is hard to imagine that all of the existing buildings would be needed or what specific

programs/operations could potentially be located there. Given the site's residential context, it is assumed that this would not be an ideal site for town public works related uses.

Advantages

This scenario could meet current and future growth needs for the Town. The nature of the Pratt Building and its recreation potential suggests a possible joint recreation and Town use scenario.

Disadvantages

The costs associated with renovating existing buildings for municipal use could be considerable. Traffic mitigation and road improvement costs would be high given the nature of the existing road system. The site does not provide a central location for Town services and it is hard to imagine that this scenario would be the most effective way to meet Town space needs.

No Action

Under this scenario, Town does not take the lead in advancing development of the site and focuses its efforts on promoting economic development on other opportunity sites within the Town.

Next Steps

The goal for redeveloping this site is to see the property returned to active use and returned to the property tax rolls. Redevelopment should align with the town's vision and economic development goals that are currently being established in the town-wide economic and market analysis.

The town must also carefully balance its interest in seeing the site redeveloped and not overextending its resources. As owner of the site, the State has the primary responsibility for actively marketing the site. The Town's role should be to work with the state and interested developers to encourage the types of projects suggested in this market assessment and be willing to engage in mutually-beneficial public-private partnerships with potential developers.

Based upon the strong desire to get the property back on the tax role, it is recommended that the Town work with the State to investigate a public-private partnership redevelopment strategy. Partnering with private developers will reduce the risk and burden to the town compared to making preemptive investments such as infrastructure improvements for which the town may not ultimately see a return on investment.

There are several models and financing mechanisms that the town can consider to help facilitate the development of the site including:

- **Tax-Increment-Financing (TIF):** Connecticut has new TIF legislation that would allow the Town to enter into an agreement with a developer where all or a portion of the new real estate property taxes paid would be refunded to the developer for a set period of time as an incentive to redevelop the property and/or cover the cost of necessary improvements (e.g., improving access roads to the site).
- **Municipal Tax Abatement:** Each municipality in the state has the ability to offer, on a sliding scale depending on level of investment, local tax abatements for both real estate and manufacturing machinery and equipment. There are several eligible uses relevant for the site including permanent residential use, transient resident use, recreation facilities, and mixed-use development.
- **Incentive Housing Zone:** An Incentive Housing Zone is an area which has a zoning overlay that allows developers to increase housing density in exchange for creating mixed-income housing. The Town would receive up to \$50,000 upon approval of the IHZ. The Town would also receive payments when units are built up to \$50,000. The HOMEConnecticut Program also provides grants for analyzing and establishing an IHZ.
- **Historic Structures Rehabilitation Tax Credit:** This credit would be available if the property were added to the National or State Register of Historic Places, or located in a This credit would be available if the property were added to the National or State Register of Historic Places, or located in a district listed on either Register and certified by the State's Department of Economic and Community Development as contributing to the historic character of such a district.

Residential redevelopment scenarios would like qualify for a tax credit from this program that encourages the conversion of historic commercial, industrial, institutional, former government buildings, cultural buildings, or residential property of more than 4 units to residential use. A 25% tax credit of total qualified rehabilitation expenditures is offered up to \$2.7 million per building and \$15 million annually.

The Town should explore the option of adding the site to the state register of historic places as it would enable a developer to apply for this tax-credit and other historic preservation incentives. Listing on the register does not restrict the rights of private owners in the use or development of private historic property.

Endnotes:

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- ⁱ <http://www.seldin.com/blog/apartment-trends-converted-school-building-apartments/>
 - ⁱⁱ American Association of Retired Persons, "Which Type of Housing is Best for You?" 2009.
 - ⁱⁱⁱ National Association of Area Agencies on Aging, Housing Options for Older Adults.
 - ^{iv} National Association of Area Agencies on Aging, Housing Options for Older Adults.
 - ^v National Association of Area Agencies on Aging, Housing Options for Older Adults.