

# Preliminary Findings

## **Hartford 2010: Initial Workshop Presentation**

### **Economics**

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**May 31, 2006**

**DRAFT: FOR DISCUSSION PURPOSES ONLY**

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# 1 Introduction

Hartford is a city with incomparable assets. Its history is long, rich, and replete with major industrial, economic and cultural milestones and innovations. This historic legacy is physically manifest in the form of a delightful array of historic structures and districts, from the downtown core, with the Old State House and Wadsworth Athenaeum, to major industrial buildings such as the Colt Building, to grand homes, leafy neighborhood streets, and classic late-19<sup>th</sup>/early 20<sup>th</sup> century shopping districts. Once famous as the insurance capital of the world, Hartford is still home to the headquarters of major corporations, including Aetna, the Hartford, and UTC; and the City accounts for over 20 percent of the 35-town region's total employment base.

Yet, the more recent history of Hartford is one of slow economic decline and severe socio-economic distress. For a variety of reasons, Hartford's preeminence in the region has slipped, both in terms of its proportionate share of regional economic activity, and its ability to attract both people and investment. Further, Hartford is the poorest city in Connecticut. Home to a weakly attached population characterized by high poverty rates and high unemployment, Hartford is a city where every neighborhood is, to some degree, at risk.

Like many cities working to reverse a period of decline, Hartford has placed much of its emphasis on its enduring strength—it's downtown area. Recent investments, both public and private, have contributed to an impressive record of success that is palpable on the City's downtown streets, as building renovation, new downtown housing, and a burgeoning downtown dining and entertainment niche are bringing new life to formally moribund storefronts, buildings and districts. The logical next phase is to extend this pattern of success into the immediately adjacent neighborhoods, many of which happen to be the poorest in the City.

The following narrative, with accompanying economic data, is intended to serve as a series of snapshots of Hartford's recent socio-economic history. It captures a city with significant issues and constraints, but one poised to take advantage of significant opportunities. Many of the data points presented here could be taken as grounds for pessimism regarding the City's prospects. The report therefore begins with the recent good news coming out of Hartford, then addresses long-standing issues, closing with preliminary suggestions and areas of focus.

## 2 Good News: Recent Successes

**Hartford has been fortunate to be on the receiving end of a multitude of investments both large and small, public and private.** These investments have leveraged more than \$2 billion in new housing, shops, restaurants, hotels and commercial developments. As of 2003, eleven of the Greater Hartford Region’s largest developments were located in the City. These include:

**City of Hartford Development Projects by Regional Rank  
(Ranked by Cost as of December, 2003)**

<b>Regional Rank</b>	<b>Project</b>	<b>Cost</b>	<b>Funding/Involvement</b>
3	Connecticut Convention Center and Hartford Marriot Downtown (Adriaen’s Landing)	\$267 million (\$190 million convention center, \$77 million hotel)	Public/Private
5	Town Square	\$155 million	Public/Private
7	Colt Gateway	\$110 million	Private
8	CT Center for Science and Exploration (Adriaen’s Landing)	Est. greater than \$100 million	Public/Private
9	Front Street (Adriaen’s Landing)	\$100 million	Public/Private
11	University of Hartford Development Projects	\$67 million	Public/Private
12	Wadsworth Athenaeum Expansion	\$43 million raised as of Dec. 2003	Public/Private
13	Sage Allen	\$43 million	Public/Private
14	Hartford Public Library Expansion and Renovation	\$42 million	Public
15	Trumbull Centre	\$38.5 million	Private
16	Charter Oak Marketplace	\$30 million	Public/Private

**Large-scale civic redevelopment projects are increasing downtown Hartford’s appeal as a regional destination for cultural and leisure activities.** Many of the region’s largest development projects — Adriaen’s Landing and Town Square — are spurring increased visitation to the downtown from people throughout the region. Riverfront Recapture is helping to reunite

Hartford with the Connecticut River. More than \$1 billion of development projects are currently underway within walking distance of the Riverfront.

**In both downtown and in adjacent neighborhoods, innovative mixed-use developments – a blend of historic preservation projects and new construction – are underway.** A number of private developers in partnership with the city of Hartford, the state of Connecticut and economic development organizations are contributing to revitalizing the city with new residential projects. New downtown housing is an extremely positive trend. Trumbull on the Park, Sage Allen/Temple Street, and the Hartford 21 developments are among the projects helping to create nearly 1300 residential units that are completed, under construction, or soon to begin construction in the CBD. The resurgence of downtown as a dining destination, with many new restaurants opening in the past several years, is occurring in parallel with these new residential opportunities.

### Selected Residential Projects

Project	Residential Units	Commercial/Retail	Location
Colt Gateway	300	Nearly 300,000 square feet of commercial and retail space. Other: visitor’s center, park, museum.	Colt Park
Capewell Horse Nail Co. Factory	92	Rehabilitation of office building	Sheldon-Charter Oak
Sage-Allen Building	120	12,000 square feet of retail on the ground floor. Will also re-open Temple Street as a one-way connection between Main and Market streets.	Downtown
Hartford 21 (Civic Center)	262	53,000 square feet of externally oriented retail/restaurant space; 93,000 square feet of office space; and 35,000 square feet of public space.	Downtown
Trumbull on the Park	88	Service retail and restaurants to line the ground floor along Trumbull Street and a new restaurant facing Bushnell Park,	Downtown
55 on the Park	132	N/A	Downtown

**Outside of downtown, the City has also spurred re-investment in its neighborhoods, including new housing and retail developments.** Residential developments include: Goodwin Estate (a new residential community in West End); Stowe Village (Hope VI reconstruction of 150 single-family owner-occupied housing units in the northeast neighborhood); and Rice Heights

(Hope VI reconstruction of 120 single-family owner-occupied housing units in the Southwest neighborhood). Charter Oak Marketplace is a 350,000-square-foot shopping center on land owned by the Hartford Housing Authority, providing services and jobs to residents of the Behind the Rocks community. The Main and Pavilion Shopping Center is the Northwest neighborhood's first shopping center.

**The City has made significant capital investments in key retail corridors such as Park Street.** These streets – such as Albany, Farmington, Broad Street, Maple Avenue - are getting major facelifts in terms of new sidewalks, paving, street trees, facades, and other enhancements, all of which should increase their appeal. Some are also receiving pedestrian and traffic calming improvements intended to improve the walking environment—key in a city where many residents do not have cars. Park Street, the city's and the region's Hispanic retail corridor, has been the focus of a concentrated neighborhood development effort and could serve as a model for future neighborhood investment. In addition to million-dollar streetscape improvements, new housing in the surrounding area has also contributed to the expanding number of pedestrians venturing onto Park Street at night. Also in the works is the \$64 million Plaza Mayor proposal to build two residential towers, a Spanish-style public square and retail at the gateway on Park and Main streets.

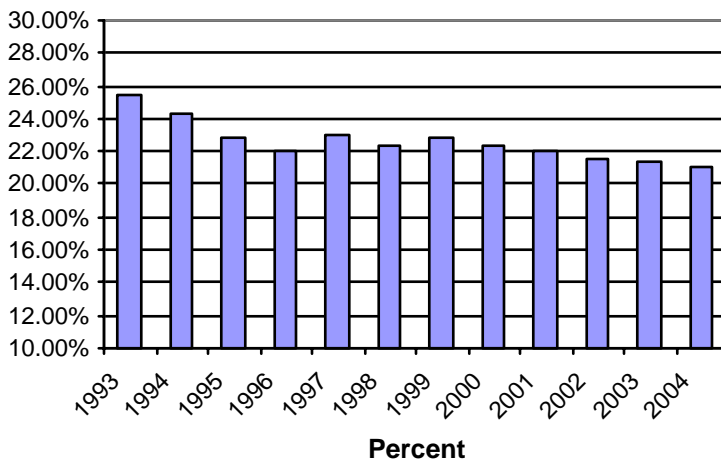
### 3 Ongoing Challenges: the City Economy

**Hartford has an enviable employment base comprised of government functions and high-value industries.** Hartford is the home of the corporate or regional headquarters of a multitude of Fortune 500 companies. As the state capital, it has a large and stable base of government employment. It's two big hospitals—Hartford Hospital and St. Francis—are also major sources of jobs for the City and region. Finally, Hartford is home to two major educational institutions, Trinity College and the University of Hartford. The City's top 10 employers are shown below:

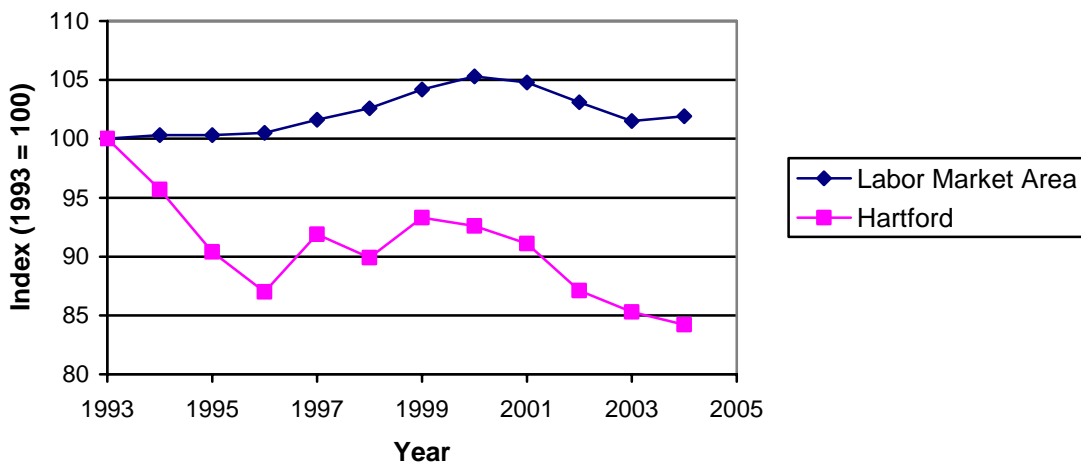
<b>Employer</b>	<b>Regional Rank</b>
State of Connecticut	1
United Technologies Corporation	2
The Hartford Financial Group	3
Aetna, Inc.	4
Hartford Hospital	7
St Paul Travelers	8
St. Francis Hospital	11
ING	13
Hartford Steam Boiler/AIG	15
United Health Group	17

**Yet, the City's importance in the regional economy, while still significant, has been slipping.** The City's share of regional employment has declined from over 25 percent in 1993 to 21 percent in 2004. And unlike the region, the City has been steadily shedding, rather than growing, its employment base. This is due both to factors beyond the City's control, such as mergers and acquisitions in the insurance and financial services industries, but also relates to its competitive position within the region.

**Hartford's Share of Regional Employment**



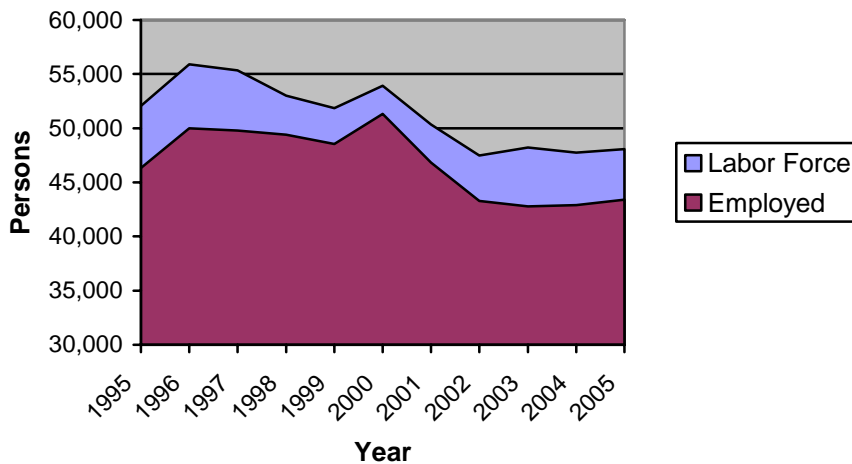
**Employment Trends, City & Region, 1993 - 2004**



**These trends are reflected in the downtown office market, in the form of modest rents and higher than average vacancy rates.** The Hartford CBD has an inventory of 7.7 million square feet, representing about 31 percent of the total metro area inventory of 24.7 million square feet. As of the first quarter of 2006, the overall CBD vacancy rate stood at 22.3 percent (a total of 1.7 million square feet of space), and CBD office rents commanded a premium of less than \$3 per square foot compared with the average for all non-CBD space, with average CBD rents of \$23.3 per square foot.

**The City's labor force has been shrinking over time.** The "labor force" refers to those people who are either employed, or registered with the Employment Security Commission and actively looking for work. Since its most recent peak in 1996, the resident labor force in Hartford has declined by over 7,800 workers. This indicates that either people are moving out of Hartford to look for work elsewhere, or that they are becoming discouraged and dropping out of the labor force altogether.

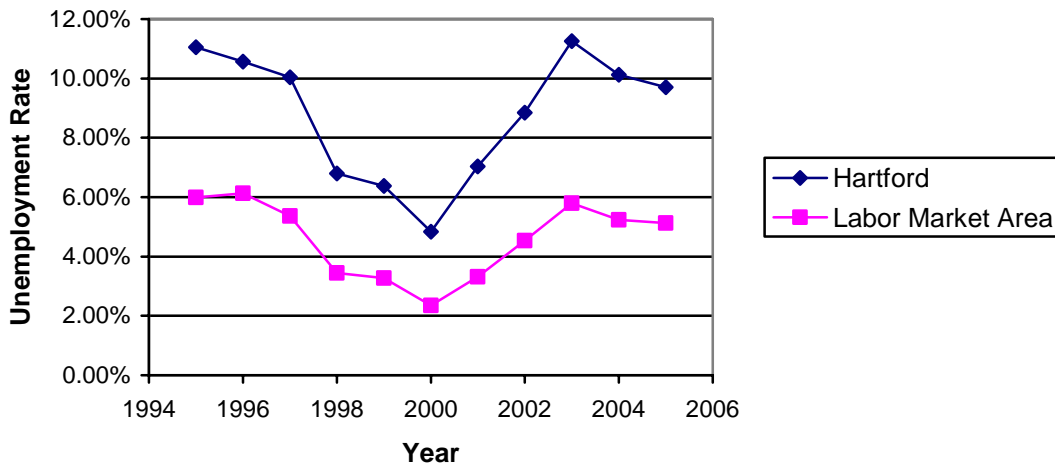
**Labor Force Trends, City of Hartford, 1995 - 2004**



**The City's labor force is much more impacted than the region by cycles of recession and economic expansion.** Between 1993 and 2004, the City's unemployment rate has fluctuated from highs of over 11 percent to under five percent. In the region, by contract, unemployment only exceeded 6 percent for one year, and reached a low of 2.4 percent in 2000. The much larger swings in Hartford's unemployment, and greater overall magnitude, indicate that Hartford's workforce is much more exposed to economic cycles than the workforce outside the City. Hartford's residents too often fall into the category of "last hired, first fired."



### Unemployment, City & Region



## 4 Neighborhoods at Risk

**Hartford is the poorest large city in Connecticut.** Connecticut has five municipalities over 100,000 in population. Hartford’s poverty rate of 30.6 percent is significantly higher than any other city in this peer group. Moreover, the City has gotten poorer over time—the overall poverty rate for individuals is up from its 1990 value of 27.5 percent.

City	Year 2000 Population	Poverty Rate (Individuals)
Hartford	121,578	30.6%
New Haven	123,626	24.4%
Bridgeport	139,529	18.4%
Waterbury	107,271	16.0%
Stamford	117,083	7.9%
State of Connecticut	3,405,565	7.9%

**This level of poverty impacts every neighborhood in the City.** Of Hartford’s 16 neighborhoods, 12 have poverty rates greater than 20 percent; 7 have rates greater than 30 percent, and 3 are at or over the 40 percent rate, a threshold used by sociologist William Julius Wilson to define the most distressed high-poverty neighborhoods. The neighborhood with the lowest poverty rate, Southwest, has a rate of nearly 11 percent—higher than the state average by three percentage points.

**Hartford’s neighborhood residents are surprisingly transient.** In many of Hartford’s neighborhoods, 30 percent or more the population had changed place of residence in the year prior to the 2000 Census. Another significant share had moved between one and five years prior to 2000. Overall, for the City of Hartford, 55 percent of the population had moved between 1995 and 2000, yet most of these moves were from within Hartford County. This indicates that this transience is generated less by in- and out-migration, and more by the weak attachment of Hartford residents to their place of residence.

**Hartford’s housing stock is overwhelmingly rental; yet it remains beyond the means of many residents.** A total of 75 percent of all occupied housing units in Hartford are rented rather than owned. Median rent, at \$560 per month, is modest. Yet, over 44 percent of Hartford’s residents pay 30 percent or more of their gross income in rent.

**Hartford is a diverse City whose ethnic makeup differs substantially from surrounding towns.** The City’s population is about 40 percent African-American, and 40 percent Latino, with the Latino population overwhelmingly Puerto Rican. Non-Hispanic whites account for about 18 percent of Hartford residents.

**Hartford’s demographics are the result of historic immigration patterns and a significant out-migration of whites from the City.** The large Puerto Rican population in Hartford and other Connecticut cities actually dates back to World War II, when large numbers of laborers from Puerto Rico were brought to the state to help man the vast defense plants that were supporting the war effort. More recently, immigration has played less of a role than out-migration. Between 1990 and 2000, over 21,000 whites left the City, along with nearly 7,000 African-Americans. These losses received only a small offset from the in-migration of about 6,000 Latinos.

	1990	2000	Percent	Change
White	42,867	21,677	18.6%	(21,190)
Hispanic	43,372	49,260	42.2%	5,888
Black	50,695	43,775	37.5%	(6,920)
Asian	<u>1,907</u>	<u>1,940</u>	<u>1.7%</u>	<u>33</u>
	138,841	116,652		(22,189)

*Compiled by the Brookings Institution, 2002.*

**These demographics underlie a significant language barrier in Hartford.** As of 2000, nearly 47 percent of the City’s population spoke a language other than English at home, and of these, nearly half spoke English less than “very well.” This has significant implications for reducing unemployment in the City.

**Hartford’s population loss was among the most severe compared with peer cities in the Northeast.** Between 1980 and 2000 the City lost over 22,000 residents, a decline of over 10 percent. This population loss was far more pronounced than other Connecticut cities such as Waterbury, Bridgeport and New Haven. Hartford’s closest comparable neighbor, Springfield, actually held steady over this time period.

**Population Change for Medium Sized Northeastern Cities, 1980 – 2000**

Manchester, NH	17.7%
Stamford, CT	14.8%
Lowell, MA	13.8%
Providence, RI	10.6%
Paterson, NJ	8.1%
Worcester, MA	6.6%
Waterbury, CT	4.1%
Allentown, PA	2.5%
Springfield, MA	0.1%
New Haven, CT	-1.9%
Bridgeport, CT	-2.4%
Hartford, CT	-10.6%
Erie, PA	-12.8%
Syracuse, NY	-13.3%

*Compiled by the Brookings Institution, 2002.*

**The physical conditions of Hartford’s neighborhood belie the gloomy statistics.** Unlike other cities with comparable socio-economic indicators, Hartford has not experienced the same scale of abandonment and disinvestment that typically accompany high poverty rates and declining population. Perhaps this is due to its status as state capital; or to the fact that, unlike industrial cities, it has not lost its core economic base; or to the inherent quality of the City’s building stock. Whatever the reason, Hartford’s neighborhoods are largely intact from a physical standpoint, easing the path to future revitalization.

**Yet, Hartford’s neighborhoods are too often disconnected—from the downtown, and from each other.** While the fabric of individual neighborhoods is intact, vacant lots, arterial roadways, highways, and other physical barriers separate these neighborhoods and disconnect them from the downtown core. A key challenge is to reintegrate these neighborhoods with the larger city.

**On a larger scale, Hartford's residents need to be better integrated into the regional economy.** Hartford has more than twice as many jobs as it has workers. However, Hartford's high-value economic base, concentrated in finance/insurance, health care, government, and higher education, does not provide sufficient job opportunities appropriate to its unemployed and underemployed residents. Enhanced policies are needed to connect Hartford's workforce with the full range of employment opportunities in the region.

**Hartford residents depend upon quality transit service.** Thirty-six percent of households have no vehicle available. For residents of these households, transit and walking are the primary modes of transportation. Another 42 percent have only one vehicle available. These households also rely on transit, to the extent that there is more than one wage-earner or adult in the household. Transit is obviously not only an important quality of life concern, but a key component of any access to work strategies targeting Hartford's unemployed and underemployed residents.

## 5 Commercial Areas: Strategies for Renewal

**Hartford's downtown remains the most important central place in the region.** It is the single largest concentration of employment, office space, and cultural attractions. The Civic Center and Convention Center have no equivalents elsewhere in the region. It is the focus of the regional highway network, and the seat of State government. As important is its symbolic value: all eyes turn to it, and its vitality affects perceptions of the vitality of the entire City and region.

**Building on and extending past successes in the downtown requires a three pronged strategy: (1) augmenting the Class A office market; (2) enhancing downtown as a leisure time destination; and (3) creating a new residential neighborhood in downtown.** Some exposition on these three strategies is appropriate:

- Downtown is, and has been, a premier corporate office location. Downtown and its immediate environs are home to several Fortune 500 companies. Its tall office towers create a well-defined skyline that adds to Hartford's regional prominence while creating the opportunity for signature development. Recent market statistics reflect the current softness of the CBD office market; yet, the City cannot afford to allow one of downtown's primary reasons for being to be eclipsed. **Along with efforts to tenant existing vacant space, the City should continue to seek a major office "deal" for one of its available development sites in the downtown.**
- Recent office development in Hartford has tilted towards suburban development models, with blank ground floor frontages and internalized parking and circulation. However, the downtown's key competitive advantage over suburban sites is its street life and easy

access to dining and shopping close to work. **Future office development should be designed and sited in a manner that helps further activate the street, to enhance and capitalize on a downtown's inherent strength.**

- The downtown has a formidable array of cultural and entertainment venues—the Civic Center, the Convention Center, the Wadsworth Athenaeum, and Bushnell Park. These are supported by a sizable inventory of downtown hotel rooms, and a growing inventory of restaurants and bars. Further expanding this niche is important as a means of attracting regional residents to spend their time and money in Hartford; as well as to increase its appeal as a residential location. **It is in large part a matter of knitting existing attractions together with clusters of dining and nightlife, so that the downtown functions as a cohesive destination.**
- The growing trend of downtown residential development is, along with all the new restaurants, one of the most encouraging trends in the downtown. **Hartford should capitalize on all available opportunities to dramatically expand the downtown residential population.** The reasons are several: to redevelop parking lots and other dead areas for active use; to create an expanded market for downtown retail and dining; to send a positive signal to the marketplace in the form of new private investment; and to enhance the downtown's image of safety and vibrancy through the expansion of the full-time population. As important, downtown housing can provide a significant boost to the City's tax base, as residential units have a square-foot value comparable to office space, and downtown residents will most likely be childless.

**Hartford is home to several neighborhood retail corridors, each with its own set of issues and opportunities.** These corridors can be classified according to the market they serve—regional or local; and their current viability—succeeding, struggling, or failing. They also vary greatly in terms of their physical attributes. Some, like Park Street, are vibrant pedestrian streets; while others, such as Albany Avenue, are more inhospitable due to excessive width, height and high-speed traffic volumes, and the encroachment of auto-oriented uses into the fabric.

**A tiered strategy is needed for these corridors.** As examples:

- **Streets with existing or potential regional appeal and good market prospects merit significant attention and investment.** These include Park Street, both its Frog Hollow section (currently receiving a major upgrade) and its Parkville section (where a burgeoning ethnic dining district would benefit from aesthetic and pedestrian enhancements).
- Farmington Avenue is an example of an underperforming corridor that nonetheless has excellent assets—it is located in the relatively stable West End neighborhood and serves as a regional traffic corridor connecting through West Hartford to Farmington. A major

study looked at dramatically altering the right-of-way conditions along this corridor, with a view of reclaiming its past strength for retailing. **The latent potential of Farmington Avenue merits this type of investment.**

- Other corridors, such as Albany Avenue, suffer from poor market support and unfavorable physical conditions. **In these cases, an actual curtailment of the amount of retail may be appropriate, with public investment targeted to specific nodes with the best prospects for success.**

**All the corridor strategies should look to capitalize on unique assets.** Park Street is the premier Latino shopping street in the region, perhaps in all of Connecticut. Its success and fine physical attributes set the stage for potential crossover appeal. Parkville can capitalize on its emerging ethnic dining mix. Farmington Avenue is an appropriate area for funky shopping that capitalizes on its easy accessibility from wealthier towns to the west, as well as its location in the more bohemian West End. And so on.

**While the downtown will be a continuing focus for development, the next logical planning frontier lies around the perimeter of the downtown.** Again, each sub-area requires a unique strategy. The area north of I-84, where parking lots and underutilized properties dominate, is a logical place to extend a more intensive, CBD-style development pattern, regardless of the ultimate use. At Asylum/Farmington, the focus should be on reconnecting a major corporate center with monumental architecture back to the railway (and future rapid bus) station, and to the downtown core. At South Green, an opportunity exists to reconnect Park Street to South Main Street, through traffic calming and infill, mixed-use development.

**Place-based initiatives must be complemented by people-based strategies.** No neighborhood corridor can thrive if the surrounding neighborhood is failing. Hartford's neighborhood retail corridors must become streets of opportunity for local residents. The City should continue and enhance its programs for micro-lending and small business investment. Locally owned enterprises not only respond better the particular needs of diverse populations, but they provide a key avenue for economic advancement in communities characterized by a significant immigrant population.

D R A F T: For discussion purposes only

**Sources:**

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