

2014
Stanley
Israelite
Business Park
REPORT

SEPTEMBER 25, 2014



STUDY OBJECTIVES

NCDC set out with the following objectives for this survey:

- Stay current with owners and tenants in Stanley Israelite Business Park
- Assess present Park conditions
- Assess the number of employees and estimated amount of revenue the Park generates
- Identify red-flag issues
- Update Business Park contact information
- Inquire about possible establishment of Business Park Association

During the course of the survey conducted in Stanley Israelite Business Park in Norwich, Connecticut, 43 businesses were visited and invited to participate.

Sixty three percent of business owners (26) were interviewed through personal interviews, phone interviews, or mailed surveys. Some business chose to not respond to the survey.

This report has been developed to be viewed on the internet. The online version is free and environmentally-friendly.



Introduction

Since the founding of the Stanley Israelite Business Park (Business Park, or Park) in the 1960's, Norwich Community Development Corporation (NCDC) has prided itself on having the pulse of business conducted in the Park. Understanding the issues and opportunities at each of the companies that create important commerce within the City of Norwich.

The economy ebbs and flows and it is important that businesses know NCDC, the City of Norwich and Norwich Public Utilities are here to provide assistance. Reaching out to ask "How is business?" offers an opportunity to open a dialog, create or strengthen bonds, and "check-in" with those that offer the region key employment opportunities, provide the City of Norwich important revenue streams through real and personal property taxes as well as through a set of world-class utility services.

It has been some time since the last formal survey of the Business Park so it felt right that, at what appears to be the waning months of a very stressful economy, NCDC should formalize a set of questions that help to define the dimensions of commerce and activity within the walls of private business. For that purpose, this "Taking Care of Business" survey and these findings provide a publishable record of what we found out, what we should work on and how things are looking for these companies.

Over the course of interviews we were able to pinpoint three issues that need immediate attention, which are now in the process of resolution.

About the Park

The Business Park is made up of 48 privately-owned properties on 450 acres. Presently there are approximately 45 businesses with 1,924 employees in the Park. Also 10% of the Business Park land area is dedicated to housing which is comprised of four developments with 293 total units, with a mix of ownership and rental properties. There is also a 52-unit assisted living / senior housing development.

Of the total land area in the park, approximately 161 acres are vacant, with only about 52 acres (32%) is developable. Much of this land has steep slopes, wetlands or other constraints that limit development.

Of the vacant buildings, one recently sold to a developer (1 Wisconsin Avenue), one recently entered the real estate market (43 Wisconsin Avenue), two are under contract (9 Wisconsin Avenue and 29 Stott Avenue) and one is vacant with no activity (243 Vergason Avenue). This equates to a vacancy rate of about 18% for buildings and 12% for developable land area. This is the lowest vacancy rate in the park in the last 5 years.



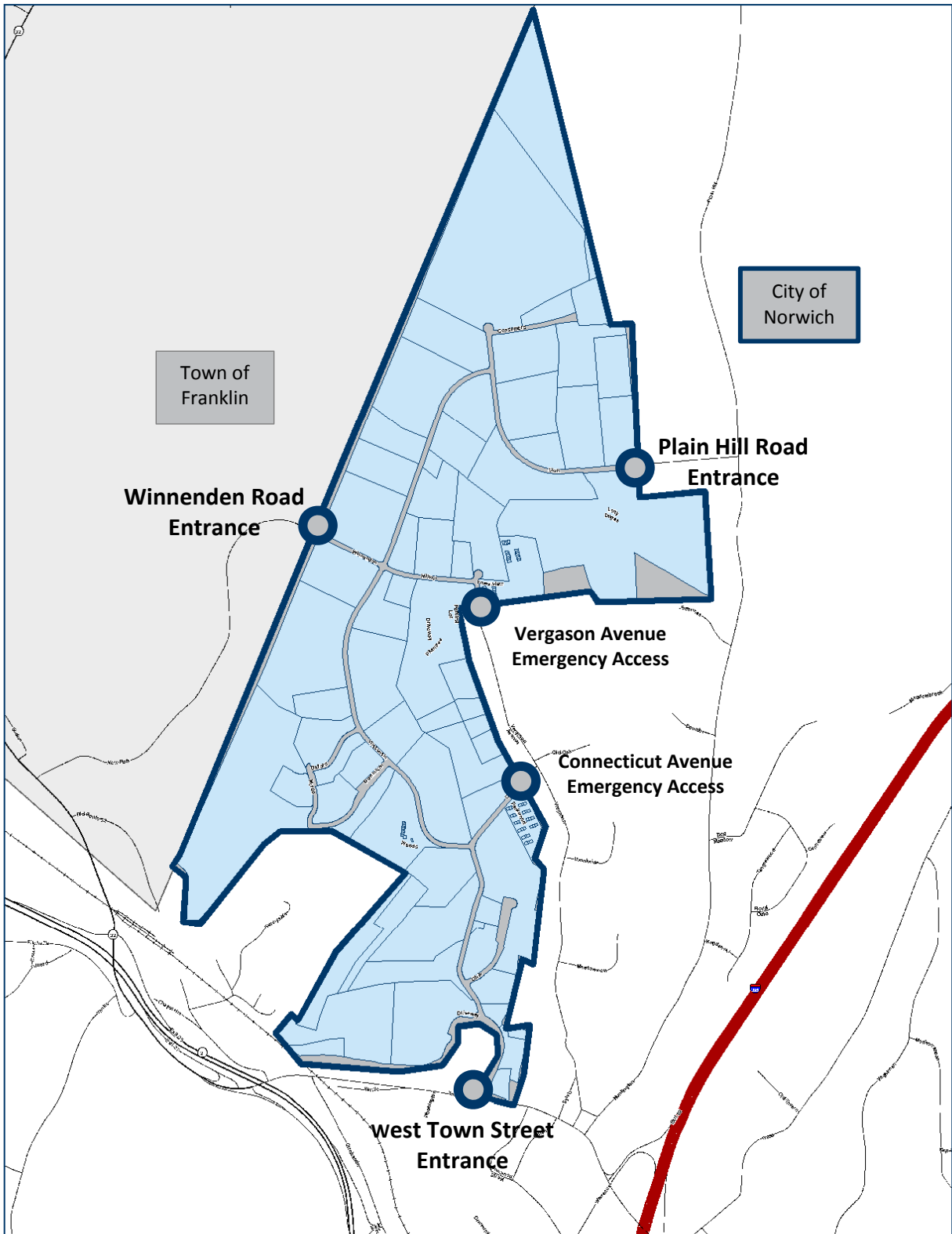
SENATOR THOMAS
DODD STADIUM

**Home of the
Connecticut Tigers**

Opened in 1995

Capacity 6,270

STANLEY ISRAELITE BUSINESS PARK



This map was produced by the Norwich Community Development Corporation and should only be used for its intended purpose. For copies of this map, please contact us at: 77 Main Street, Norwich, CT 06258-7884
Source Data: NCDC and City of Norwich/Applied Geographics Inc.



Date: 10/23/2013

DOMINION PROJECT

Opportunity can sometimes be found where it is not expected. In 2013, NCDC was alerted to a site search being conducted for an emergency operations center for Dominion Energy. NCDC worked with the Real Estate Brokerage community and several Business Park property owners to try to find a suitable site for this opportunity.

In this instance a site that was not envisioned to be developable by Business Park developers and designers is now being utilized for a new office building. Dominion has been approved to construct a 15,000 square foot Emergency Operations Facility for their power station located in Waterford, Connecticut.

This project is estimated to have a construction value of \$10 million. Equally notable as part of this effort was that Easter Seals became the recipient of a found asset, a developable lot, valued at \$350,000.

NCDC BUSINESS PARK COMMITTEE

Since the founding of the Business Park in the 1960's, NCDC has had an ongoing Committee to oversee the Covenants and activities of the park. This committee is comprised of 7 individuals (NCDC Board of Directors, businesspeople from the Park and key municipal and utility leadership). They work on issues related to maintenance of the park infrastructure, signage, complaints and problems that arise and a conduit for communication to other park residents about activities within and concerning the Business Park.

Findings

During the course of the survey we were able to make valuable connections with owners of businesses in the Park and stay current with their operations and needs as well as make sure that our information on file about their business is correct and up to date.

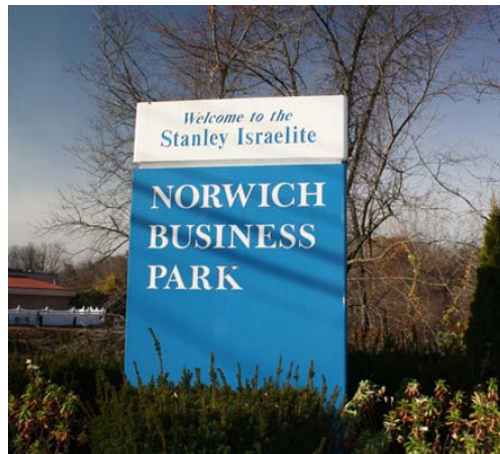
Of the businesses interviewed:

- 74% of businesses have their headquarters located in the park
- 55% of businesses have other locations
- 35% of businesses are exempt from sales and use tax

There is limited ability to grow the Business Park within the current boundaries.

Total Land available for development across 8 properties is 161 acres. Approximately 18% of building space in the Park is vacant and available for lease or purchase. That's 322,000 square feet of mixed use space (office/warehouse/manufacturing) are available for lease across ten buildings. According to the survey no known environmental hazards exist in any of the locations, which would prevent properties from being used.

The Business Park has underground utilities with redundant power making it modern and highly desirable location.



Business Vitality

CRITERIA	TOTAL	
Employees	1,924	
Businesses	45	
Estimated Revenues Generated (self-reported)	\$520,158,000	

Property Utilization

CRITERIA	TOTAL	PERCENT
Number of Buildings	38	100%
Buildings	1,770,087 SF	100%
Vacant Space – 10 properties ¹	322,000 SF	18%
Vacant Buildings - 5 properties ²	234,332 SF	13%
Vacant Land – 8 properties ³	161 acres	36%
Developable Land	35 acres	8%

PROPERTY UTILIZATION TABLE NOTES:

1. Vacant buildings are entire buildings that are vacant, while vacant space involves buildings that are not fully occupied. Vacant buildings are a subset of vacant space.
2. Since the completion of the survey, 9 Wisconsin Avenue has been placed under contract, 1 Wisconsin Avenue has been purchased, and the Collins and Jewell Building (43 Wisconsin Avenue) found a short-term tenant.
3. Vacant land is the acreage listed for sale in the park, while developable land is the amount of land that does not have environmental constraints (e.g., steep slopes, floodplains or wetlands) that is developable. Developable land is a subset of vacant land.

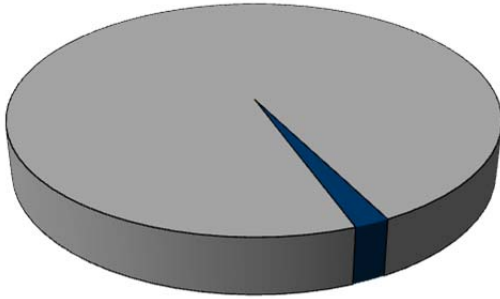
Revenues

SOURCE	NPU	CITY	TOTAL
Estimated Personal Property Taxes	\$0	\$1,210,000	\$1,210,000
Estimated Real Property Taxes	\$0	\$1,986,000	\$1,986,000
Electricity	\$11,236,500	\$1,248,500	\$12,485,000
Gas	\$1,616,400	\$179,600	\$1,796,000
Water	\$413,100	\$45,900	\$459,000
Sewer	\$484,200	\$53,800	\$538,000
TOTAL	\$13,750,200	\$4,723,800	\$18,474,000

Land Utilization Efficiency

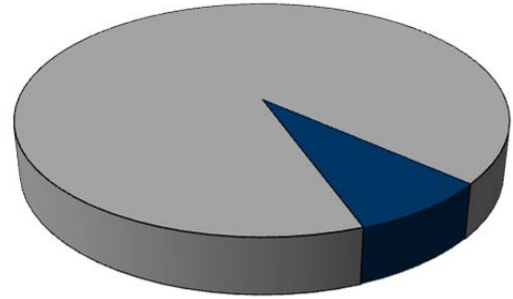
CRITERIA	PER 1,000 SQUARE FEET	PER ACRE
Estimated Revenues Generated	\$293,874	\$1,799,854
Estimated Tax Revenue	\$1,805	\$11,058
Estimated Utility Revenue	\$8,631	\$52,865

LAND AREA



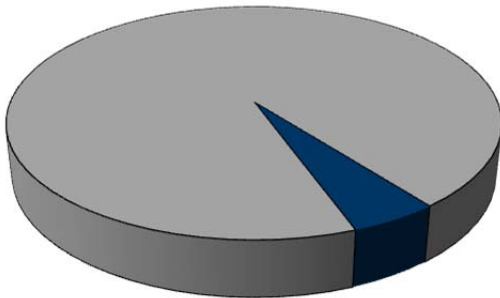
The Business Park comprises 2% of the total land area in the City. 450 acres of the 17,920 acres.

JOBS



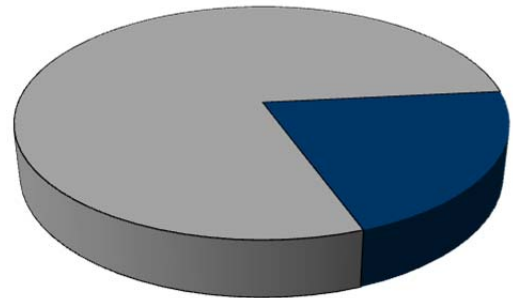
The Business Park hosts 8% of the jobs in the City. 1,924 of the city's 22,177 jobs can be found here.

TAX REVENUE



The Business Park comprises 5% of the total tax revenue for the city (\$66,134,833).

10% UTILITY GROSS REVENUE



The Business Park contributes 21% of the 10% gross utility revenue that the city receives (\$7,182,802) from Norwich Public Utilities.

Work in Progress

The Park is in constant state of change. The sign at the entrance to the park will be replaced in the next 6 months to 1 year.

Paving was completed on a portion of Wisconsin and Connecticut Avenues this year. All of the roads in the Park are owned and maintained by the City. The City's Department of Public Works expects to complete the entire park over next 24 months.

At Stott Avenue Dominion is constructing 18,000 square foot emergency operations building valued at approximately \$8 million (estimated real estate tax revenue of over \$200,000 plus personal property).

100% of interviewed business owners expressed their interest in establishment of Business Park Association. An Association will have a goal of improving the Park for all businesses located in the Park. Participants will be able to voice their ideas, concerns and suggestions and express their opinion on current issues.

Meet our newcomers:

Norwich Beverage - 29 Stott Avenue (under contract, closing anticipated by end of 2014)

Nutmeg Companies - 1 Ohio Avenue

Park Incentives

City of Norwich Incentives and Programs

Uniform Tax Deferral - For projects that involve property rehabilitation, construct new multifamily rental, or cooperative housing, or for brownfields (as defined in CGS Section 32-9cc) new multifamily rental, cooperative housing, common interest communities or mixed-use or commercial structures.

The City may fix the assessment of the property, during the period of rehabilitation or construction, as of the date of commencement of the project, for a period of 7 years. Upon the completion of the project, the City may defer any increase in assessment attributable to such rehabilitation or construction.

Norwich Public Utility Incentives and Programs

Redundant Power Supply - Norwich's city-owned utility, Norwich Public Utilities (NPU), has been recognized for excellence in reliability by the American Public Power Association. Reliability is not just a word to NPU; it is the way they do business. NPU's power supply in the Stanley Israelite Business Park is served by a triple-redundant distribution system, which includes state-of-the-art microgrid backup generation. In the event of a major power outage, NPU can keep the lights on in the Park.

Very Competitive Energy Rates - NPU secures its energy supply through the Connecticut Municipal Energy Cooperative (CMEEC) and is able to provide competitive rates for electricity and natural gas. The offices of CMEEC are located in the Park.

Energy Efficiency Programs for Commercial Customers - Norwich Public Utilities understands that the less you have to pay for your energy means the more money you have to invest in grow your business. Energy efficiency is also smart economic development, which is why NPU offers energy efficiency programs uniquely designed for its commercial customers.

Norwich Public Utilities offers zero percent financing to qualified commercial and industrial customers that are committed to making improvements that will increase energy efficiency.

Sustainable Business and New Construction Programs - NPU also provides free energy analysis and technical assistance along with incentives for lighting retrofits, natural gas equipment upgrades, and HVAC upgrades. They also offer a New Construction Program that includes rebates for high-efficiency equipment.

Norwich Community Development Corporation (NCDC)

Park Oversight - NCDC, as the developer of the Park, still retains a role in being a liaison between businesses in the Park and the City of Norwich. If you have an issue in the Park, let us be part of the effort to get it solved.

Connections - NCDC works to develop relationships with businesses and all branches of government to connect resources. As an overseer of the Park, we also work to find new opportunities to help businesses in the Park grow and thrive.

MICROGRID

The Business Park is home to 1 of the 4 microgrids located in the City. The Business Park microgrid provides for backup power generation during prolonged outages, which creates a competitive advantage when regional outages are occurring.

FROM THE BUSINESSES:

"Eastern Energy Services has been in the Norwich Business Park for **over 12 years**. We work all around Connecticut with our crews. This is a **great location** to operate from and I feel very safe running my business here!"
Debra Stout, Partner EES

"We purchased the land for our operations from NCDC in the early 1960's and have been growing our nationwide business here ever since. We have seen many changes in the landscape here and **enjoy the benefits and amenities** the park offers our employees."
Kenn Fischburg, CEO Consumers Interstate

"We built our new facility here in the Norwich Business Park in 2002 and love it here! It feels so comfortable and peaceful here to us and our customers."

Alexus Margerelli-Hussey,
General Manager, Byrnes Agency

ABOUT THE AUTHOR

The 2014 Business Park Survey was created and conducted by Viktoriia Sulik, as one of her internship projects with NCDC.

Viktoriia is a young professional with a B.S. degree with honors in accounting from Eastern Connecticut State University.

Originally from Ukraine and fluent in 4 languages, Viktoriia is working part-time with NCDC and local CPA firms while studying for the CPA exams in the fall of 2014 / spring of 2015. She is seeking a permanent position with a leading accounting firm in the northeast.

NCDC seeks ambitious interns and young professionals like Viktoriia to do challenging and meaningful work such as this Business Park survey.

This work directly assists NCDC and its partners - The City of Norwich and Norwich Public Utilities to maintain contact with key business people and their concerns.

Businesses interviewed

- Southeastern Connecticut Council of Governments (SCCOG)
- Concentra Medical Center
- Plas-Pak
- Hyde Park Landscaping
- New England Glass and Mirror
- Pro Forming Sheet Metal
- Electro Mechanical Specialists
- D'Amato Builders and Advisors
- Drs. Lee and Lim
- Consumers Interstate Corp.
- Byrnes Agency
- VFW
- ACLS New England
- Dodd Stadium
- Levine Distributing
- Ricoh
- Easter Seals of CT & RI
- Peter Maneri CPA
- Norwich Beverage
- CMEEC
- Gunther International LTD
- Summit Fitness
- Nutron Manufacturing
- Matrix SME
- Eastern Energy Services, LLC
- Prime Enterprises

Other Businesses in the Park

Did not participate in the survey

- Viking Supply
- Federal Express
- Comcast Communications
- Donovan Marine
- Frito Lay
- Nutmeg Co.
- ICF Group
- Backus Hospital
- Senior Resources
- Simplified Energy Solutions
- CT National Guard Armory
- Computer Sciences Corp.
- DDL Omni Engineering
- Lightolier/Phillips
- S&S Worldwide
- Stott's at Bat
- Lantern Energy

SPECIAL THANKS TO NCDC PARTNERS



City of Norwich
Leadership, Staff,
Taxpayers and
Residents



Norwich Public
Utilities
Leadership, Staff,
and Customers



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Development Corporation**

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askncdc.com

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About NCDC

The Norwich Community Development Corporation, led by business and civic leaders, has over fifty years of experience in creating opportunities for business. NCDC has been responsible for a number of development initiatives in Norwich including the creation of over 45 business locations in the Stanley Israelite Business Park; the Mercantile Exchange building- a 100,000 square foot class A office building and the Norwich Superior Courthouse - both in the heart of historic downtown Norwich.

In addition, NCDC was instrumental in securing and managing funding for both the renovated Otis Library and the Norwich Marina. NCDC is proud of its reputation for being active in developing relationships and collaborating with the City for the betterment of Norwich and for partnering with the City and Norwich Public Utilities to create a place where businesses grow and thrive.