

## **Middletown Downtown Business District**

Organizational Development Strategy  
2012 - 2015



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## Forward

Middletown's Downtown Business District (DBD) received grant funding from the Connecticut Main Street Center to complete an organizational development strategy to guide the development of the DBD as it transitioned from a long time executive director.

DBD hired Carmody Consulting to perform a strategic assessment of Middletown's Downtown Business District including an analysis of downtown's current conditions and future opportunities, an assessment of the DBD's organizational capacity, and recommendations for growing downtown and the DBD.

Dan Carmody of Carmody Consulting reviewed previous planning efforts and visited Middletown on January 22 and 23, 2012 to tour downtown and adjacent neighborhoods, meet with key stakeholders, and facilitated a goal setting session with the DBD's Board of Commissioners.

This report captures key findings of the consultant and provides an implementation strategy to achieve key goals that were identified at the strategic planning meeting.

This report provides recommendations to build the increased organizational capacity needed to cross the bridge from being a good downtown to being a great downtown.



## **Downtown Middletown Strategic Plan 2012-2015**

### **Overview**

Over the past thirty years Downtown Middletown has reinvented itself. As was the case in most American downtowns, Middletown's retail sector shrunk as shopping centers and national chains became dominant. Unlike many downtowns, Middletown was able to fill vacancies with a great collection of hospitality establishments and reposition downtown as a regional destination for dining and entertainment.

Downtown Middletown is a successful place. Yet despite this achievement, Downtown Middletown stakeholders are not satisfied. While other communities might succumb to complacency, Middletown's leaders are committed to building a stronger downtown. There was widespread agreement that Middletown had the opportunity to move from good to great.

Stakeholders suggested elements that were assembled into this vision statement for Downtown Middletown:

***Nestled between a gorgeous riverfront and the beautiful Wesleyan campus, Downtown Middletown is brimming with activity all hours of the day. Packed with people, Main Street's sidewalks and public places are clean, colorful, and compelling.***

***Downtown is an independent business haven. The culture of entrepreneurship is pervasive. Downtown boasts full occupancy with a wide range of hospitality, retail, artisan, and technology businesses.***

***Downtown's building stock is a source of community pride. Underutilized white elephant buildings have been repurposed with a mix of uses while context sensitive new buildings have been artfully integrated to reduce surface parking lots and increase utilization of parking structures.***

***Downtown is a destination for people throughout New England who come to shop, dine, and recreate. Downtown is also one of Middletown's most sought after neighborhoods where distinctive housing appeals to those from all backgrounds who thirst for a sustainable and creative place to call home.***

The following mission statement builds upon the core competencies of the Downtown Business District (DBD) and anticipates a larger role for the DBD as a downtown leadership organization:

***The Mission of the Middletown Downtown Business District is to provide robust marketing of downtown, achieve higher clean, safe, and civil standards for downtown, and serve as co-captain of the Downtown Action Team that will lead the community to achieve its downtown vision.***

### **The Road to Great**

Stakeholders also agreed on what is needed to become a great downtown. These three things must be achieved to make Downtown Middletown a great place:

#### **Build Diverse Downtown Housing**

Nearly all agree that downtown's residential mix is skewed toward those of modest incomes and that downtown does not have the market-rate housing product to attract those with significant means who see a lively downtown as a preferred residential location.

Most stakeholders referred to a recently developed sixty-unit low and moderate, income project in the north end as an example of how not to develop downtown housing.

Civic leadership helped launch the hospitality sector with the Police Station project. Such leadership was absent when the affordable housing project in the north end was developed. This happens frequently in places where low / moderate income housing developers and advocates interests are not balanced with larger community development interests.

Affordable housing developers are interested in project delivery fees and affordable housing advocates are interested in building as many units as possible to provide housing for families in need. Community interests in building sustainable mixed-income neighborhoods and avoiding the concentration of poverty that helps create future blight are not well represented unless a downtown or community-based advocacy group devotes time and talent to understand the nuances of good multi-family design, construction, and management.

In other places, where a carefully articulated housing development strategy has been developed with both housing advocates and economic developers around the table, new mixed-income / mixed-use projects did for those communities what the police station project did for the hospitality sector in Middletown.

A mix of new/old, rental/ownership, and affordable/market-rate housing is needed to make downtown Middletown a great neighborhood.

A mix of new and old is needed because abandoned or under-used upper floors and white-elephant buildings need to be re-purposed to preserve the viability of key historic buildings, as much as vacant parcels need to be filled in with context-sensitive new construction to re-connect downtown.

A mix of rental and ownership is needed because it is virtually impossible to start with market rate ownership housing if you have not established Main Street as a successful rental neighborhood. Right now, with its heavy percentage of low-end housing it will be hard enough to get market rate tenants to execute a one-year lease. Once that market is established it becomes possible for market-rate buyers to consider a thirty-year mortgage.

A mix of affordable and market-rate is needed because downtown needs low-cost units to deliver on its potential to be the community's most sustainable neighborhood.

On the one hand downtown needs to provide affordable housing so its low-skilled workers (dishwashers, clerks, etc.) can walk to work, while on the other hand affordable space is needed to accommodate younger, talented people (artists and entrepreneurs) who are likely to generate the next big ideas to propel downtown.

Building a great downtown residential neighborhood is possible with a focused and well-financed approach. A thriving residential neighborhood makes retail development, the toughest downtown challenge of them all, more likely to succeed.

### **Strengthen the Business Mix**

Often overlooked, downtown has a strong office sector that serves as one of its two pillars of prosperity. A mix of government offices, financial services, and general offices has been a long-time downtown backbone. The Chamber, through its Central Business Bureau, has established a strong network to help sustain this sector.

As mentioned above, hospitality is the other sector anchoring downtown Middletown. Its astounding success over the last few decades is how downtown got its groove back.

While the hard work of reviving this sector has been accomplished, downtown must invest in maintaining this sector. Occasional tending of these establishments is needed. For example, a troublesome night club needs firm oversight to make sure its crowd control problems don't give the entire downtown an unwarranted black-eye. Many in the community remember a random violent crime many years ago that had that exact affect on downtown.

Nearly all agree that the retail sector needs to grow and improve. Downtown needs to retain its distinctive retailers and attract more quality retailers to move from good to great.

Most downtowns seek stronger retail portfolios. While shopping centers have waned, national chains continue to dominate and many of those chains have minimum demographic requirements that eliminate Middletown from consideration.

To be successful in revitalizing its retail sector, downtown Middletown must carefully mine its existing retail base to extract any possible growth, develop a stronger culture to support the emergence of new entrepreneurs, and aggressively recruit successful regional retailers in search of additional locations. After all these steps are accomplished a few national chains may consider entering the market.

This is very nuanced work that requires strong relationship building within the retail community to succeed. Additional action steps are explained below.

### **Improve Connections**

Downtown Middletown is set within a tremendous framework. Surrounded by a hospital, a university, a riverfront, and a quirky neighborhood Downtown Middletown has the opportunity to grow significantly by improving both the physical and programmatic connectivity with its great neighbors to the east, west, north, and south.

The whole of the Middletown's historic core is much greater than the sum of its parts, but to unleash that synergy downtown must collaborate more closely with its neighbors.

The path from good to great is clear:

- Build a diverse downtown residential neighborhood in vacant and under-used upper floor space and on vacant land.
- Strengthen the business mix by maintaining office and hospitality clusters and by enhancing the retail sector.
- Improve the connections between downtown and the university, the hospital, the riverfront, and the North End.

**To implement these three sets of strategies, downtown Middletown needs to develop greater organizational capacity.**

### **Building Organizational Capacity**

As a team the City, Chamber, and DBD have provided strong leadership over the past thirty years. Collectively they are referred to as "downtown leadership."

The long-term dedication of the City of Middletown is as significant as it is rare. Most cities policies vacillate more than has been the case in Middletown and most cities have not provided the structural support (limited land zoned for commercial development outside of the downtown) that the City has provided for downtown.

Newly elected Mayor Daniel Drew and the city council looks to continue this tradition but like cities everywhere, they face enormous fiscal challenges that may restrict their ability to make needed investments in downtown revitalization.

In addition to the leadership of its elected officials, the City of Middletown's professional staff, especially William Warner the long-time Community Development Director, and more recently Geen Thazhampallath, of the Parking Department, have contributed enormously to downtown's success.

The Middlesex County Chamber's phenomenal growth under the leadership of Larry McHugh is also a bit of an exception as Chambers in other places have struggled to retain membership. The monthly convening of the Central Business Bureau (CBB) is a great business network-building and business retention tool that has been instrumental in helping downtown businesses prosper.

As downtown Middletown more clearly defined its role it became the third key member of the leadership team. The board and the long time staffer, Marie Kalita-Leary provided much of the bottoms-up communications and hands-on problem solving that complimented the work of the City and Chamber.

The DBD's attention to detail and its focus on marketing, event support, clean, safe, and civil, and problem solving helped downtown overcome its perceived safety issues and created an environment where new business could succeed.

The inherent strength of this three-sided downtown leadership team has moved downtown from mediocre to good. Yet, two issues threaten continued downtown success:

- The Chamber of Commerce has grown its membership to the point where its ability to focus on any specific business district is diminished. The Chamber's mission is county wide and is not limited to downtown.
- On-going City of Middletown fiscal stress will reduce staff's ability to focus on specific issues – fewer people in key city departments will reduce those departments ability to focus on downtown.

Given the risk posed by these threats and the desire to move from good to great, it is clear that a full-time DBD Director is needed. The barrier to hiring a full time director is the lack of confidence that resources can be assembled to pay for a full-time director.

Despite successful program implementation, the DBD has been unable to grow its budget that has been flat since the property tax based assessment was instituted in 2001.

Even with a respected, talented, and dedicated director, the DBD has not been able to grow its budget. To grow the budget deeper collaborations must be forged between the DBD and key partners. Additional programs and projects must be implemented to demonstrate the value of investing in the DBD.

While the DBD Board of Director's needs to play a pivotal role in building stronger partnerships, DBD Board members have full time jobs that limit the time they can devote to DBD matters. Building the relationships and the programs needed to convince others to invest in the DBD requires more time than a part-time manager can provide.

To move from good to great requires more, not less attention to downtown. The recent hiring of Quentin Phipps provides the opportunity to develop the high-quality, full time downtown professional capable of raising money from a wider-variety of sources, provide some of the skills needed to enhance retail, build housing, and build the relationships needed to forge greater connectivity with key neighbors.

Downtown is in good shape, there is strong support to move from good to great, and there is great opportunity to achieve a great downtown by implementing the three strategies stated previously.

What resources are needed to develop and retain a quality downtown executive?

According to headhunters, the salary range to attract an experienced downtown professional is between \$80,000 and \$125,000. With Quentin Phipps on board, the board needs to make a commitment to developing the organization into one with a budget to support a qualified downtown expert. A full time executive requires a larger budget and more will be demanded of the full-time executive and the organization to justify increased funding from a variety of sources.

To insure that the new director can succeed in developing a sustainable organizational funding base, a two-year commitment is needed. Within that time frame the new director should be able to grow and diversify the budget to sustain additional support for expanded DBD programs.

Here is a three-part plan to raise the minimum level of funding needed to hire a full-time downtown executive:

1.	Adjust annual assessment for 50% of inflation from 2001-2012	16,500
2.	PILOT (Hospital, University, City @ \$12,000 each)	36,000
3.	Salary from Current Budget	40,000
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Total		92,500

This approach mirrors the original Main Street funding commitments obtained from key community supporters that helped initiate Middletown’s downtown revitalization program in the 1990’s. It is not intended that the \$12,000 increase in funding from the three key collaborators are not the only support they need to provide. These funds are specifically to be utilized to build the organization’s capacity and to hire a full time executive.

While the key partners are more financially stressed than they were in the 1990’s, it is still possible to build a strong case and successfully solicit the funding to make a two-year commitment to moving from good to great.

Following these steps will help the DBD Board of Commissioners build deeper collaboration with its key partners, secure the resources to retain a full-time downtown executive, and build the organizational capacity to move downtown Middletown toward great.

**Build Organization Capacity**

These steps need to be taken to build the capacity of the DBD to become a more robust downtown leadership organization:

### **Review and Adapt Strategy**

These recommendations are intended to cause some discomfort and irritation. The biggest problem facing DBD is inertia and a lack of faith that its revenue stream, stuck in neutral since its inception, can be expanded.

To embrace a strategy of growing the budget to hire a full-time executive, the DBD needs the full support of its core partners - the City of Middletown and the Middlesex County Chamber of Commerce.

This strategy should be fully vetted with these partners to secure their support.

Greater coordination of DBD and Chamber of Commerce downtown revitalization work is recommended for these reasons:

- To improve communications between the DBD and Chamber small business development programs such as SCORE and Side Street to Main Street that will be needed to help grow more retailers.
- To foster greater collaboration between the Chamber and the DBD regarding downtown events, business promotion, and downtown marketing.
- To create a one-stop shop for those seeking information about downtown Middletown.

Seek \$12,000 in support from the City of Middletown Parking Department based on the following reasons:

- The property owners of downtown are willing to tax themselves more to advance downtown, the downtown is a large property owner downtown and benefits from the clean, safe, and civil programs.
- The DBD has already improved parking revenues by helping create the framework for a successful downtown and this additional investment will drive further increases in parking income by adding new residents, businesses, and customers to downtown.
- The one-stop center can reduce city expenses by providing the front-line screening that can support the Community Development Department by vetting bona-fide prospects.

### **Launch Downtown Action Team**

To institutionalize "Downtown Leadership" as a joint responsibility of the City, the Chamber, and the DBD, it is suggested that a Downtown Action Team (DAT) be created.

The DAT would be an *ad-hoc executive committee* comprised of senior leadership from each of the three organizations. This group would meet as needed to discuss and develop implementation strategies to move downtown from good to great.

The DAT could help insure smooth transitions as leaders come and go, whether the result of election cycles or retirement.

The DAT would also help underscore the point that all three organizations are needed to move downtown from good to great. The DBD cannot be a full member of the leadership team without a full-time director. To be considered an equal partner, the DBD must become an effective organization that is capable of sustaining itself and supporting staff necessary to implementing its missions.

### **DBD Board Expansion #1**

Once the core team has been strengthened by the creation of the Downtown Action Team, the DBD should expand its board.

While the DBD has a fiduciary responsibility to its ratepayers it cannot effectively hope to become a downtown leadership organization unless other key stakeholder participate in the DBD's governance.

Appointing ex-officio members to the board that represent other key groups will help give the DBD more creditability with important downtown constituencies. To absorb new members without overwhelming the organization it is recommended to add three new members in 2013 and three additional members after a full time downtown manager has been hired.

The initial expansion of the board should be used to seat representatives from the North End, Middlesex Hospital, and Wesleyan University. The latter two are the major employers that must be more fully engaged in the downtown revitalization process – they have much to gain from proximity to a great downtown in terms of recruiting staff and students.

Contributions of \$12,000 each from Wesleyan University and Middlesex Hospital should be solicited to support the move from good to great and to build the kind of downtown organization that can enhance downtown as a tool for them to recruit exceptional staff members and students.

It is important to include the North End as part of downtown. Middletown is too small to support two downtown organizations and the North End has too much potential to not be fully included in the overall downtown revitalization process.

To build the broad base of community support to acquire the resources to hire a full-time downtown professional, the DBD must make the case that an effective downtown-focused organization is needed to build a great downtown.

Full merger between the DBD and the North End Action Team is not required. That is an option that should be explored but the DBD may simply agree to provide some level of services to the North End area as part of the exchange for support from the City, Hospital, and University.

For example, including O'Rourke's Diner and other North End businesses in marketing materials strengthens Middletown's destination marketing and is more inclusive of North End interests.

Once the Downtown Action Team has been formed and the Board of Commissioners has been expanded to include representatives from the university, hospital, and North End and two year financial commitments have been obtained from the City, the Chamber, Wesleyan, and Middlesex Hospital it is time to make the executive director a full time position.

#### **Downtown Executive Development**

Now that Quentin Phipps has been hired as a part-time executive director, the goal of the DBD Board should be to equip him with the tools to become an exceptional downtown executive.

Included here is a commitment to obtain the funding to provide a competitive salary for a full-time position, the willingness to provide for necessary training from a wide variety of sources, and the responsibility of establishing an evaluation tool to assess if he is utilizing the resources to transition himself and the organization from good to great.

#### **Promote Downtown Executive to Full-Time Status**

With key commitments from the City, University, and Hospital, the position of the Executive Director should be elevated from part time to full time.

Establish a detailed six-month action plan that helps Quentin become established and entrenched – the Board can play a key role in helping the new downtown manager quickly build the network needed to succeed. The Board of Commissioners and key City and Chamber officials can really help the new executive hit the ground running by opening doors in the community.

#### **DBD Board Expansion #2**

After the Executive Director has completed six months of full-time duty, the DBD can complete the second expansion of the Board of Commissioners. This group of new members should be from the greater Middletown community and be people who can

help downtown Middletown acquire the additional resources it needs to expand its work.

### **Study DBD Expansion**

By summer of 2013, a study should be completed to consider expanding the DBD to include new areas to help connect downtown to the north, east, south, and west, helping connect downtown with the North End, the hospital, the riverfront, and the university.

A full-time director should not be positioned as a way to expand the DBD. Rather, the full-time director should expand DBD programming as described below such that the property owners in the areas adjacent to downtown will see the value in becoming rate-payers.

### **Residential Development**

Exploiting residential development opportunities should be an immediate action step that a full-time downtown manager should devote considerable time to in their first year on the job.

### **Benchmarking**

Working with interns, or utilizing in-kind contributions from local Realtors and design professionals, a thorough assessment of current housing market conditions should be completed.

Inventorying downtown's housing supply - unit sizes, rents, condition, and vacancy rates- is invaluable information to understand current market conditions. Nearly of equal importance is an assessment of undeveloped upper floor space and consumer surveys to determine consumer preference. This research will provide a great starting point for conversation with prospective housing developers.

A number of consultants offer housing opportunity studies that help predict market demand in places that have little competitive market-rate downtown housing.

Rather than relying upon census data, housing opportunity analysis uses IRS data to track annual household migration patterns and psychographic segmentation data that reveals household expenditure patterns to understand quite accurately the number of households moving into a particular community and the share of those households that consider downtown housing a desirable option.

### **Opportunity Marketing**

Once DBD has assembled data to better understand the current and likely future demand, current supply, and upper floor space available for conversion to housing, a

number of marketing activities should be undertaken to promote downtown housing opportunities to both developers and consumers.

National housing market conditions make this an excellent time to promote upper floor housing to the real estate development community. The only hot real estate market at the present time is market rate rental housing. Fewer people qualify for mortgages than in the recent past and many people who do qualify are taking more time to buy. This is especially true for those moving because of a new job.

Those moving to Middletown to work for the university or hospital may be inclined to delay buying a new home until they have sold the house in the town from where they have moved or until they are sure the job is one they want to keep.

Tactics that can be used to promote upper floor housing opportunities to the developer community include sponsoring a Downtown Middletown Upper Floor Housing Design Competition and a Downtown Housing Workshop.

The Downtown Housing Summit would feature a number of sessions aimed at providing smaller developers with the information they need to more actively consider downtown housing projects. At this summit the DBD will share data it previously collected, the City of Middletown will provide building code tips, the Connecticut Housing Finance Authority and area lenders will provide information about available financing for upper floor projects, and a panel of developers will share their lessons learned during pioneering efforts building upper floor housing in other communities. At the end of the day, a wine and cheese tour would preview the finalists in the Upper Floor Housing Design Competition.

In addition to wine and cheese, participants would travel from one “before” space to another exploring the raw spaces and examining the architectural renderings and plans for how each space could be transformed into a unique residence.

Efforts to promote downtown housing to developers would be immediately followed by an event to promote upper floor housing to consumers. The same tour would give Middletown residents the chance to vote on the various designs and the one receiving the most votes would win the design competition.

Both events, by the way, should be ticketed events to help increase the funding base of the DBD. Partnering with area AIA chapters to fund the design competition prizes and with area restaurants to provide the wines and cheeses leaves any workshop or loft tour fees net income to the DBD – all it takes is an entrepreneurial manager and time.

Anointing an Upper Floor Task Force where representatives from the developer, design, and lender communities could join with those from the City, Chamber, and DBD to plan

other events and promotions and help advise the new downtown manager on how to build more upper floor housing.

### **Community-Based Development Entity**

The important objective here is to efficiently create an organization that is centrally concerned with building a sustainable downtown neighborhood and has the expertise needed to partner with either for-profit or other non-profit partners to access grants and loans not available to for-profit developers to expand options to finance downtown housing projects.

This entity should also have the skills needed to critique downtown housing proposals submitted by affordable housing advocates to help the community avoid projects like the one in the North End.

Creating this entity begins with an inventory of local housing development agencies to see if any of them are appropriate to serve in this role. As stated above, many of these housing agencies are not focused on building mixed income / mixed use projects but on maximizing the number of available affordable housing options for targeted populations.

Careful analysis of existing housing group mission statements will reveal whether there is an existing organization that can become the community-base development entity or whether a new organization must be created.

Wesleyan University has enormous housing development and management expertise and Middlesex Regional Hospital is likely to have access to senior housing development and management skills that could help build a more effective community-based housing development organization.

An effective community-based development housing organization is needed to sponsor projects and both in downtown and in adjacent neighborhoods that like downtown may have blight or concentrations of poverty that need to be carefully mitigated.

The goal is to increase the capacity of the community to build a wider range of housing options without creating a new organization that needs to be sustained. Creative partnership between the DBD, the university, the hospital, and an existing housing agency is the preferred option.

### **Pilot Project**

Much like the Police Station helped unleash the rapid growth of the hospitality sector, a pilot project demonstrating new downtown housing formats can help increase the downtown housing market. Mixed income housing, new infill mixed-use projects with housing, market rate rental housing, and market rate owner occupied housing are four housing types not currently found downtown.

The community-based entity can help lead the introduction of these housing forms by building pilot projects.

Downtown Middletown has two strong assets to help build successful pilots. Both the university and the hospital bring in contract employees that may need housing for six – twelve months. Filling this housing need with enticing housing options may provide great value to the university and hospital – making those places more attractive to contract employees – while providing the income stream necessary to obtain project financing.

### **Upper Floor Incentive Program**

Once new markets are piloted, a local upper floor incentive program may be needed to help smaller property owners implement modest projects in under-utilized upper floor space.

Pilots may help convince small property owners that they can improve their financial position by investing in dormant upper floor space but financial incentive may be needed to move small property owners to action.

Similar to façade programs, an upper floor incentive program tries to provide assistance to leverage greater private investment and gain greater participation so that market momentum is sustained.

Rock Island, Illinois has done a good job of using a community-based development entity to tackle larger pilot projects while providing financial incentives to smaller property owners to help extend downtown housing development. Check out how these two work hand-in-glove at [www.liveri.com](http://www.liveri.com).

Filling these units will increase long-term parking demand and provides a rationale for funding the program from parking system revenues.

With robust hospitality, office, and residential markets downtown Middletown is ready to build a stronger retail sector.

### **Retail Development**

Downtowns with vibrant downtown retailing are more rare than those with successful clusters of eating establishments. Middletown's has a number of strengths it can leverage leverage to help build its retail sector: it's status as a regional destination; the proximity of large employers; and college students can be used to grow downtown retailing.

**Benchmarking**

Establishing a set of benchmark data go collect - facts about downtown retailers - is an important step that reinforces the role of the DBD as the go-to clearinghouse for important data regarding downtown.

DBD's existing database(s) and those of the City and the Chamber should be reviewed and streamlined where possible to present essential information in a readily accessible format. Benchmark data includes the current roster of downtown retail establishments, their size, number of employees, years in operation, and contact information.

A university student intern can complete this work during summer recess. This project would be a great resume builder and the DBD should conduct a mini-request for proposals process to find the most talented intern to collect, sort, collate, and format key data about the retail sector.

Immediately following the re-packaging of existing data, the new full-time downtown executive and the intern should meet with every downtown retailer. Fresh on the scene, the new executive can use these meetings to build a network of contacts within the downtown retailer community.

The intern should collect any missing key data needed to complete the downtown retail benchmark study. These meetings will flush out barriers to and opportunities for greater retail success. In particular, the manager should use the meetings to determine whether a retailer is thriving, surviving, or failing. This initial triage assessment will help craft a retention strategy that is the first tactic to implement in order to grow the retail sector.

**Shop Retention Program**

Armed with a full knowledge of who is growing, holding their own, or on the edge of collapse, the retention strategy will focus on those that are growing and those that are failing.

Growing firms represent the quickest and surest way to increase downtown retailing. The DBD needs to figure out how these businesses can grow faster than otherwise might be possible. DBD's work to overcome specific obstacles these businesses face builds organizational credibility.

Failing firms also provide downtown with an opportunity for growing its retail base but first this category must be sorted into two groups.

Those hugely important businesses, whose survival is critical for downtown, must be carefully analyzed to determine if they are salvageable. If they can be resuscitated then possible intervention strategies need to be identified and implemented. Reviving locally cherished businesses pays enormous dividends in goodwill and offers a good return on

investment because saving an existing business usually takes less investment than attracting new ones.

Failing firms crucial for downtown success that cannot be saved and those failing firms that are not critical for downtown need help in shutting down as quickly as possible. While this sounds cruel, it saves the business owner additional losses and opens up space for someone else to launch a new business.

Once begun, this retention program runs continuously responding to different opportunities and threats as businesses move from one category to another over their life span.

### **Retail Development Strategy**

Armed with data that has been collected, analyzed, collated, and formatted and on-the-ground intelligence about what is working/not working in the current retail environment it is time to hire a retail expert to develop a retail development and recruitment strategy.

A qualified retail expert should analyze the regional retail ecology and help the DBD understand its best opportunities. The retail development plan should specify what retail categories complement existing clusters and those that are most likely to succeed given market demographics.

### **Shop Recruitment Program**

Retail recruitment proceeds from near to far. While, the DBD is capable of recruiting local businesses looking for additional locations, a retail consultant is needed to help target retailers further away.

A targeted approach is critical to success in retail recruitment. Retail recruitment is a very time consuming activity and should only be undertaken when a solid retention program is in place and local retailers are solidly supportive of the downtown team.

The time invested in courting new retailer is wasted if that retailer talks to several existing downtown retailers and gets a story inconsistent with what information the executive or other downtown representative has already dispensed.

Key new mixed-use projects are probably the most important opportunity to grow new downtown retailing. Armed with an up-to-date strategic retail development strategy, mixed-use developers with support from the downtown executive can conduct highly targeted recruitment campaigns to fill the retail space brought on line.

In addition to the type of retailer sought the spatial arrangement of downtown retailing must be carefully considered.

A good retail strategy understands the micro-connections between retailers. Complimentary retail uses support each other and make it possible for two retailers to succeed in a place that each would fail if not for the proximity of the other.

With a robust retail sector added to strong hospitality, office, and residential sectors it is time to expand downtown to the north, east, south, and west.

### **Improve Connections**

Downtown Middletown is fortunate to be well framed by an eclectic neighborhood (North End), major employers (the university and hospital), and a beautiful natural feature (the riverfront).

Strengthening connections to its outstanding set of neighbors will move the entire City of Middletown from good to great. These task forces are designed to be operate sequentially so as not to absorb copious amounts of staff time. Task forces should be assembled to examine each area adjacent to downtown and make tactical recommendations to the Downtown Action Team and then disappear.

### **North End Task Force**

The division between downtown and the North End needs to be eliminated. To the outsider there is no border between the two. They are inseparable to all who are not well versed in community history.

Promoting downtown Middletown without promoting O'Rourke's Diner is like promoting Manhattan without the Chrysler Building. It may not be Middletown's Empire State Building but it's still an important icon that should be in all downtown marketing materials.

The North End Action Team (NEAT) and the DBD need to be stronger partners. NEAT's work to develop a farmers' market is important to the long-term success of downtown. The DBD's overall market is important to the North End's continued success.

DBD rate-payers have a justifiable concern about the equity of providing services to those that don't pay their fair share but the short term support from the city/university/hospital can be used in part to pay for the extension of marketing services into the North End so that property owners there can develop an appreciation for the DBD's value.

Several opinions were voiced that the North End would not generate much revenue if it were brought into the DBD. That diminishes the value of having one downtown voice and building a more unified advocacy group for downtown. The DBD and NEAT need each other.

### **Downtown University Task Force**

The Downtown and University Task Force should explore ideas about how to improve both the spatial and programmatic connectivity between downtown Middletown and Wesleyan University.

Each partner has much to offer the other. A more successful downtown makes it easier for Wesleyan to attract highly coveted faculty, staff, and students. A safer downtown helps reduce university security costs, and a lively downtown provides a low cost learning laboratory.

Greater integration with the university increases student, staff, and faculty utilization of downtown, helping the university provide long-term contractor housing can help downtown develop upper floor housing pilots, and stronger neighborhoods between downtown and the university increases the buoyancy of the retail sector.

Identifying and prioritizing a wide range of possible collaborations is as important as developing detailed physical plans about improving the spatial connectivity between the Wesleyan and Downtown.

Programmatic opportunities include linking specific academic disciplines to downtown problem solving. For both students and faculty downtown can be a fascinating laboratory where theories can be tested. The business college can help small businesses, the art department can create public art, and the English department can sponsor a downtown poem contest. The possibilities are many.

Spatial opportunities include working jointly to develop urban designs to improve the visual connection between the campus and downtown while shared community-based development expertise can improve the neighborhoods housing stock at the same time it is applied to creating a more diverse downtown housing.

### **Downtown Hospital Task Force**

As with the university, a task force to improve connections between downtown and Middlesex Hospital needs to consider both the physical and programmatic connections to uncover opportunities to force deeper collaboration and leverage each partner's assets to benefit the other.

Spatially, the hospital is very close to downtown. Future land requirements of the hospital should be clearly communicated to improve overall planning efforts for both downtown and the hospital.

Parking is also an important element in need of coordination. There may always be some inherent tension with regard to different parking needs of downtowns and hospitals but good communication can reduce conflict and create a forum where parking solutions that benefit both parties can be identified.

Wellness issues should also be the consideration of this task force. Increasingly, sustainable means addressing the health and fitness of those who live and work downtown.

Middlesex Hospital participation in development of an interactive walking / biking / jogging trail system through downtown can help improve downtown while serving to enhance the hospital's role in promoting public health. Similarly, the Hospital and the North End Farmers' Market provides a key point of collaboration to jointly work at improving the food choices of Middletown residents.

**Downtown Riverfront Task Force**

The last task force should consider spatial relationships between downtown and the riverfront. The City of Middletown plans to create a major new development site as the wastewater treatment plant is retired.

Developing urban design schemes and fine-tuning plans to in-fill key sites between the downtown and the riverfront are the key issues. The work of this task force is more purely a planning and design function than the other task forces and this one may vary by having more community-wide participation than the other task forces because the riverfront opportunity is so vast.

## Conclusion

When many communities consider the move from good to great they are delusional. Most haven't achieved good yet and those that have don't really have the pieces to move towards greatness very quickly.

Clearly, Middletown is good. Middletown has the pieces and the framework to move from good to great in a few years time.

The missing piece is additional capacity in the downtown leadership team that can best be met by the DBD hiring a full-time downtown executive.



### **About Dan Carmody**

Carmody has led three Midwest economic development organizations and has provided more than thirty North American community development programs with consultant services. Carmody has developed keen understanding of community-based development, asset-based strategic market intervention, place making, local food system development, and organizational development. For further information see [www.carmodyconsulting.com](http://www.carmodyconsulting.com) or email Dan at [carmody55@gmail.com](mailto:carmody55@gmail.com).

Middletown Downtown Improvement District

<b>Strategic Plan</b>	2012	2013	2014	2015	Comments
<b>2012-2015</b>					
<b>Build Organizational Capacity</b>					
Review and Adapt Strategy					Discuss internally and with City/Chamber partners
Create Downtown Action Team					DBD, City, Chamber
DBD Board Expansion #1					NEAT, Hospital, University
Promote Executive Director to full-time					Higher compensation, greater expectations
DBD Board Expansion #2					General Community Representatives
Expand DBD					East, West, North, South
<b>Build Diverse Housing</b>					
Benchmarking					Understand what, who you already have
Opportunity Marketing					Two Tours - Here and There
Pilot Project					Upstairs Downtown Design Competition
Community-Based Development Entity					Launch/modify an entity to assist with tough projects
Upper Floor Incentive Program					Financial incentive for upper floor investments
<b>Strengthen the Business Mix</b>					
Benchmarking					Understand what, who you already have
Shop Retention Program					Small incentive to assist existing retailers
Retail Development Strategy					Expert input to hone retail focus
Shop Recruitment Program					Incentive to reduce start up costs
<b>Improve Connections</b>					
North End Task Force					Detailed strategy to better connect with North End
Downtown University Task Force					Detailed strategy to better connect with Wesleyan
Downtown Hospital Task Force					Detailed strategy to better connect with Hospital
Downtown Riverfront Task Force					Detailed strategy to better connect with Riverfront