Project Overview

In early 2013 a multidisciplinary team from Harvard Graduate School of Design, Harvard Law School, and Harvard Business School was tasked with creating a redevelopment plan for Fitchburg's City Hall and central business district by Mayor Lisa Wong. From January to May of that year, that team collaborated with Fitchburg city officials, local developers, legal experts, and urban redevelopment consultants to formulate this proposal.

Summary of Findings

The 2013 Downtown Fitchburg Strategic Plan begins with a brief review of Fitchburg's history. From there an inventory is made of the city's unique assets, the foundations for a three-pronged redevelopment strategy: access to natural beauty and recreation opportunities, proximity to a growing institution of higher education, and affordable housing options within steps of the MBTA commuter rail system. The Plan's third section acts as an introduction to Historic Preservation Tax Credits, a key financial tool to Fitchburg's redevelopment. These strategic and tactical considerations are integrated in a fourth section: The 2013 Downtown Fitchburg Bulletin of Development: modeled proposals for several potential development projects in four Main Street buildings. The Plan closes with an actionable implementation roadmap for the Mayor's office and community representatives.

Key Recommendations

- Fitchburg must secure Historic District status for essential sections of Main Street as rapidly as possible. In accordance with prior Massachusetts Historic Commission recommendations, the Plan proposes establishing two distinct districts for the upper and lower portions of Main Street, as these areas have historically distinct attributes.

- The Mayor's office should spearhead the formation of a Downtown Fitchburg Redevelopment Task Force (DFRTF). To illustrate the specific types of and opportunities for collaboration needed between these stakeholders, the Plan includes a proposed agenda for the DFRTF's first meeting, as well as a prospective membership roster. While the Mayor's office has responsibility for launching this redevelopment effort, long-term implementation will depend on the community's involvement.

- Fitchburg's central business district has great development potential. Fitchburg, like other former mill cities, can unlock its potential through a combination of administrative efforts—such as obtaining Historic District status on Main Street—and civic engagement. The future of Fitchburg's downtown is in the hands of its business community, its elected leaders, and its people.
Since its incorporation in 1764, the City of Fitchburg, Massachusetts has enjoyed a long history of innovation and creativity. For centuries, entrepreneurs and investors have recognized the great geographic, environmental and cultural potential. Visionaries have used these strengths to maximize growth and ensure prosperity, often with an initial investment of personal capital. The Burleigh Rock Drill was invented and patented in Fitchburg in 1866 and was used to drill the Hoosac Tunnel. Motorcycles built in Fitchburg by the Iver Johnson Company between 1907 and 1915 are among the most rare and collectible in the world. From the Kimball brothers' damming of the Nashua River to power the town's first mill 1750, to the recent investments made by local developers in rehabilitating downtown buildings and supporting business enterprises, Fitchburg is a city of invention built on the strength of its people.

Paper mills, manufacturing and industry brought economic and cultural prosperity to Fitchburg and left behind an architecturally and historically significant built environment still visible today. Among the many historic buildings and sites that enrich the downtown area are Fitchburg City Hall built in 1852 and the Fitchburg Theater built in 1927. While reminders of Fitchburg's industrial heritage remain in its mill buildings and millworker's housing the built elements of Downtown Fitchburg serve as an innate testament to the town's remarkable history and resilience. Rehabilitation and adaptive reuse of these unique assets is of the utmost importance to the city's future.

Like most of the Massachusetts Gateway Cities, Fitchburg has faced many challenges since the decline and eventual end of its industrial economy. The city's population dipped in the 1920s after the closing of many paper and yarn mills, but was buoyed when General Electric moved into an old mill site and began manufacturing steam turbines. Population levels remained relatively constant throughout the next 50 years until 1998 when the General Electric plant closed. However, the 2010 census showed that the city's population had increased and in 2011, the city was home to 40,449 residents, nearly the same number as in the boom times of the late nineteenth century. Indeed, as the population of Fitchburg grows, so does the opportunity to harness local energy and civic pride.
The Great Recession and the destruction of the restored Johnsonia Hotel by fire in June 2011 significantly slowed the momentum Fitchburg had been gathering since the mid-2000s. However, the City remains dedicated to thoughtful implementation of downtown plans and initiatives through creative and relatively inexpensive methods such as: defining student housing overlay districts, identifying and establishing historic districts, implementing streetscape improvements and reconsidering patterns of traffic on Main Street. A brighter economic outlook has reinvigorated Fitchburg’s commitment to renewal and revitalization in the heart of downtown and has again sparked the imagination in this city of innovation.
Fitchburg currently lacks a strategic vision to guide its development plan. Several large buildings on Main Street and in the Academy district remain vacant while other buildings have substantial amounts of empty space, particularly in the upper floors, or host minimally productive uses. Attracting development and new energy to the downtown area is therefore one of Fitchburg’s most important objectives.

A coherent articulation of Fitchburg’s assets is an important first step in attracting development. Fitchburg enjoys unique positional advantages which suggest three frameworks for future development: as a commuter city, as a gateway to the outdoors, and as a college town.
Furthering Fitchburg as a commuter’s paradise suggests concentrating development efforts on multifamily housing, condominiums and neighborhood amenities, such as a health club and restaurants.

Downtown Fitchburg is located at one end of a MBTA commuter rail line into Boston. Additionally, Main Street is only four miles or 10 minutes from Route 2. As such, Fitchburg is a convenient place to live for Boston-bound workers.

Fitchburg offers a much more affordable cost of living than Boston proper or other communities the same distance from Boston.

<table>
<thead>
<tr>
<th>Table 1: Income and Expense Comparison</th>
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<tbody>
<tr>
<td>Fitchburg</td>
</tr>
<tr>
<td>Typical Household Income</td>
</tr>
<tr>
<td>Typical Housing Costs</td>
</tr>
<tr>
<td>Housing Costs as a Percentage of Income</td>
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<tr>
<td>Transportation Costs</td>
</tr>
<tr>
<td>Transportation Costs as a Percentage of Income</td>
</tr>
</tbody>
</table>

44.8% of typical Fitchburg budgets go to housing and transportation costs

49.6% average of housing and transportation budget share among comparison cities.

On average, Fitchburg housing costs are nearly 6% lower, or $4,000 less, per year than the average housing costs across Boston/Cambridge and commuter cities such as Newburyport, Providence, and Worcester. Transportation costs are in line with peer commuter cities. After paying for housing and transportation, Fitchburg residents have over half of their income available for discretionary purchases.

However, MBTA ridership data suggests that workers may not recognize Fitchburg’s relative attractiveness. Approximately 2.3% of Fitchburg’s workforce takes the MBTA into Boston each day; in Newburyport, that rate is nearly tripled. Larger cities such as Worcester or Providence exhibit similar ridership rates, but their comparative sizes yield a much larger gross number of daily riders. At the moment, Downtown Fitchburg constitutes an underutilized commuter-oriented market, a fact that should change as MBTA levels of service improve and costs associated with driving continue to rise.

<table>
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<th>Table 2: MBTA Commuter Rail Utilization</th>
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<tbody>
<tr>
<td>Fitchburg</td>
</tr>
<tr>
<td>Labor Force</td>
</tr>
<tr>
<td>Travel Time to Boston</td>
</tr>
<tr>
<td>Boston-bound Weekday Boardings</td>
</tr>
<tr>
<td>Comuter Share</td>
</tr>
</tbody>
</table>

Source: MBTS, American Community Survey 2006-2010
Gateway to the Outdoors

Situated along the soon-to-be-completed Wachusett commuter rail extension in the heart of Central Massachusetts, Downtown Fitchburg is ripe for development centered around recreational tourism and outdoor exploration.

For those seeking “wildness”, Fitchburg is an ideal gateway to the mountains and forests of Western Massachusetts.

Located in scenic north-central Massachusetts, Fitchburg offers easy access to hiking trails, bike paths, outdoor rock climbing parks, and the Wachusett mountain ski area. In addition to its natural assets, Fitchburg is home to a well-respected art museum and near several other sightseeing destinations. Further Fitchburg is conveniently located near several Central Massachusetts wineries, breweries, and distilleries.

At present, Downtown Fitchburg lacks alluring accommodations for skiers, leaf-peepers, hikers, cyclists and other visitors. Closing this market gap, along with complimentary development and programming to capture the attention of outdoor enthusiasts (e.g., an action sport training or equipment center, an outfitter, chartered hiking tours, etc.) could make Downtown Fitchburg a staging area for nature lovers for the next generation.

"The West of which I speak is but another name for the Wild; and what I have been preparing to say is, that in Wildness is the preservation of the world."

- Henry David Thoreau
Lecture at Fitchburg, MA
February 3, 1857

$751M +9.5%

2011 Tourism-related revenues in Worcester Co. Year-over-year change in Worcester Co. tourism-related revenues, 2010-2011
Fitchburg can attract more Fitchburg State University students into the downtown area by concentrating on multi-unit rental housing, destination retail (shops and restaurants) and venues for self-directed activity, such as cafes and bookstores. The City should also explore further collaboration with FSU toward providing dynamic classroom or lab space downtown, enhancing the connection between the University campus and the city center.

Fitchburg State University is located just a few blocks north of downtown Fitchburg. Fitchburg State is home to 3,500 undergraduates and 4,100 full- and part-time graduate students. Fitchburg State offers compelling value for students deciding between state school and private universities; additionally, the University is more affordable relative to peer Massachusetts institutions:

Table 3: MA State College Cost of Attendance Comparison

<table>
<thead>
<tr>
<th></th>
<th>Fitchburg State</th>
<th>Bridgewater State</th>
<th>Framingham State</th>
<th>Salem State</th>
</tr>
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<tbody>
<tr>
<td>Cost of Attendance (full-time, MA-resident)</td>
<td>$19,962</td>
<td>$21,295</td>
<td>$20,570</td>
<td>$20,920</td>
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<tr>
<td>(Savings)</td>
<td>------</td>
<td>+$1,333</td>
<td>+$608</td>
<td>+$958</td>
</tr>
</tbody>
</table>

Sources: Massachusetts State Colleges - published figures

FSU offers an average price advantage of $966.33/year over statewide peer institutions like those featured in Table 3. Of course, colleges and universities do not compete on price in the same way that soda companies might; FSU is not going to simply sweep up the lion’s share of Massachusetts students because it is a comparative bargain. However, Fitchburg State’s affordability advantage presents development opportunities in a different way. For many students some of the cost savings enjoyed at FSU may release strain on other areas of their personal budgets. Spread across FSU’s approximately 1,750 on-campus undergraduates, Fitchburg State’s cost savings represent a hypothetical maximum of $1.7M in latent purchasing power per annum. Converting even a fraction of that amount into realized spending could be instrumental in helping sustain Downtown businesses.
In preparing The Downtown Fitchburg 2013 Strategic Plan, we interviewed developers, attorneys, and consultants to discuss the tools Fitchburg can use to make the city attractive to private developers. Weak real estate markets are a substantial barrier to development in Gateway Cities. Fitchburg is no different. Developers explained that the general rental price for office and retail space can be as low as $6 per square foot. These low rents make development prohibitively expensive without additional financial incentives.

Similarly, the Massachusetts Historical Commission (MHC) administers the Massachusetts Historic Rehabilitation Tax Credit Program, which provides up to a 20 percent tax credit for "qualified rehabilitation expenditures . . . made with respect to a qualified historic structure which has received final certification and has been placed into service[.]") The principal difference between the federal and state versions of the tax credit are that the federal version allows for an automatic 20 percent credit against taxable income for qualified projects, but the Massachusetts version allows the MHC to provide a credit at any percentage, up to the full 20 percent.

There are other tax credits, in addition to the Historic Preservation Credits, that could be part of an incentive package to a developer, but based on our conversations, the Federal Historic Preservation Tax Incentive is the only incentive reliable enough—effectively guaranteed—to prompt developers to make an initial investment in income-generating projects. For example, the New Market Tax Credit is more difficult to qualify and apply for, and is perceived as increasing the profitability for the developers of a given project. However, developers will not rely on the New Market Tax Credit to determine whether to undertake a project in the first instance.
A prerequisite to applying for historic tax credits—common to both the federal and state programs—is that all credit-funded rehabilitation expenses must be incurred either (1) on a structure that is listed on the National Register of Historic Places or (2) located within a registered historic district. A structure or district comes becomes listed on the National Register if, on application by the city, property owners, or other person or organization, the MHC determines that the property or district meets the criteria for listing as established by Congress in federal statutes and by National Park Service regulations:

Buildings that have significance in “American history, architecture, archeology, engineering, and culture” are qualified for inclusion on the National Register if they possess integrity of location, design, setting, materials, workmanship, feeling, and association and (a) that are associated with events that have made a significant contribution to the broad patterns of our history; or (b) that are associated with the lives of persons significant in our past; or (c) that embody the distinctive characteristics of a type, period, or method of construction, or that represent the work of a master, or that possess high artistic values, or that represent a significant and distinguishable entity whose components may lack individual distinction; or (d) that have yielded, or may be likely to yield, information important in prehistory or history.

Listing of a district on the National Register is a highly technical and political process, particularly at the state level. It requires an inventory of all properties in the proposed district and an evaluation of their contribution to the historical significance of the district. If at all possible, this process should be conducted under the guidance of a professional consultant who specializes in historic preservation or National Register applications.

Given the considerable amount of funding available to developers, the creation of a Main Street Historic District in Fitchburg is highly important—indeed, critical—to attracting any significant investment in new or rehabilitative development to the downtown area. Simply put, in the current rent environment, few developers will so much as consider a major project downtown without access to these significant tax credit opportunities. Historic Preservation Tax Credits have been the cornerstone to the financing of development projects in similar communities, including Greenfield, Massachusetts.

Fitchburg, like other Gateway Cities, has a deep and rich industrial history. Minimal urban revitalization in the 1950s and 1960s has left the city a strong stock of historically significant buildings. There are currently two historic districts in Downtown Fitchburg, the Monument Park Historical District and the Academy Street Educational Historic District.
One or more historic districts along Main Street would open up Historic Preservation Tax Credits to properties that would be strategic centerpieces in revitalizing Downtown. The City filed an application with the MHC to list a Main Street Historic District on the National Register of Historic Places in 2011. The proposed district would have included properties largely fronting Main Street both to the east and west of the current Monument Park district. The proposed district “encompassed the portion of Main Street that extends from the south end of the Upper Common at the intersection with Rollstone Street east to the junction of Water and Blossom Streets.”

According to city officials, the MHC did not outright reject the application, but rather recommended that the Main Street area be divided into two separate districts, which contain historically distinct attributes. The two districts would split roughly around Monument Park. The Upper portion of Main Street, which runs west from Monument Park, was one of the earliest commercial districts in Fitchburg, and includes commercial, residential, and civic buildings. The proposed Upper District would include City Hall and the Fitchburg Theater. The Upper District could also extend beyond properties immediately fronting Main Street to include a number of older industrial buildings situated between Main Street and the Nashua River. By contrast, the proposed Lower District, which runs east of Monument Park, dates only to the early 20th century and contains primarily commercial tenants. Securing recognition for these districts will involve two imperative steps:

(1) community outreach to business owners and other property holders in the proposed district to ensure proper public understanding of both the impact and benefits of listing on the National Register;

(2) contract a professional consultant who is expert in the Massachusetts and federal processes for listing districts on the National Register and complete the application process for the two Main Street Districts as soon as possible. Based on our conversations with several developers and historical consultants, this work should cost approximately $10,000 per district application. This expense is both prudent on its face to ensure acceptance of the application and essential to unlocking private investment in the Main Street area of Downtown Fitchburg.

We believe that the creation of one or more Main Street Historic District(s) is a necessary (but not sufficient) step to the growth of downtown. Listing on the National Register unlocks a significant amount of federal and state tax benefits that our experts universally indicated would prove dispositive in considering potential investments in Fitchburg.
Despite some perceptions to the contrary, the investment climate in and around Downtown Fitchburg is anything but static. Capital and commerce are channeling into the city in the form of a massive, stimulative renovation of the city’s MBTA station as work commences to extend the Fitchburg line to Wachusett Mountain. Simultaneously, the expansion of university-centric housing and retail development is bringing market momentum at Downtown’s eastern terminal ever nearer to critical mass. Timely, opportunistic development at the western edge of Downtown can create an antinode to this activity, activating a virtuous flow of investment up-and-down Main St. Our analysis holds that several critical, overlapping factors are combining to present emerging market opportunities in this important area:

- Fitchburg currently struggles with high vacancies in its existing housing stock as a result of the decline in the region’s manufacturing industry over the past 50 years. However, we believe that the development of multifamily housing on Main Street may still be successful, as it has been in other former mill towns.

- Fitchburg’s outdoor attractions and student population represent a promising market for hotel development. Hotel development is critical to realizing the full economic benefit of the Wachusett commuter rail extension. Restaurant development is an important complement to lodging and multifamily development.

- New development on Main Street would provide prospective renters with modern facilities in a desirable location. Retail will provide additional amenities within walking distance for these residents.

With those findings in mind we conducted several site-specific project analyses, which are attached to this report. While these projections are simplified and preliminary, they should serve as useful soundings of initial development feasibilities.

While the antecedent content of this report provides helpful contextual analysis and historical background, the project sheets of the following pages should also be considered as pieces modular, individualized collateral that can be used in recruitment and negotiations with potential investors in the Downtown area.
533 Main St.
An historical and lucrative redevelopment project in the heart of Downtown Fitchburg

“Commuter Town” Scenario
Condominiums & Retail
The development experts consulted in the preparation of this report routinely cited multifamily, owner-occupied housing as one of the strongest latent possibilities for the Downtown Fitchburg Market. 533 Main St. is less than 1/2 mile from Fitchburg's MBTA connection. Spacious condominiums situated above a middle-market restaurant and/or staple retail outlet would an affordable, accessible and convenient lifestyle opportunity for families who commute to the Boston metro area. Furthermore, renovated housing in the central business district would increase the vitality of Downtown, potentially increasing market momentum.

“Gateway to the Outdoors” Scenario
Lodging & Restaurant
Downtown Fitchburg’s MBTA connection to Boston, forthcoming accessibility to Wachusett Mountain and proximity to FSU offer the promise of three distinct markets for a future Downtown hotel and adjoining high-end restaurant. Such a facility would become an indispensable piece of Fitchburg’s tourist & visitor infrastructure, though it should be noted that this development strategy offers the highest risk (& highest potential reward) for a potential investor.

“College Town” Scenario
Renting and Retail
533 Main St. is less than 1 mile distant from FSU’s Thompson Hall by foot, and only 1/2 mile from campus accessibility via the North St. shuttle. Student apartments with complimentary retail (bar/lounge, take out dining, etc.) should enjoy consistent market demand, though returns in the current rent market appear to be very low.

Project Financial Analysis

<table>
<thead>
<tr>
<th>Program</th>
<th>Commuter City Scenario</th>
<th>Outdoor Gateway Scenario</th>
<th>College Town Scenario</th>
</tr>
</thead>
<tbody>
<tr>
<td>TDC (est.)</td>
<td>19,950 sq ft. Condominiums 4,000 sq ft. Retail (2 x 2,000) $3.53M</td>
<td>35 Boutique Hotel Rooms 3,000 sq ft. Restaurant $4.32M</td>
<td>19 3 BR Rental Units 3,750 sq ft. retail (3 x 1,250) $2.73M</td>
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<td>Potential Incentives</td>
<td>- $1.67M</td>
<td>- $2.71M</td>
<td>- $1.25M</td>
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<td>Effective Dev. Cost</td>
<td>$1.86M</td>
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<td>Potential NPV 10 yr @ 12%</td>
<td>$225,109</td>
<td>$4,414,292</td>
<td>$26,613</td>
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For Simple Pro Forma: [LINK] [LINK] [LINK]

Tax Credit & Incentive Availability

| Historic Preservation | YES |
| MA HDIP | YES |
| New Market | YES (Primary) |
491 Main St.

A practical, strategically located opportunity at the corner of Putnam St. & Main St.

“Commuter Town” Scenario
Condominiums & Market
Located a mere 1/3 mile from Fitchburg's soon-to-be-renovated MBTA station, this site would seem ideally situated for redevelopment and condominium conversion. Developing the remaining square footage to neighbor-firendly, low-impact use such as farmers market space could create an inviting point of integration and engagement with the local community as well. Unfortunately, this property's lack of access to potential Historic Tax Credit syndication renders such plans financially problematic.

“Gateway to the Outdoors” Scenario
Outfitter & Ski Shop
The particular aesthetic and display needs of outdoors-focused retailers offers redevelopment potential in the form of relatively low renovation and fixture costs. Brought to market in concert with other citywide efforts to promote Fitchburg as a 'Gateway to the Outdoors,' such retail options could quickly build a loyal and enthusiastic customer base eager to purchase/rent ski equipment on the way to Wachusett Mountain or procure essential gear before a trek up Wachusett, through Leominster State Forest or along the 95-mile long Midstate Trail.

“College Town” Scenario
Office Space & Sports Bar
A mixed-use development combining marketable Class A, B, and C office spaces with a large-footprint sports bar would have the advantage of making this property economically productive 24-hours/day, 7-days/week. Margins in the tavern business are notoriously thin, but the opportunity for success is real as the only proximate competition -- Downtown martini bar Destare -- occupies a different nightlife market niche. This strategy is an ambitious one, though, as realization of potential office space rents would depend on exogenous factors such as population growth, the development and recruitment of businesses within and to the Downtown area, and the broader Massachusetts economy.

Project Financial Analysis

<table>
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<tr>
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<th>College Town Scenario</th>
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<tbody>
<tr>
<td>17,800 sq ft. Condominiums</td>
<td>21,000 sq ft. open floor retail (avg. 3 x 6,000)</td>
<td>16,235 sq ft. office (Class A, B, C 33% each)</td>
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<tr>
<td>5,000 sq ft. retail (2 x 2,500)</td>
<td>$2.01M</td>
<td>4,000 sq ft. sports bar</td>
<td>$2.84M</td>
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<tr>
<td>TDC (est.)</td>
<td>$2.01M</td>
<td>$613K</td>
<td>$842K</td>
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<tr>
<td>$2.60M</td>
<td>$2.23M</td>
<td>$1.48M</td>
<td>$1.99M</td>
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<tr>
<td>Potential Incentives</td>
<td>$370K</td>
<td>$613K</td>
<td>$842K</td>
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<tr>
<td>Effective Dev. Cost</td>
<td>$1.48M</td>
<td>$59,284</td>
<td>$114,627</td>
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<tr>
<td>Potential NPV</td>
<td>($392,254)</td>
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<td>10 yr @ 12%</td>
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<td>For Simple Pro Forma: LINK</td>
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22,000 sf. $295,200
Year Built 1920
Former A/N Surplus

Contact
DC Fortune 501 LLC
99 Walnut St.
Saugus, MA 01906 781.231.5112

Historic Preservation
NO

MA HDIP
YES

New Market
YES (Primary)
“Gateway to the Outdoors” Opportunity
Climbing Gym & Entertainment Complex

Rock climbing is one of the three fastest growing sports in the nation. Fitchburg can leverage its outdoor assets by building a climbing gym and entertainment complex in the theater. Chattanooga, Tennessee recently undertook a similar project with its Bijou Theater. The 25,000 square foot former theater is currently being redeveloped to house a 16,490 square foot climbing gym and fitness center, 3,800 square foot outdoor apparel and equipment store, and other retail space.

Representatives say “renovations of The Block [the site of the former theater] will rejuvenate the exterior street presence with new storefronts, entrances, canopies around the perimeter, and streetscape amenities.” This redevelopment project is viewed as “the perfect marriage of River City’s live, work, play downtown mission.” The climbing gym is expected to attract tourists and address the fitness and entertainment demands of local residents.

If such a project were successful in Fitchburg it would represent a commercial success unprecedented for the Downtown area. Projected rents from a thriving climbing gym & entertainment complex could nearly triple the rates currently prevailing in the area.

Alternative Opportunity
Performance Space and Live/Work

An equally exciting (if more muted) approach to redeveloping the Theater Block would involve gutting the present structure and repurposing the building as a live/work space for artists. This strategy would include site specific retail (coffee shop, gallery store, etc.) as well as substantial gallery and performance space, which would provide a strong allure to denizens of the nearby and highly regarded Fitchburg Art Museum.

No matter which path an aspiring owner should wish to take with the Theater Block, it is important to note the absolute essentiality of Historic Tax Credit eligibility to the viability of this structure’s redevelopment. Without the equity made accessible via the credits, it is difficult to see this space moving forward absent massive exogenous market appreciation.

Project Financial Analysis

<table>
<thead>
<tr>
<th>Program</th>
<th>Outdoor Gateway Scenario</th>
<th>Alternate Scenario</th>
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</thead>
<tbody>
<tr>
<td>Effective Dev. Cost</td>
<td>$7.45M</td>
<td>$3.28M/$5.66M</td>
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<tr>
<td>Potential NPV 10 yr @ 12%</td>
<td>$873,814</td>
<td>$91K/($1.75M)</td>
</tr>
<tr>
<td>25,000 sq ft. indoor climbing gym and complex</td>
<td>$12.61M</td>
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<tr>
<td>10,000 sq ft. movie theater</td>
<td>$7.45M</td>
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<tr>
<td>4,000 sq ft. health club</td>
<td>$873,814</td>
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<td>15,000 sq ft. addt’l retail</td>
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<td>Potential Incentives</td>
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<tr>
<td>Historical Credits</td>
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<td>Tax Credit &amp; Incentive Availability</td>
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<tr>
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<td></td>
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<tr>
<td>Contact</td>
<td>Kenmore Realty Corp.</td>
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<tr>
<td>1355 W. Washington</td>
<td></td>
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<tr>
<td>W. Newton, MA 02465</td>
<td>617.964.2414</td>
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<tr>
<td>52,200 sf.</td>
<td>$253,800</td>
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The potential for Fitchburg's City Hall site is enormous. This historic masterpiece sits at the foot of the Upper Common on Main Street, directly across from the old Fitchburg Theater and adjacent to Renaissance Park. Redevelopment of the site could include rehabilitating and preserving the building or preserving just the façade and building new construction project behind. Renovation of historic buildings into housing in other Gateway Cities have been wildly successful, the Salem Jail project in Salem, MA for example. Though recently lost to fire, the Johnsonia Hotel project serves as precedent for successful development of this kind in Fitchburg itself, with City ownership in this case providing the possibility of transfer assistance.

"Commuter Town" Scenario
Condominiums and Retail
In this scenario, a project developing condominiums and ground floor retail would anchor the western end of Main Street and serve as a pivot point for pedestrian traffic from the train station to the Fitchburg Art Museum. Increased pedestrian circulation on Main Street as commuters move from their home to the train and back would activate other retail activity along the street and support ground floor retail on site. As interest in and traffic to Fitchburg’s downtown increases, a built-in future revenue stream exists in a 2 level, 73 space parking garage to the rear of the site for resident and visitor parking.

"Gateway to the Outdoors" Scenario
Lodging & Restaurant
Currently downtown Fitchburg lacks accommodation for overnight, out-of-town visitors. Skiers, climbers, art lovers and Fitchburg State parents would provide a built-in client base for a downtown hotel. The existing parking garage and potential views from upper floors at the Fitchburg City Hall site make it an attractive candidate for hotel development. An upscale restaurant on the west end of Main Street would provide more dining options for visitors and would bookend existing restaurants on the east end of Main.

"College Town" Scenario
Renting and Retail
With more young professionals, artists and empty-nesters choosing to rent in urban settings, a mixed-income/mixed-use rental housing project could work well on the site. Historic tax credits would also be available pending historic district approval. When compared to other towns in the region, Fitchburg’s lower housing and transportation costs and its transit accessibility to the 495/Metro West employment areas make it very desirable to those who wish to live in an urban environment but appreciate the feel of a small town and an enthusiasm for nature.

### Project Financial Analysis

<table>
<thead>
<tr>
<th>Program</th>
<th>Commuter Town Scenario</th>
<th>Outdoor Gateway Scenario</th>
<th>College Town Scenario</th>
</tr>
</thead>
<tbody>
<tr>
<td>15 Condos (avg. 1,050 sq ft.)</td>
<td>42 Room hotel 3,000 sq ft. upscale restaurant</td>
<td>24 Rentals (avg. 875 sq ft.)</td>
<td></td>
</tr>
<tr>
<td>8,600 sq ft. retail (4 x 2,150)</td>
<td>3,000 sq ft. retail (2 x 1,500)</td>
<td>3,000 sq ft. retail (4 x 2,150)</td>
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</tr>
<tr>
<td>$7.0M</td>
<td>$8.1M</td>
<td>$5.91M</td>
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</tr>
<tr>
<td>Potential Incentives</td>
<td>Historic Credits</td>
<td>Potential Incentives</td>
<td>Historic Credits</td>
</tr>
<tr>
<td>Historic Credits</td>
<td>Without Historic</td>
<td>Historic Credits</td>
<td>Without Historic</td>
</tr>
<tr>
<td>$4.39M</td>
<td>$2.29M</td>
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<td>$3.44M</td>
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<td>Potential NPV</td>
<td>For Simple Pro Forma:</td>
<td>Potential NPV</td>
<td>For Simple Pro Forma:</td>
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<tr>
<td>$164,055</td>
<td>LINK</td>
<td>$350,695</td>
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</tr>
<tr>
<td>$(1,138,554)</td>
<td>LINK</td>
<td>$(1,446,727)</td>
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<tr>
<td>10 yr @ 12%</td>
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<td>$239,619</td>
<td>LINK</td>
</tr>
</tbody>
</table>

### Historic Preservation

- PENDING

### MA HDIP

- YES

### New Market

- YES (Primary)
In 2006, before the start of the Great Recession, Destare restaurant and New York style martini bar opened in downtown Fitchburg. The venue was described by local media as an “audacious display of confidence” in Fitchburg’s Main Street downtown area. The time has come to reawaken the same confidence on Main Street and throughout Downtown Fitchburg. Planning studies and community visioning processes undertaken while the economy was at its weakest must be transformed into actionable plans with clear implementation timelines. While place-making is both an incremental and entrepreneurial process, utilizing best practices taken from other municipalities such as Pittsfield, Massachusetts will enable Fitchburg to jump start efforts at creating an attractive, vibrant, development-ready downtown. To that end, we recommend that the Mayor of Fitchburg recruit and commission a Downtown Fitchburg Development Task-Force (DFDTF), made up of Fitchburg residents of diverse experiences and other local stakeholder representatives who share a genuine commitment to the community.

While the City of Fitchburg benefits from committed executive leadership, finding and engaging active champions, residents and others who have excellent ideas, creativity, energy and community spirit, is critical to the redevelopment process as municipal funding becomes more and more constrained. Building on the successes of earlier Mayoral taskforces such as NICE (Neighborhood Improvement through Code Enforcement), the DFRTF will exist as a catalyst for realizing existing and future downtown plans. The taskforce will provide crucial committed, sustained leadership that is not completely reliant on political cycles to meet the long-term challenges of revitalizing and redeveloping downtown Fitchburg.

Objectives

The primary objectives for the DFRTF should include but not be limited to the following:

1. Define and articulate an overarching overall vision and theme for the redevelopment of Downtown Fitchburg
2. Propose a reasonable, hard deadline for the funding and creative implementation of the existing plan for improved streetscape on Main Street
3. Propose changes to the municipal building and zoning codes to promote commercial and residential activities in downtown Fitchburg including; pop-up stores, temporary galleries and artist studio store-fronts, restaurants and live-work spaces.
4. Research and report on the necessity and feasibility of hiring a Director of Local Business Development and Retention to coordinate this activity

Membership

While the Mayor’s Office shall be responsible for the identification and recruitment of task force appointees, the following representatives should be considered:

**Fitchburg Community Leaders**
- Joel Kaddy, Member, Fitchburg City Council; Board Member, Fitchburg Pride
- Jeny Beck, Marketing Director, Fitchburg Art Museum; Board Member, Fitchburg Pride
- Mark Jackson, Officer, Fitchburg Police Department; Fitchburg Resident
- Sally Cragin, Riverfront Performing Arts Center; Fitchburg Resident
- Jeff Anderson, Founder, Artstree

**Local Economic and Community Development Organizations**
- Dan Curley, Executive Director, Fitchburg Redevelopment Authority
- David Thibault-Munoz, Director of Community Organizing, Twin Cities Community Development Corporation; Director, Elm Street Neighborhood Association

**Fitchburg State University**
- John Chetko-Salvos, Ph.D, Director, Douglas and Isabelle Crocker Center for Civic Engagement

**City of Fitchburg**
- Larry Casassa, Business Manager, Department of Community Development and Planning
- Mike O’Hara, Principal Planner, Department of Community Development and Planning
- Ryan McNutt, Director of Housing, Department of Community Development and Planning
- Robert Lanciani, Building Commissioner, Department of Building and Zoning
DFRTF Inaugural Meeting - Prospective Agenda

1. Introduction & Refreshments
   Establish a constituting Statement of Purpose (e.g., “The time for the Fitchburg to turn its plans into actions has arrived. The Committee hereby commits to realizing the promise of a revitalized Downtown Fitchburg.”)

2. Review of DFRTF Objectives
   Suggested Project Leads: Jerry Beck and John Chetro-Szivos, Ph. D.
   Define and articulate overall vision and theme for Downtown Fitchburg;
   Review existing visioning studies and plans; Discuss Fitchburg “brand” and avenues of realization; Discuss “branding” collaboration with FSU;

3. Downtown Revitalization - Streetscape Improvements
   Suggested Project Leads: Larry Casassa and Joel Kaddy
   Determine existing and potential funding sources for implementation of existing Main St. improvement plan;

4. Downtown Revitalization - Immediate Interventions
   Suggested Project Leads: Mike O’Hara and Robert Lanciani
   Review existing zoning and code language as it may apply to “pop-up” stores, restaurants and temporary storefront art installations. Establish consensus & guidelines vis a vis prospect of such micro-interventions for the short-term activation of Main St. Designate Committee members to head concept development and micro-tenant recruitment.
   Precedent: West Hollywood, CA Pop-Up Art in Retail Spaces permitting guide
   Precedent: Pittsfield, MA

5. Downtown Revitalization - Management Requirements
   Suggested Project Leads: Dan Curley and David Thibault-Munoz
   Discuss research into the question of hiring a Director of Local Business Development and Retention to serve as primary contact for prospective Main St. developers, investor recruitment and liaison between City government and downtown business interests. Determine whether such a position would be redundant to work of Fitchburg Redevelopment authority and/or Twin Cities CDC.

6. Assign Three DFRTF Members to Each Working Group

7. Schedule Next DFRTF Meeting & Adjourn
Task for Fitchburg City Government

2013 - 2014

Identify Downtown Incentives and Scenarios for Redevelopment

2015 - 2016

Establish a Strategic Identity

2017 - 2023

Pursue Downtown Historic District

Recruit DFRTF

2024 - 2040

Investment, Recruitment & Enterprise

Transformative Redevelopment Project

707 Main St. Theater Block

718 Main St. Old City Hall

533 Main St.

491 Main St.

718 Main St.

Old City Hall

533 Main St.

491 Main St.

707 Main St.

Theater Block

Thriving Downtown Market

707 Main St.

Theater Block