



BENNINGTON DOWNTOWN AREA-WIDE PLAN

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Town of Bennington

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Facilitated by:
Bennington County Regional Commission

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A Steering Committee of stakeholders provided direction to the project team which helped to form the findings and recommendations contained in this plan.

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INTRODUCTION

Introduction

This area-wide plan for downtown Bennington provides a guide and vision for economic revitalization of vacant and underutilized sites in downtown Bennington. The plan provides information and analysis on environmental and market conditions that is intended to assist the economic development partners identify the opportunities and challenges presented by conditions in the downtown area. The plan also presents a vision for the redevelopment of a key cluster of parcels in the area as well as implementation steps that will assist the Town and its partners realize a transformation in the area. Redevelopment of the downtown will be a public-private partnership between the Town, BCRC and various state agencies that can provide capital improvements and financial tools that will help leverage new private investment in the area. Mitigation of brownfield environmental conditions will be a big step toward reinvestment in the community and the encouragement of a more healthy and attractive downtown district.

This plan is consistent with and builds on a number of previous planning initiatives for Downtown Bennington including:

- ***The Downtown Bennington Western Gateway Area Wide Assessment, 2014.*** This assessment addressed the western portion of the area-wide plan area, from North/South Streets (Route 7) west.
- ***Bennington Strategic Economic Development Plan, 2013.*** This plan identifies a mix of short-, mid-, and long-term strategies designed to improve Bennington's economic situation.
- ***Bennington Town Plan, 2015.*** The Bennington Town Plan guides future development and reinforces the role of Bennington as a regional economic center for southwestern Vermont and nearby communities in New York and Massachusetts.
- ***Downtown Market Analysis for Downtown Bennington, 2006.*** A downtown market analysis was developed in 2006 to identify market opportunities for the downtown. This area-wide plan provides an update to this 2006 study.
- ***Land Use and Circulation Analysis for Bennington Downtown, 2006.*** This analysis identified what areas had the most potential for future development.
- ***Designated Downtown, 2000.*** Bennington was an early adopter of Vermont's Designated Downtown Program which provides numerous benefits to the town in terms of technical assistance from the state and eligibility for a host of funding sources to assist the municipality with its revitalization efforts.

1 INTRODUCTION



The project area contains a variety of land uses, historic buildings and manufacturing sites.

1 INTRODUCTION

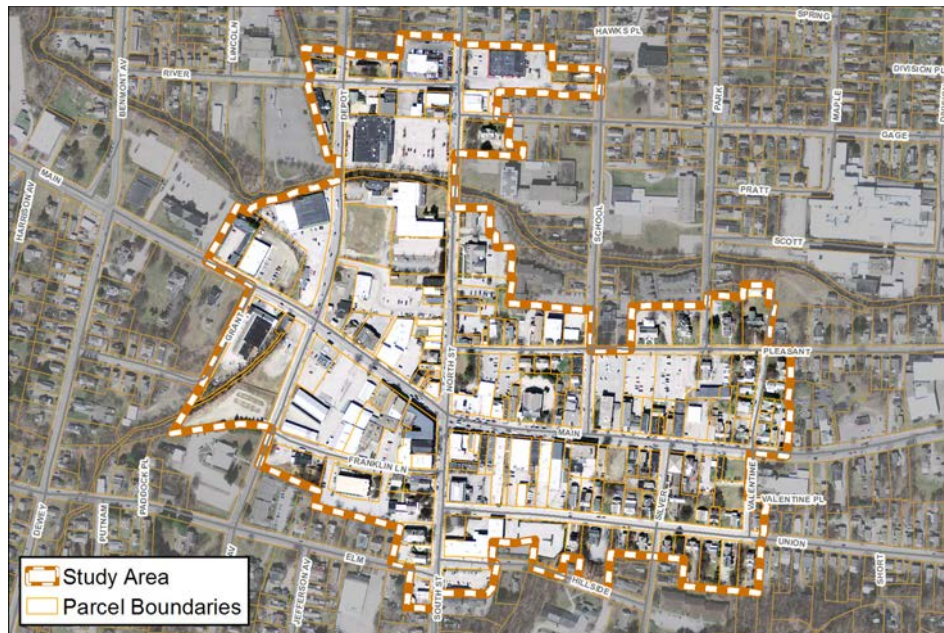


Figure 1.1: Area Wide Plan Boundary

Downtown Bennington

The Downtown planning area represents the historic center of commerce and heart of the Town of Bennington. The intersection of Main, North and South Streets (also U.S. Route 7 and Vermont Route 9) is the major crossroads and center of the downtown. Traditional pedestrian-oriented retail businesses are focused around this intersection. A number of historic industrial sites which were established along the Wallomsac River and residential neighborhoods ring the central business area. Once a bustling commercial and manufacturing center, economic activity in downtown Bennington has contracted as industrial technologies evolved and these activities migrated away from Vermont and the northeastern United States during the 20th century. Today this handsome 19th and early 20th century downtown district has many vacant, underutilized and abandoned properties, many with brownfield conditions due to the history of manufacturing in the area.

The Town of Bennington and its economic development partners have worked hard to revitalize the downtown and spur economic investment in the area. Several planning initiatives have been undertaken to support the economic revitalization goals and the Town has invested in improvements to the downtown streetscapes to improve the pedestrian environment through traffic calming, lighting, and pedestrian amenities.

Project Area Description

The study area largely corresponds with Bennington's Designated Downtown (see Figure 1.1). The downtown district, which is centered on the intersection of Main, North and South Streets, is approximately 71 acres in area and includes over 170 parcels in a variety of commercial, industrial and residential land uses. The project area includes the historic heart of Bennington with numerous historic buildings.

1 INTRODUCTION **Project Objectives**

Several properties have, or could benefit from, participation in the brownfields program administered by the Vermont Department of Environmental Conservation (VTDEC) and locally by the Bennington County Regional Commission (BCRC). The BCRC has identified the following objectives for its downtown brownfield planning efforts:

- To protect the public health and the environment;
- To increase the economic vitality of the study area; and
- To reflect the community's vision for redevelopment of the town and the area.

With these principles in mind, the overarching goals of the Downtown Bennington Area-Wide Plan were developed:

- To inventory the parcels within the downtown district and provide basic information of interest to potential development partners;
- To promote the adaptive reuse of properties and parcels within the Western Gateway a specific focus on the brownfield properties; and
- To devise potential redevelopment scenarios for some of the key properties within the district.

Public Engagement

The public involvement process for the area-wide plan included meetings with the Steering Committee, public forums, and stakeholder meetings, described below:

Steering Committee Meetings

A series of Steering Committee meetings were held in May through September 2015. The purpose of the Steering Committee meetings was to provide preliminary study findings and conceptual designs for review and feedback. Feedback from the Steering Committee was incorporated into the plan in numerous ways including identification of additional information, identification of sites to consider for conceptual planning, and modifications to the conceptual redevelopment plans.

Stakeholder Meetings

The design team toured the properties, met with property owner representatives, developers and various downtown stakeholders to gain an understanding of the local real estate market, trends, initiatives that have been undertaken in the downtown, and existing conditions, particularly related to the Greenberg properties. Information gained through these interviews was critical in the development of redevelopment conceptual plans for the Greenberg properties.

Conceptual Redevelopment Plan Public Forum

The design team held an all-day public outreach session to discuss the conceptual development plans for the Greenberg property with the community. In order to engage the broadest possible community input, the public forum took place at the Bennington Farmer's Market and at an afternoon street festival on August 1st. A booth was set up at both venues and design team members were able to engage with members of the community to discuss the plans. This event was very successful. Both the Farmers

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The homebrew fest / street fair in Bennington was an extremely well-attended event that included community outreach regarding conceptual development plans created for this area-wide plan.

Market and Street Festival were very well attended and many attendees were interested to learn about the Area Wide plan and discuss the conceptual plans for the site. Due to the casual atmosphere this public forum was able to reach beyond those that typically attend planning meetings. Feedback forms were developed for people to leave written comments on the plans. In addition, the plans were posted on the BCRC's website for additional input. Feedback from the public is summarized in Chapter 4.

2

EXISTING CONDITIONS

An environmental and infrastructure assessment was completed for all properties within the Project Area. Information was gathered, retained and managed within a Project informational geodatabase and geographic information system (GIS). The intent is that the Project GIS and geodatabase will serve the Stakeholders for years to come.

Proper collection and management of the data enabled better use of the information for mapping and analysis. The design of the database provides the user with the ability to refer to all current and historic land use data and supporting files to every historic and existing structure found to be of interest. The database was designed with these principles:

- Facilitate data collection and entry;
- Provide easy access to all data;
- Be expandable to allow for Stakeholders to import additional datasets;
- Store use related data from multiple sources (such as Mannings Directory and the Sanborn Fire Insurance maps);
- Provide the ability to spatially display data;
- Enable use and contamination analysis and summaries;
- To be a relational database; and
- All data, whether created by Stone or gathered from another source, have associated FGDC metadata.

The following sections summarize the existing conditions assessment of the plan area.

Land Uses

According to Bennington Planning and Permits online interactive land use plan, a program managed by BCRC, the Project Area resides primarily in the Central Business and Office and Apartment Districts (Figure 2). Other zoning districts include the Village Commercial, Mix Residential, and Village Residential districts. The purpose of the Central Business District is to “promote the sound economic growth of the Town through the preservation and continued development of Bennington’s traditional downtown area as a major regional commercial, financial, service, governmental, cultural and residential center for Bennington County and surrounding areas.” Land use in the Central Business District is largely commercial, with retail businesses, restaurants, and commercial financial institutions. This district is also the home to the Town government, other municipal functions (e.g., police department), post office, and the Community College of Vermont Bennington academic center.

2 EXISTING CONDITIONS

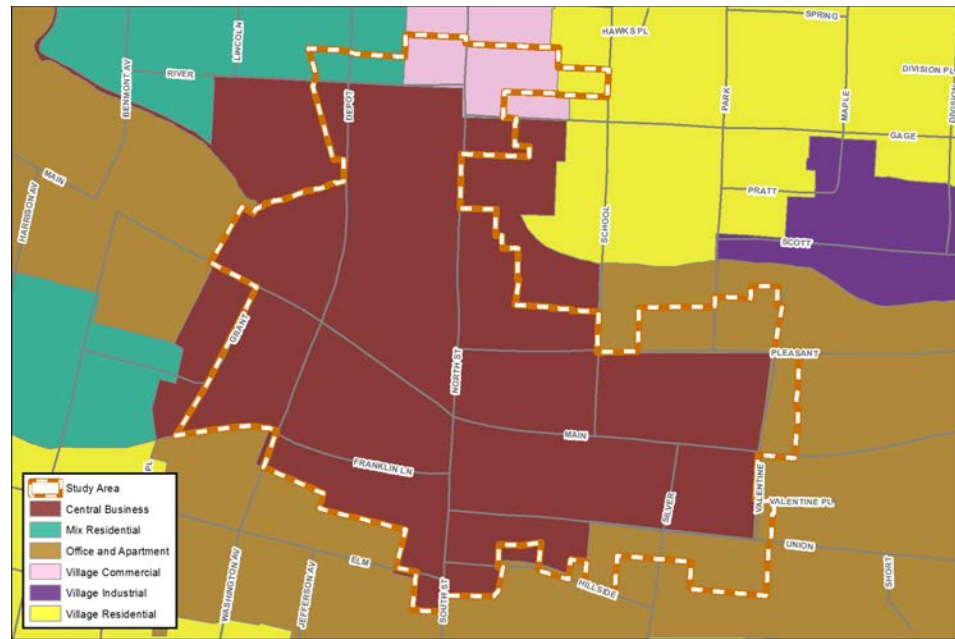


Figure 2.1: Downtown Bennington Zoning Districts

The Office/Apartment District marks an “area of transition between the traditional downtown and surrounding residential neighborhoods.”

The overall purpose of each of these districts is to establish the allowed uses and dimensional requirements for development. Each district has a list of permitted and conditional uses with dimensional requirements that must be followed. Site plan approval is required for most commercial, industrial and recreational improvements to properties within these districts. Depending upon the type of development, there may be the need for conditional use and/or planned unit development approval for mixed uses.

Historic Resources

Downtown Bennington includes an Historic District listed on the National Register of Historic Places. According to the initial listing, dated April 1, 1980 (the Historic District was expanded in 2008), the physical presence and appearance of Downtown Bennington reflects three important factors; the availability of water power, the intersection of two major highways, and the resulting political importance of these two factors resulting in the construction of local, county, state and federal buildings. Architecturally, buildings within the downtown area were constructed to the style of the era in which they were built and include Federal (1785 – 1815), Greek Revival (1830's), Italianate (1840s to 1890), Queen Anne (1880 to 1910), French Second Empire (1865-1880), and Colonial Revival (1890s to early 1900s).

Figure 2.2 presents the extent of the Downtown Bennington Historic District with the 2008 boundary expansion and its contributing resources. The accompanying Project GIS also contains historic resources as a data layer; when selected, the user can discover more parcel specific information regarding each contributing historic resource.

2 EXISTING CONDITIONS

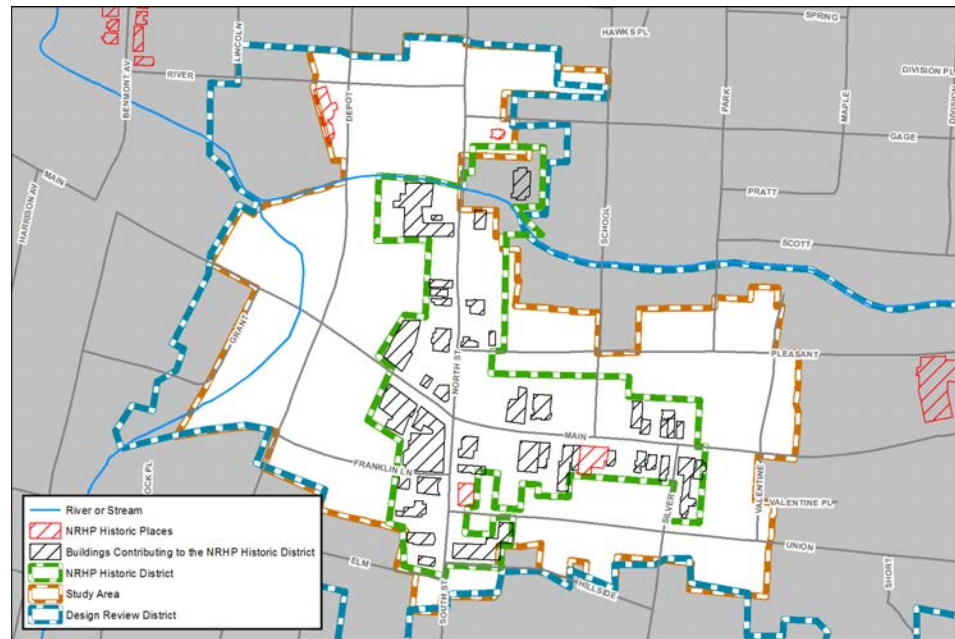


Figure 2.2: Historic Resources

Also of note and presented on Figure 2.2, the Town of Bennington has a mapped Historic Central Bennington Design Review District. This district is a local historic district developed by the Bennington Historic Preservation Commission and includes the Project Area in its entirety. As part of the Town of Bennington zoning ordinance, development within this district will be subject to design review.

Environmental Conditions

To evaluate environmental conditions that may inhibit redevelopment within or adjacent to the Project Area, Stone and BCRC performed a thorough assessment of past and current use and regulatory status through review of multiple sources, including:

- Historic Maps, including Sanborn Fire Insurance Maps and other available historic resources;
- VT DEC Site Management Section (SMS) Hazardous Site, Underground Storage Tank, and Brownfield Site files; and
- State and Federal Environmental Databases, including Comprehensive Environmental Response Compensation Limitation Act (CERCLA) and Resource Conservation and Recovery Act (RCRA).

Findings from review of these sources were contained, managed, and merged within the Project GIS for each property within the Project Area. Figures 2.3 through 2.6, presented on the following pages, include the cumulative historic uses of environmental concern for the Project Area for the years of 1885, 1901, 1925 and 2004.

2 EXISTING CONDITIONS

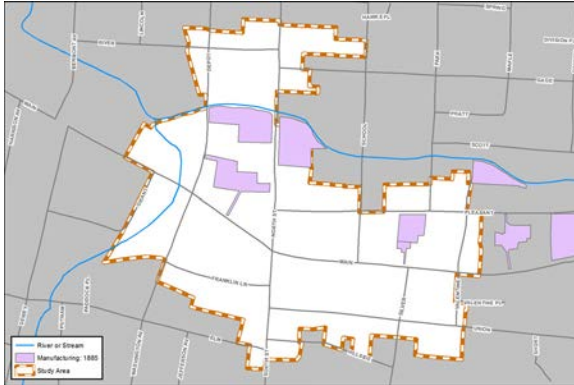


Figure 2.3: Historic Manufacturing, Bennington, 1885

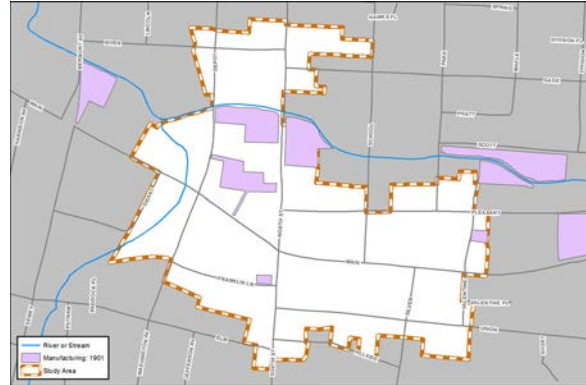


Figure 2.4: Historic Manufacturing, Bennington, 1901

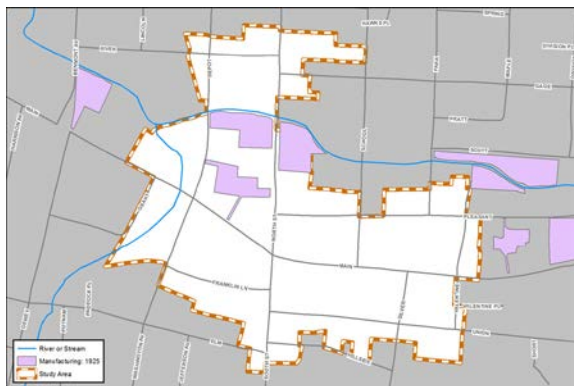


Figure 2.5: Historic Manufacturing, Bennington, 1925

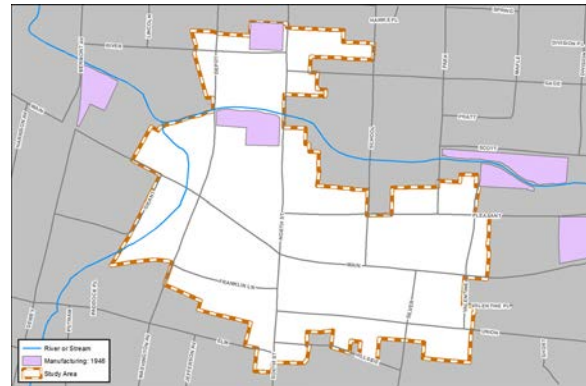


Figure 2.6: Historic Manufacturing, Bennington, 1946

Downtown Bennington has had a long running commercial and industrial past starting in roughly the middle of the nineteenth century. Like many small towns throughout Vermont, the current Bennington Downtown grew in response to its proximity to water power. Development in Bennington, however, did not begin in the current downtown area, but rather in Old Bennington. As the drive for commerce and industry grew, development grew more rapidly along the Walloomsac River due to its greater quantity of available water. Small penstocks were even created by mill owners to divert water from the river to provide extra power. By 1887, there were over three dozen mills along the two mile stretch of the Walloomsac River close to Downtown. With the mills came housing developments (e.g., Benmont Avenue) that were developed by mill owners for their work force.

Anchor industries included iron smelting, pottery, tanneries, and cotton textiles. Along with the large scale industries, smaller regionally-serving enterprises ran the gamut from children's underwear manufacturing, to brush making, to hoop skirt makers. Many of these industries, however, began to recede by World War II. More recently, high-tech industries began including Eveready Battery, Kaman Composites, and ChemFab.

2 EXISTING CONDITIONS

Historically, industrial land use became established in close proximity to the downtown, as evident by the Eveready Battery property at 401 Gage Street and the former Bijur Lubricants property (former CB Sports) located at 210 South Street. Past site practices during the course of day to day business at these properties likely included the use of hazardous materials and may have resulted in a release of these materials to the environment. Several of these properties experienced documented releases of hazardous materials and have been under the management of the Vermont Department of Environmental Conservation (VTDEC) as hazardous waste sites.

Moreover, using professional knowledge of potential contaminants of concern related to each past or current land use, we can surmise what the likelihood is for an actual release, the potentially impacted media, the likely fate and transport mechanisms, and potentially impacted receptors. This information allows for a more focused Phase II Environmental Site Assessment (ESA) in which samples are collected from site media to assess the actual presence of contamination, and greater confidence in our understanding of the Site.

Managed Environmental Sites

According to a review of the Vermont Agency of Natural Resources (ANR) Natural Resources Atlas, there are 23 managed hazardous waste sites within the Project Area. These sites are presented in Figure 2.7, below and in Table A1 of Appendix A.

Of the sites within the Project Area, 17 sites have been assigned a No Further Action Planned or Sites Management Activities Complete designation. The six remaining sites are summarized in Table 1, below. Table A2 presents a summary of the current status of each active hazardous waste site along with remaining data gaps.

Table 1: Active Hazardous Wastes Sites within the Project Area.

	Site Name / SMS #	Address	Contaminant (Source)
1.	Bennington Garage SMS#	326 Main St.	Gasoline (UST) Chlorinated Solvents (Unknown)
2.	Fleming Texaco	305 South St.	Gasoline (UST)
3.	Sargents Short Stop	300 Main St.	Gasoline (UST)
4.	210 South Street	210 South St.	TCE ¹ (Floor drain/Dry well)
5.	Alcaro Motors	239 MAIN St.	Gasoline (UST) PAHs ² Metals
6.	Normansel Development LLC	241, 301, 321, & 325 Main St.	Gasoline (UST) TCE (Unknown, possible offsite source) PAHs, Chromium (Urban Soils) Arsenic (Background, Urban Soils)

TCE: trichloroethylene, a chlorinated solvent often used for a degreaser.

PAHs: poly-cyclic aromatic hydrocarbons, a suite of semi organic compounds that result from incomplete combustion or oxidation of fossil fuels.

2 EXISTING CONDITIONS

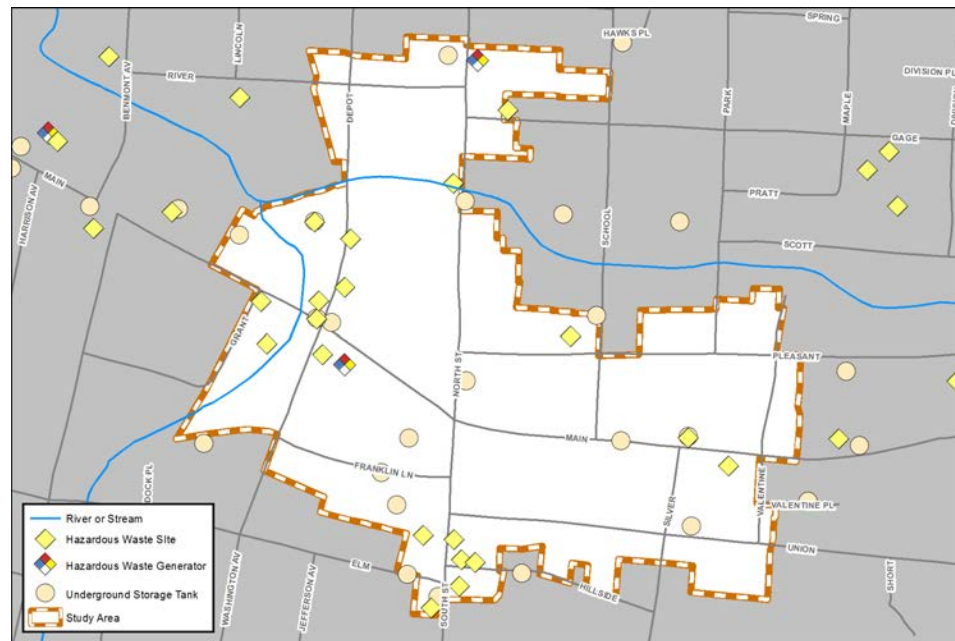


Figure 2.7: Managed Environmental Sites

Other managed environmental sites within the project area include 11 registered underground storage tank (UST) sites, two hazardous waste generators, and one brownfield site. The one brownfield site within the Project Area is the former Alcaro Motors which is the current location of LaFlamme's Furniture. This brownfield site was the result of a gasoline UST and past use of the property for automotive service. Remedial actions, including capping, selective removal of contaminated materials, and placement of a land use restriction, were completed to the satisfaction of the VT DEC in April, 2015. The site received a Certificate of Completion on July 9, 2015.

Potential Brownfield Sites

As defined by US EPA, brownfields are "...real property, the expansion, redevelopment, or reuse of which may be complicated by the presence or potential presence of a hazardous substance, pollutant, or contaminant." Cleaning up and reinvesting in these properties protects the environment, reduces blight, and takes development pressures off green spaces and working lands.

Using professional knowledge and US EPA Industry Sector Notebooks, Stone has assigned potential contaminants of concern for historic land uses in Table 2, below. Follow up assessment of properties with these past uses should consider the likelihood for these materials to be present.

Due to the age of many of the buildings within the Project Area, there is potential for hazardous building materials such as asbestos containing materials, lead based paint, or

2 EXISTING CONDITIONS

poly chlorinated biphenyl contaminated caulks, glazes and light ballasts to be present. These materials should be managed properly prior to any redevelopment or renovations of the buildings to prevent an unacceptable risk of exposure to site users or workers.

Table 2: Potential Contaminants of Concern by Industry Type

Industry Type	Petroleum	Chlorinated Solvents	PCBs	Metals	PAHs	Herbicides/Pesticides
Automotive Service	✓	✓	✓	✓	✓	
Fuel Storage	✓				✓	
Blacksmith / Coal				✓	✓	
Dry Cleaning	✓	✓				
Machining	✓	✓	✓	✓	✓	
Manufacturing	✓	✓	✓	✓	✓	
Painting / Printing	✓	✓	✓	✓	✓	
Railroad	✓	✓	✓	✓	✓	✓
Other	✓	✓	✓	✓	✓	

Key Brownfield Sites

Through a review of historic and current land use, the Stone Project Team, BCRC, and Steering Committee members identified three potential brownfield sites, encompassing a total of 8 parcels, within the Study Area to evaluate for selecting one property to undergo further assessment. These sites are summarized in Table 3, below.

The Greenberg properties were selected due to their central location at the very heart of the downtown, their size and their strategic importance to the downtown. A conceptual plan had been developed for the Tuttle property and the Bennington Middle School site was under investigation by a potential developer.

Table 3: Key Brownfield Sites

Site Name	Address	Description
Tuttle Property	113 Depot St.	Vacant, back portion of Bennington Brush Company
Greenberg Block	103-105 South St, 357-349 Main St.	Putnam House
	209 South St.	South Shire County Courthouse (Pennysaver Press)
	335-343 Main St.	Winslow Block
	307 Main St.	Former Knights of Columbus
	321 Main St.	Former Greenberg Home Center
	301 Main St.	Mobil Station
Bennington Middle School	650 Main Street	Former Bennington Middle School, slated for housing development

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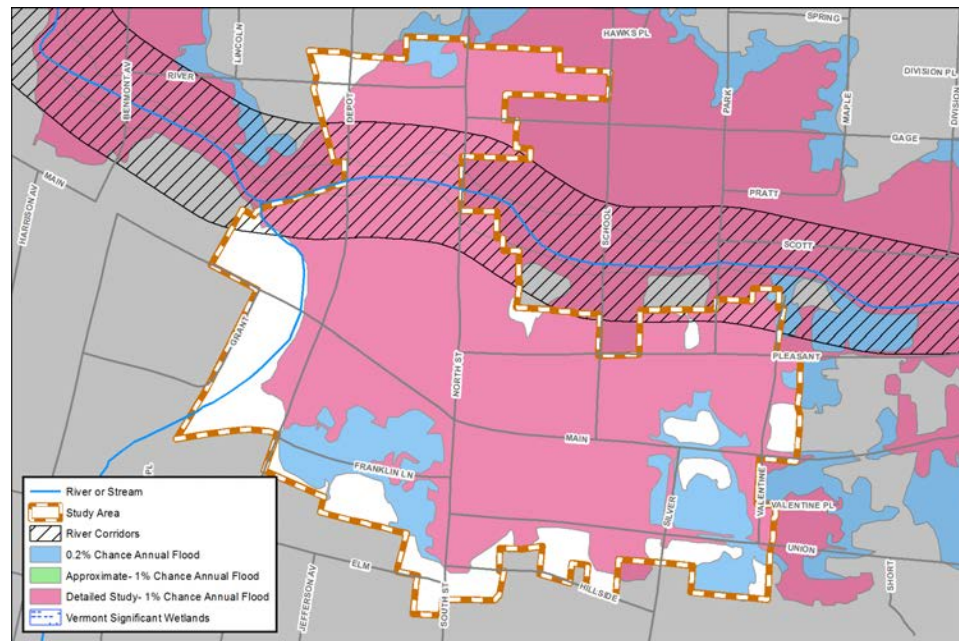


Figure 2.8: Mapped Natural Resources within the Project Area

Natural Resources

Mapped natural resource areas within the Project Area are indicated in Figure 10, below. Of particular interest is the presence of mapped 100-year flood plain and floodway within the Project Area.

Utilities and Infrastructure

The Town of Bennington Water Resources Department is a combined water and wastewater department whose budget is funded through user fees and rates, which are established annually.

Water System Capacity

According to the Bennington Water Resources Department web page, the Town of Bennington relies on a surface water source: the Bolles Brook in the Town of Woodford, Vermont for its primary source. A secondary source, Morgan Springs, provides an additional 2.5 million gallons of potable water. The current allocated potable water demand is 2.1 million gallons per day. Water from the sources is treated at the water filtration plant, also located in Woodford, capable of treating up to 4.0 million gallons of water per day. The water delivery system is comprised of over 62 miles of service mains, 500 hydrants, 3,700 water service connections, and 1,150 meters ranging from ½ inch to 8 inches in diameter; it is extensive and capable of serving industrial clients.

2 EXISTING CONDITIONS

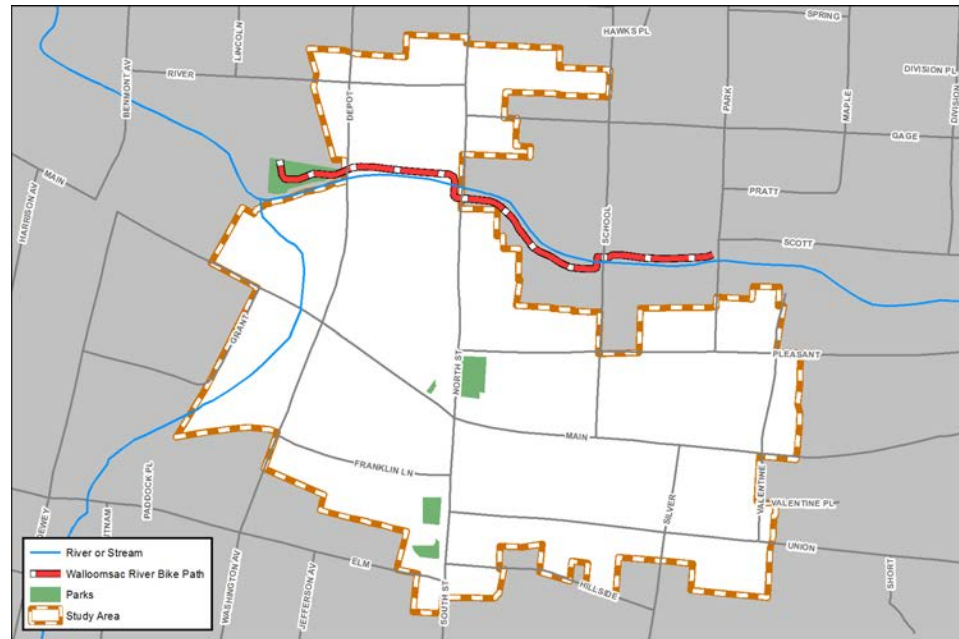


Figure 2.9: Recreational Resources within the Project Area

Wastewater Treatment Capacity

The Bennington Treatment Facility receives wastewater from Bennington, North Bennington, and Shaftsbury, Vermont and is capable of processing 5.2 million gallons of wastewater per day. The current wastewater demand is 3.25 million gallons per day. The wastewater treatment system has the capacity to handle additional uses within the Project Area. The municipal wastewater infrastructure is not a combined sanitary sewer and stormwater system. Improvements to the system are addressed within the department's annual budget.

Stormwater System

The stormwater system within the downtown is extensive. As a closed system in a densely developed downtown, there are limited opportunities for the pre-treatment of stormwater before entering catch basins and pipes, which is always a challenge in a more urban environment. The stormwater system currently has outlets to the Walloomsac River and tributaries in several locations within the Project Area. It should be encouraged to pre-treat stormwater in areas such as parks and open spaces with green infrastructure such as rain gardens or bio-retention areas.

Parks and Open Space

According to the Town of Bennington Recreation Department website, the Town of Bennington maintains three parks within or proximal to the Downtown. Memorial Park, on Gage Street, includes ball fields, tennis and basketball courts, it is the clos-

2 EXISTING CONDITIONS

est recreational facility to the downtown. A small park on Stark Street includes two basketball courts, a small playground, and small grassy open area. Willow Park, located on East Road, is the largest recreational facility in the Town of Bennington. It includes ball fields, basketball courts, a playground area, a paved walking trail, a nature trail, and a Frisbee golf course, volleyball courts, horseshoe pits, a skateboard park, a stage, pavilion, restrooms, and a BMX bike track.

The Walloomsac Pathway, a bikeway along the Walloomsac River, connects various commercial, retail, and recreational segments of Bennington. Initially, the Pathway was the result of volunteers and local donors who had the vision of connecting North Bennington and Bennington College to the Downtown. In September 2015, the project received a \$1.1M grant to create a clearly marked, multi-use trail. Success of this project will better enable pedestrian and bicycle travel between these areas.

3

MARKET ASSESSMENT

A market assessment for Bennington was prepared by Doug Kennedy Advisors (DKA) as part of the planning process. The market assessment looked at the 'downtown core' area of Bennington which is centered on the intersection of US Route 7 and Vermont Route 9 – which also is the main crossroads of Bennington and the very heart of the downtown; the larger downtown which includes the Bennington CDP (Census Designated Place); and the region which is defined as the geographic area within a 35 +/- minute drive of the downtown. The market assessment provides guidance to the planning team in considering new uses and activities for underutilized parcels in the planning area, including the Greenberg block, which was selected for conceptual redevelopment planning. The full market assessment is attached as Appendix B.

The major findings of the market assessment are summarized below:

Employment

- There are an estimated 280 employers and 2,200 employees working within the defined downtown core study area. Within the larger Bennington Census Designated Place it is estimated that employment is closer to 4,000 persons.
- The analysis of core indicators makes it clear that the Bennington area as a whole has lost employment in recent years. Despite this trend, the following industries have shown a positive trend in recent years:
 - **Manufacturing: Non-Durable:** This is a bright spot for Vermont and potentially for Bennington; the 'local food' trend is providing a boost to non-durable manufacturing as many food processors are finding a market in the state. Small-scale food processors could find a market in the downtown.
 - **Professional and Business Services:** As the service economy expands, so do Professional and Business Services. This growth also reflects the 'work at home' trend. Growth in this category is clearly a plus for the downtown, which can provide attractive office locations.
 - **Education and Health Care Services:** Healthcare is a mainstay in the Bennington economy. This employment category holds promise to create demand for commercial space in the downtown.
- Broad economic indicators make it clear that there is a steady upward trend and that employment, housing and economic activity are in growth modes. Moreover, continued steady growth is forecast for Vermont. The Bennington area (and southern Vermont) have been relatively static in recent years; however, it is apparent that local trends inevitably 'latch-on' to regional and national trends, potentially portending positive change for Bennington.

3 MARKET ASSESSMENT

- Although there has been minimal growth and some loss of downtown businesses in recent years, downtown Bennington remains an attractive urban area, with a pleasant walking environment. Further, the community's location at the intersection of two major highway routes (Routes 7 and 9) and its gateway status with respect to the remainder of the state are positives for downtown redevelopment.

Housing

The presence of a mix of housing opportunities is one of the keys to a successful downtown area. Simply put, downtown residents 'activate' street life, while providing a built-in market for downtown goods and services. In many instances downtown residents provide an impetus for the enrichment of downtown cultural life as well.

- Housing stock in the downtown core declined while the larger market area and region experienced an increase of 5 to 6% for the 2000 to 2015 period.
- Rental housing in the downtown accounts for 65 percent of the units in the downtown core, compared with 30 percent for the market area and only 26 percent for the region.
- Significant growth among two demographic groups create opportunities for housing and commercial development in the downtown:
 - 1) households headed by persons 55 to 74 years of age (Empty Nesters and Single Persons); and
 - 2) households of persons aged 25 to 34 years of age who are beginning to have a positive impact on the local economy.
- Two significant indicators point to potential for new housing development in downtown Bennington:
 - 1) New residential building permits have fallen to a minimal level in the community, pointing to pent-up demand for new, updated housing products; and
 - 2) There is an almost total lack of quality housing in Bennington's downtown core area. As an increasing segment of current households seek living situations with easy access to downtown stores and services, new residential development in the core downtown makes more sense.

In summary, there is a paucity of housing in the downtown core area and the number of quality market rate units within easy walking distance of the downtown core is minimal. Any redevelopment effort in the downtown core should include market rate housing. Initially the demand will be for quality market-rate rental units. In time the establishment of a quality housing base in downtown will lead to demand for ownership units.

Retail

While retail at the statewide level has shown small gains since 2010, both Bennington County and the Town experienced significant losses during the 2005 to 2010 period and have stabilized since then. In real terms, the town's retail sector is currently only generating 80 percent of the receipt value of year 2000. It is noted that the impact of internet shopping has been significant in recent years.

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Retail Gap Assessment

An assessment of Bennington's current retail situation from demand and supply perspectives indicates that there is potential for growth in the following retail categories:

- **Electronics and Appliances:** Downtown potential only for highly specialized/service intensive businesses;
- **Lawn and Garden:** Likely not a good mix with a more urbanized Greenberg Block;
- **Specialty Food:** An excellent downtown retailer that could have a strong link with residential development on the Greenberg block;
- **Beer, Wine and Liquor:** This is a potential for the Greenberg block, particularly for a retailer with a focus on mid-to upper end wines;
- **Clothing:** Potential for the downtown, but only if there is a cluster of stores;
- **Restaurants:** Multiple restaurants with diverse fare are synonymous with successful downtowns.

The retail gap analysis is a simple comparison of demand and sales that can serve as a means of identifying opportunities for new retail businesses within a defined area. For purposes of analysis, we complete two gap assessments:

1. A comparison of demand generated by the region with current sales in the market area; and
2. A comparison of demand generated by the market area with current sales in the market area.

While the first calculation compares a larger area (region) with a smaller area (market area), the magnitude of the resultant 'gaps' is a basis for identifying the region's retail shortcoming. In the second assessment (demand in the market area and current sales in the market area) the calculations show direct shortcomings for a known population group. While the calculation of the region / market area gaps is not an 'apples to apples' comparison, it does provide a broad view of retail potentials in the Bennington area.

The demand, sales and resultant gap figures are shown in Table 2.1 on the following page. In both instances, positive 'gaps' with relevance to the downtown area have been highlighted in blue. Deficits – instances in which sales exceed demand – are shown in **red type**. In addition, in the instances where there is a 'positive gap,' the gap is expressed as a percent of total demand – providing an indication of the significance of the gap to the market.

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Table 3.1: Retail Gap Assessments

	Region<>Market				Market<>Market			
	Region Demand	Market Sales	'Gap'	Gap as % of Demand	Market Demand	Market Sales	'Gap'	Gap as % of Demand
Motor Vehicle & Parts Dealers	\$148.46	\$66.95	\$81.51	55%	\$53.07	\$66.95	-\$13.88	
Automobile Dealers	\$129.39	\$60.02	\$69.37	54%	\$45.76	\$60.02	-\$14.26	
Other Motor Vehicle Dealers	\$8.80	\$2.26	\$6.54	74%	\$3.30	\$2.26	\$1.04	32%
Auto Parts, Accessories & Tire Stores	\$10.28	\$4.67	\$5.61	55%	\$4.01	\$4.67	-\$0.66	
Furniture & Home Furnishings Stores	\$19.01	\$7.10	\$11.91	63%	\$7.39	\$7.10	\$0.28	4%
Furniture Stores	\$8.66	\$3.55	\$5.10	59%	\$3.09	\$3.55	-\$0.46	
Home Furnishings Stores	\$9.68	\$3.55	\$6.13	63%	\$3.62	\$3.55	\$0.07	2%
Electronics & Appliance Stores	\$21.01	\$2.42	\$18.59	88%	\$6.70	\$2.42	\$4.28	64%
Bldg Materials, Garden Equip. & Supply Stores	\$26.47	\$20.93	\$5.54	21%	\$10.14	\$20.93	-\$10.78	
Bldg Material & Supplies Dealers	\$19.36	\$20.02	-\$0.66		\$6.53	\$20.02	-\$13.49	
Lawn & Garden Equip & Supply Stores	\$6.68	\$0.91	\$5.77	86%	\$3.18	\$0.91	\$2.26	71%
Food & Beverage Stores	\$143.93	\$80.92	\$63.01	44%	\$54.18	\$80.92	-\$26.74	
Grocery Stores	\$124.20	\$77.31	\$46.89	38%	\$44.80	\$77.31	-\$32.52	
Specialty Food Stores	\$4.96	\$1.42	\$3.54	71%	\$1.42	\$1.42	\$0.00	0%
Beer, Wine & Liquor Stores	\$8.76	\$2.19	\$6.57	75%	\$1.96	\$2.19	-\$0.23	
Health & Personal Care Stores	\$63.46	\$31.03	\$32.43	51%	\$22.14	\$31.03	-\$8.89	
Gasoline Stations	\$79.81	\$34.47	\$45.34	57%	\$35.19	\$34.47	\$0.72	2%
Clothing & Clothing Accessories Stores	\$53.91	\$5.00	\$48.92	91%	\$20.17	\$5.00	\$15.17	75%
Clothing Stores	\$39.45	\$2.35	\$37.10	94%	\$14.42	\$2.35	\$12.07	84%
Shoe Stores	\$7.15	\$0.77	\$6.38	89%	\$2.64	\$0.77	\$1.87	71%
Jewelry, Luggage & Leather Goods Stores	\$6.34	\$1.88	\$4.46	70%	\$2.15	\$1.88	\$0.27	13%
Sporting Goods, Hobby, Book & Music Stores	\$19.91	\$3.50	\$16.41	82%	\$7.82	\$3.50	\$4.32	55%
Sporting Goods/Hobby/Musical Instr Stores	\$16.28	\$2.19	\$14.09	87%	\$6.12	\$2.19	\$3.93	64%
Book, Periodical & Music Stores	\$3.14	\$1.31	\$1.83	58%	\$1.21	\$1.31	-\$0.09	
General Merchandise Stores	\$72.78	\$33.20	\$39.59	54%	\$25.03	\$33.20	-\$8.17	
Department Stores Excluding Leased Depts.	\$33.61	\$32.28	\$1.33	4%	\$11.16	\$32.28	-\$21.12	
Other General Merchandise Stores	\$38.10	\$0.92	\$37.19	98%	\$12.80	\$0.92	\$11.89	93%
Miscellaneous Store Retailers	\$20.07	\$23.23	-\$3.15		\$7.16	\$23.23	-\$16.07	
Florists	\$1.30	\$0.40	\$0.90	69%	\$0.41	\$0.40	\$0.01	3%
Office Supplies, Stationery & Gift Stores	\$5.89	\$6.20	-\$0.31		\$2.15	\$6.20	-\$4.05	
Used Merchandise Stores	\$2.85	\$2.30	\$0.55	19%	\$1.04	\$2.30	-\$1.26	
Other Miscellaneous Store Retailers	\$9.60	\$14.33	-\$4.73		\$3.12	\$14.33	-\$11.21	
Nonstore Retailers	\$66.18	\$18.68	\$47.50	72%	\$22.55	\$18.68	\$3.88	17%
Electronic Shopping & Mail-Order Houses	\$50.82	\$0.39	\$50.43	99%	\$16.56	\$0.39	\$16.17	98%
Vending Machine Operators	\$1.26	\$0.00	\$1.26	100%	\$0.47	\$0.00	\$0.47	100%
Direct Selling Establishments	\$14.09	\$17.88	-\$3.79		\$5.53	\$17.88	-\$12.36	
Food Services & Drinking Places	\$85.32	\$29.80	\$55.52	65%	\$36.15	\$29.80	\$6.35	18%
Full-Service Restaurants	\$40.35	\$17.60	\$22.75	56%	\$14.43	\$17.60	-\$3.17	
Limited-Service Eating Places	\$28.59	\$8.95	\$19.64	69%	\$9.61	\$8.95	\$0.65	7%
Special Food Services	\$3.98	\$0.59	\$3.39	85%	\$1.18	\$0.59	\$0.58	50%
Drinking Places - Alcoholic Beverages	\$2.17	\$2.66	-\$0.48		\$0.71	\$2.66	-\$1.94	

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Lodging

Current travel trends and demographic factors point to a strong future for the Vermont lodging industry in coming years. While Bennington does not have a reputation as one of Vermont's major travel attractions, it is apparent that the community's location with respect to the regional highway network puts it in a position to tap into a growing market.

Of greater significance, there is currently no competitive hotel property serving the downtown core area. With an attractive walking environment, the downtown is clearly a potential location for a strong hotel entry.

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The Greenberg Block in downtown Bennington was selected by the Steering Committee for further conceptual planning regarding potential redevelopment scenarios. The Greenberg block is strategically situated at the heart of Bennington's downtown and includes over five acres of land that could accommodate new development and rehabilitation of existing downtown buildings for new uses.

Public Input

Two conceptual plans which respond to the market opportunities and input by project stakeholders and the Steering Committee were developed for the Greenberg property. After meeting with stakeholders and the Steering Committee, the conceptual plans were presented at a public outreach day which included a booth at the Bennington Farmer's Market and later at the Homebrew Festival—a street fair in the downtown. Both events were held on August 1, 2016, a Saturday, and were very well attended by residents and visitors to Bennington. In the relaxed atmosphere at the Farmer's Market and street festival, members of the public provided verbal and written comments to the design team. The plans were also posted on the BCRC website for public comment.

Description of the Conceptual Redevelopment Plans

Both plans provide a vision for a vibrant downtown that is a place where people can live, work, shop, visit and come together for community and social events. The plan provides a focus on walkability and pedestrian vitality while allowing for convenient parking to serve businesses and residences. More specifically, both plans reflect the following qualities:

- **Pedestrian Orientation.** The configuration of buildings, parking and green space create a rich pedestrian environment and complement the traditional pedestrian orientation of Bennington's downtown. New development is organized to create attractive streetscapes, pedestrian linkages and gathering spaces.
- **Historic Building Reuse.** Rehabilitation of several historic buildings in the downtown which, though under-utilized now, give downtown Bennington a unique character and strong sense of place. These buildings are: The Old Castle Theater; the Winslow Building; The Hotel Putnam; and the Old Courthouse building. Two approaches to the reuse of the historic buildings are taken in the conceptual alternatives as discussed below.
- **Mix of Uses.** The plans incorporate a mixture of retail, residential, office, and in one alternative, hotel uses to provide both economic and social vitality in the downtown.

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Figure 4.1: The Greenberg Block

The addition of downtown residential uses adds more activity in the evenings and supports downtown retail businesses. A complement of downtown workers also supports the retail businesses during the week.

- **Park / Green Space / Streetscapes.** A central green park space which provides an important focal point and amenity for the new development and the downtown as a whole is organized along the creek where it can add value to adjoining residential and commercial development. The park is large enough to accommodate downtown events. The location between Washington Avenue and the creek makes the space attractive, accessible and open to views from the development on the Greenberg block. There is also green space around the new residential development (apartments or townhouses), which buffers living units from parking areas, provides spaces for outdoor living (i.e., decks, patios, seating areas) and creates a more attractive residential environment. These open space areas might also include 'green' stormwater management features, such as rain gardens, which absorb and clean stormwater runoff, thereby improving Bennington's natural environment. Enhanced streetscapes along Main Street, Washington Avenue and Franklin Lane will improve the pedestrian environment and overall character of the downtown.
- **Parking.** Convenient parking for new customers is provided internally within the block and beneath the residential buildings, and interconnected to the downtown via pedestrian walkways. This creates an attractive pedestrian environment and allows the residential development access to covered parking spaces, a plus for marketing downtown apartments.

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The Hotel Putnam is a key landmark building in the downtown.



The Greenberg lumberyard site occupies a strategic parcel at the heart of the downtown.

Description of the Conceptual Redevelopment Alternatives

Alternative A:

Putnam Hotel, Winslow Building, Old Courthouse (Pennysaver Building).

In this alternative the rear additions that are in poor condition, built for specialized purposes and/or detract from the historic buildings in such a way as to create obstacles to reuse are removed. The historic buildings would be renovated for commercial uses, namely ground floor retail and upper story offices. After a reconnaissance of the buildings it was the sense of the design team that the upper stories did not lend themselves to renovation for residential use. The market study indicates that a complement of quality office space in the center of town is a market opportunity and would add downtown employees that patronize downtown businesses. The ballroom in the old courthouse is a unique architectural feature that could be attractive as a venue for events, conferences, dining, etc. A new building lobby with a shared elevator for the Putnam Hotel and Winslow Building is assumed to be located off Main Street in the pedestrian alley between the two buildings.

Old Castle Theater. The Old Castle Theater is assumed to remain in place as a performing arts venue which would be complementary to expanded dining, residential, hotel and retail options in the downtown and further act as an anchor to Bennington's Arts District.

New Mixed-Use Building (3-stories). Both alternatives envision a new mixed-use building with ground level retail with upper-story apartments on Main Street between the Old Castle Theater and Washington Street. The retail footprint at 11,800 sq. ft. would be large enough to accommodate several options such as a new food market or a downtown hardware store or a couple of new retail spaces for restaurants or shops. The building is oriented on the site to create two pedestrian plazas at the corner of Main and Washington and between the mixed-use building and the Old Castle Theater. These plaza spaces provide opportunity for sidewalk dining and outdoor retail displays as well as space for benches, small gatherings and public art. A generous sidewalk along Main Street provides a gracious entry to the building and space for sidewalk activity. There would be approximately 24 apartments (assumed primarily to be two-bedroom units) above the retail spaces on the second and third floors of the building (there may be more or fewer units depending on the unit types). These units are assumed to be market-rate units. They may be attractive for downtown student housing.

New Apartment Building (3 stories). A new apartment building facing Washington Avenue and Franklin Lane would provide more 'around-the-clock' activity for the downtown. Parking beneath the building would provide a covered parking space for each unit and allow for a buffer of green space around the building. Green space around the building allows for patios and balconies and screening from surrounding uses. The building faces onto a small linear green which extends from the plaza at Main Street and Washington Avenue and provides a welcoming entry to the building from Washington Avenue. There would be approximately 48 market-rate apartments, again the number of units will depend on the mix of unit types (e.g. studio, 1- or 2- bedrooms).

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Downtown development precedents: *Top: Brooks House, Brattleboro, VT* has been renovated for restaurant, retail, office and residential space following a fire that destroyed the historic downtown hotel. *Center: South Block, Hanover, NH.* New mixed use downtown development featuring ground level retail and upper story apartments. *Below: Mixed-Use Renovation, White River Junction, VT,* features ground level commercial with upper floor residential in a renovated building.



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Downtown development precedents:
Top: *Tilton Riverfront Park, Tilton NH* a former brownfield (mill) site has been redeveloped into a downtown park. **Center:** *Stormwater raingarden, White River Junction, VT* provides stormwater treatment and an attractive landscape feature. **Below:** *Hilton Garden Inn, Burlington, VT*, incorporates the historic Armory building into a downtown hotel that results in an interesting mix of old and new development on Main Street.



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Figure 4.2: Conceptual Redevelopment Plan: Alternative A



Table 4.1: Conceptual Development Program: Alternative A

Renovation of Putnam Hotel, Winslow and Courthouse Buildings			
Putnam Hotel (3 Stories)			
Retail (Ground Level)	8,500	s.f.	
Office (Levels 2 and 3)	17,000	s.f.	
Subtotal Putnam Hotel	25,000	s.f.	
Winslow Building (3 Stories)			
Retail (Ground Level)	6,700	s.f.	
Office (Levels 2 and 3)	13,400	s.f.	
Subtotal Winslow Building	20,100	s.f.	
Courthouse Building (2 Stories)			
Restaurant/Event/Meeting	8,200	s.f.	
Subtotal Courthouse	8,200	s.f.	
Main Street Mixed-Use Building			
Retail (Ground Level)	12,000	s.f.	
Apartments (Levels 2 and 3)	24 units		
Washington Avenue			
Apartments (3 Levels)	48 units		
Creekside Park	1.5 acres		
Parking			
Parking Main Block	99 spaces		
Parking Covered	50 spaces		
Franklin Lane on-street	21 spaces		

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Figure 4.3: Perspective of redeveloped block at Main and Washington

Public Green Space. On the west side of Washington Avenue there is a public green space oriented to the adjoining brook. This space has walking paths and perhaps a pavilion for community gatherings and events, as well as space for passive public uses such as seating, enjoyment of the outdoors, picnicking, winter ice skating, stormwater management. A small pavilion is shown to suggest a place for outdoor concerts or performances.

Improved Streetscapes on Main, Washington, and Franklin Lane. Improved streetscapes with sidewalks, street trees, on-street parking, lighting, and pedestrian amenities would be constructed along Main Street, Washington Avenue and Franklin Lane. Streetscape improvements are critical to integrate these properties into the downtown and to create a vital pedestrian environment.

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Figure 4.4: Perspective view of new mixed-use building on Main Street with Old Castle Theater on the left.

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Alternative B:

The primary difference in this alternative is the complex of historic buildings (Winslow, Putnam Hotel, Courthouse) are reused for a downtown hotel. Additionally, townhouses replace the apartment building along Washington Avenue. This component of this alternative is described more specifically as follows:

Putnam Hotel, Winslow Building, and Old Courthouse. The historic facades of these buildings facing Main and South Streets are maintained but the remainder of the building is replaced with new construction in order to accommodate a contemporary hotel program of facilities. The hotel would be three stories with approximately 100 rooms and would include spaces that could accommodate events and small conferences. The large volume rooms of the old courthouse building are incorporated into the hotel as a meeting/conference/event space. A *porte cochere* (vehicle entrance) would be on Franklin Lane. A public pedestrian connection from Main Street through the hotel to the creekside open space would be provided through the center of the block. This development concept would rely on existing municipal parking in other locations to fulfill needed parking spaces.

New Mixed-Use Building (3-stories). This component of the plan is the same as described above, a mixed use building with retail on the ground floor and apartments above.



Figure 4.5: Bird's eye view of townhouses on Washington Street

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Figure 4.6: Conceptual Redevelopment Plan: Alternative B



Table 4.2: Conceptual Development Program: Alternative B

Renovation of Putnam Hotel, Winslow and Courthouse Buildings			
Hotel w/conference space (3 Stories)	100	rooms	
Main Street Mixed-Use Building			
Retail (Ground Level)	12,000	s.f.	
Apartments (Levels 2 and 3)	24	units	
Washington Avenue			
Townhouses	15	units	
Creekside Park	1.5	acres	
Parking			
Parking - Main Block	67	spaces	
Townhouses	30	spaces	
Franklin Lane on-street	21	spaces	
Washington Ave. on-street	11	spaces	
Total Parking	129	spaces	

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Public outreach at Bennington Farmer's Market.

Townhouses. New townhouses facing Washington Avenue create an attractive residential streetscape along this street and an appealing option for downtown living. The townhouses are assumed to be an ownership housing type with a rear two-car garage and private front garden space. There are 15 townhouses in this plan. The townhouses are linked to the core of the downtown via a public pedestrian walkway.

Main / Washington Retail. This plan assumes redevelopment of the retail space at the corner of Main Street and Washington Avenue, as described in Alternative A.

Public Green Space. A public green space with walking paths oriented to the brook would be centered on the west side of Washington Avenue adjacent to the townhouses. This green space could include a number of features such as walking paths, a gazebo, a children's play area, stormwater management.

Improved Streetscapes on Main, Washington, and Franklin Lane. Improved streetscapes are developed as described in Alternative A.

Public Comments on the Conceptual Plans

The public comments received on the plans in the public feedback sessions was very positive. Generally speaking people would like to see more uses and activities in the downtown and were supportive of both conceptual plans. People were most attracted to the ideas of a mix of uses including market rate residential units, a hotel, expanded retail offerings—a food market and restaurants were mentioned most often—and a central green space. There were several interesting ideas mentioned such as an amphitheater in the open space area for concerts and public gatherings, gallery spaces, perhaps connected with Bennington College, a food-oriented business combined with Bennington Potters, like Simon Pearce (in Quechee, Vermont), a hotel with shuttle service to ski areas, and a downtown food store. A compilation of the written comments appears in Appendix C.

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Market Assessment of the Conceptual Redevelopment Plans for the Greenberg Block

The two alternative conceptual redevelopment plans generated for the Greenberg block respond to background assessments of site conditions; urban context; market conditions; environmental conditions and other considerations. While the alternatives provide a conceptual framework for redevelopment of the block, it is essential to keep in mind that multiple project developers are likely to use the alternatives as a starting point for development of specific plans suited to their objectives.

While the alternatives present differing approaches to redevelopment of the block, there are a number of commonalities to the plans, particularly with respect to proposed uses. Further, it is apparent that elements of each alternative could be 'mixed' so that the ultimate redevelopment of the block is a hybrid of the concepts. As such, the market-based assessment of the plans is primarily focused on uses.

The assessment also includes a conceptual feasibility assessment for the proposed uses included in the alternatives. Because the ultimate redevelopment plan for the block will differ from either alternative, detailed pro-forma analyses of these plans would be a hypothetical exercise at best. As such, the assessment of feasibility focuses on individual uses (office, residential, etc.). The assessment identifies relevant quantitative parameters and includes conceptual pro-forma work to provide an overview of feasibility.

Market Prospects and Feasibility by Use

Office Space

Although only Alternative A specifies office space as a land use (30,400 gross sq. ft.) it is apparent that the Main Street mixed use building proposed in Alternative B could accommodate office space as well, particularly on its second level. Perhaps more importantly, office use is highly appropriate in a core downtown location like the Greenberg block (particularly for upper levels of buildings) and should ultimately be included in any redevelopment plan for the parcel. Like residential use, office use tends to 'activate' downtowns by creating daytime street activity and ready-made customers for downtown retail and service providers.

In particular, it is important to note that quality office space in the core downtown will be attractive to professional and health services professionals seeking a 'prestige' location. This is a significant point – new or redeveloped office space in the downtown core will be highly competitive; employers seeking an accessible/visible location with easy walking access to downtown services will choose the Greenberg block site over other available Bennington locations. As a result, new or redeveloped office space located on the Greenberg block should command a premium rent in the Bennington market.

We note the following regarding the prospects for new office space in downtown Bennington:

- Overall, Vermont is projecting 1.5 to 1.9 percent annual growth in employment over the next few years; we expect that a substantial segment of that growth will be in service occupations, with accompanying demand for office space.
- While the employment picture in the Bennington area has been mixed in recent years, it is apparent that Professional & Business Services and Education & Health Services have been bright spots—sectors in which employment has increased. In both instances, new jobs create demand for office space.
- 2013 and 2014 transaction data show a significant uptick in sales of commercial

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buildings in Bennington, pointing to developments' expectations for improvement in the commercial market and expectations for increased demand for commercial and office space.

Office Space Feasibility Assessment

The assessment of the office space market leads to the following estimates:

- Research into the current downtown office/commercial market indicates that the upper end is approximately \$13.50 per square foot (net). However, we note that virtually no new office space has been developed in the downtown in recent years. Relatively low lease rates are possible in instances where building owners have long-term ownership, little or no debt and have not made any significant recent capital investments in buildings; this appears to be the case for a number of commercial buildings in the downtown.
- Under the assumption that the typical office worker requires 200 +/- square feet of space (NAIOP), we feel it is reasonable to assume that absorption of new office space could occur at the rate of 5,000 to 6,000 square feet on an annual basis.
- It is likely that Bennington's current higher end office rent level (\$13.50 net) would need to be pushed upward to support redeveloped or new office space within the project area.

A highly simplified pro-forma analysis was prepared for an office development. There are many unknowns on this project, and such an analysis must use many assumptions, each of which could alter the outcome (see Appendix). Regardless it is helpful to get an overall sense of feasibility for a development. This analysis indicates that at a net rent of \$18 per square foot, the project could 'cash-flow' in the third year of the project. While the Internal Rate of Return (IRR) for the five-year period of operations shown would be negative, an assumed sale in the 6th year could produce a positive IRR. Finally, note that a rental rate based on the current 'market rate' in Bennington (say \$12 per sq. ft.) would not achieve a positive cash-flow during the five-year period.

Hotel

Downtown Bennington's current lack of a high quality lodging facility is an evident opportunity for development. With no nationally known 'flag' hotel, the downtown falls 'off the radar' for area travelers who tend to restrict their hotel business – via reservation systems – to known brands. In simple terms, there is no direct competition for a true downtown hotel in Bennington, while there are other accommodations in the area, few are up to date and none offers easy walking access to the core downtown.

It is also important to note a hotel's potential contributions to the broader enhancement of downtown Bennington:

- An increase in 'people activity' in the downtown, creating new customers for downtown retailers and service providers;
- Provision of a high quality bed-base that would support meetings, conferences and other needs of Bennington businesses;
- A significant boon to Bennington's efforts to attract tourism, with an emphasis on downtown attractions and events.

The following would be significant considerations in developing a new lodging facility on the Greenberg block:

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- The facility should be on the smaller end of a national flag's range of standard offerings – likely in the 75 to 95 rooms range.
- Traditionally, downtown hotels incorporate a range of on-site services, including restaurant(s), gyms, room service, etc. that relate to 'full-service.' However, the likely scale of a Bennington facility would make these facilities difficult to finance and potentially difficult to operate on a profitable basis. It is possible to develop a 'full-service' hotel facility by incorporating other uses on the block or within a short walking distance – such as meeting facilities; restaurants(s); retail; gym. While it may be too expensive to include all of these uses within the hotel, easy walking connections (indoors when possible) can make it seem like the other uses are part of the hotel facility.
- The redevelopment of the Putnam/Winslow/Courthouse buildings as a hotel would be attractive from an aesthetic perspective, as this concept would fully integrate the facility into the downtown architectural fabric. However, it is essential that the resultant facility be fully functional and meet current-day lodging standards. If this is not possible within the existing structures, new construction should be a consideration.

A hotel feasibility assessment (or pro-forma) is beyond the range of this assessment. However, we note that the current (December 2015) rate for the Hampton Inn is approximately \$120 per night. A mid-summer rate is in the \$190 per night range.

Residential – Rental and Ownership

A diverse year-round downtown population is acknowledged to be a critical element in downtown revitalization. Permanent downtown residents activate street life and create year-round demand for downtown goods and services. Project research makes it clear that downtown Bennington has surprisingly little in the way of quality housing choices. While there are fair/moderate quality rental units in the vicinity of the downtown core, there are limited choices – at best – in the core area.

We note the following with respect to the potential downtown residential market:

- The regional housing market is clearly on the upswing; ownership pricing throughout the state has increased over the past two years and there is upward pressure on residential rents. Bennington's rental vacancy rate has consistently been reported at less than three percent in recent years. A number of Vermont's more urbanized markets have seen increases in building permits in the past two years; this trend will inevitably make its way to Bennington..
- Bennington has processed minimal residential building permits in recent years. This strongly suggests that there is a pent-up market for new, higher quality residential product – both from rental and ownership perspectives. While projects do not point to substantial growth in Bennington's total population, the dynamics of aging will result in new housing needs. Specifically:
 1. The number of households headed by persons aged 55 to 74 years will increase dramatically during the next five to ten years. As noted above, a significant segment of this group will be seeking simplified housing options (rentals, condominiums) and many will be seeking a housing situation with easy access to downtown services;
 2. An increase in the number of moderate income households with heads aged 25 to 44 years. These formative and 'move-up' households create a significant market for rentals and for smaller condominium units;

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- Contacts in the Bennington market report that there is a significant increase in 'market rate' apartment seekers who want to live in downtown Bennington. In addition, they point to the success of the projects and individual buildings that have offered higher quality with higher range pricing.
- The Greenberg block offers a prime downtown locations; easy walking access to downtown services; easy walking distance to the Walloomsac Pathway; potential direct view/access to a proposed park area to be developed on the west side of Washington Avenue. We also note that the location of a quality grocery store in the core downtown would greatly enhance its attraction to potential renters or buyers.

Rental / Ownership Considerations

Research in the area residential market indicates that ownership housing should be approached as a second phase of block redevelopment. Interest in residential ownership in Bennington's downtown will occur if:

- There is evidence that the Greenberg block is well on its way to complete redevelopment;
- There is an increase in the kinds of services that interest urban buyers (groceries, restaurants, arts, gyms, etc.); and
- When higher end residential rental activity has clearly established itself in the downtown:
 - The best location for ownership housing would be on the westerly portion of the site along Washington Street, particularly if there is direct access to a park feature in this area;
 - Two and three bedroom townhouse units would best meet market demands;
 - There is currently no established market pricing for a project of this type. The general lack of new housing development in Bennington—and the total absence of a downtown project of this nature—make it clear that any new project would be able to (and would need to, based on development costs) establish pricing at a level well above that for recent transactions in the Bennington market.

Rental Residential Feasibility Assessment

The following would be significant considerations in developing new residential units (rental and/or ownership) on the Greenberg block:

- Tenure—Rental development should be a high priority for block redevelopment
- Project—A quality project could include studios, one- and two-bedroom units, with the majority being in one bedroom configurations. Rental units can be located throughout the block; however, if they are located on the northerly (Main Street) or easterly (South Street) portions of the block, the units should be located on upper building levels.
- Absorption—DKA estimates that a quality rental project could achieve absorption at a rate of 20+/- units annually;
- Rents—A review of higher quality rental units in the Bennington market

4 CONCEPTUAL PLANS

indicates that median rents for one-bedroom units are currently at \$975 per month, while median rents for two- bedroom units are currently at \$1,300 per month. Overall, net annual rents per square foot are in the \$13 to \$17 range.

A simplified pro-forma analysis indicates that the project could reach positive cash flow in the fifth year and that a sale in the sixth year could result in a positive Internal Rate of Return. As stated before, there are many unknowns and myriad assumptions could be incorporated into any pro forma, each of which would alter the outcome.

Retail

Retailing is essential to the downtown experience. Moreover, it is apparent that a core location such as the Greenberg block should include retailing in order to activate the redevelopment and more broadly enhance downtown Bennington. Building frontage on Main and South Streets is prime real estate for retailing in this community. With these goals in mind, it is essential to acknowledge that Bennington retailing has suffered in recent years, with a loss over sales volume and perhaps more significantly, the loss of a number of key retailers. On-site retailing is under siege as a result of internet shopping, making it clear that successful retailing must be highly targeted, particularly in a downtown setting:

- The 2006 land use inventory for downtown showed approximately 180,000 square feet in commercial-retail use, accounting for approximately 50 percent of downtown's non-residential building space. The evidence suggests that this has declined since then – Bennington's retail employment level declined by 15 percent between 2000 and 2014.
- Discussions with contacts familiar with the downtown retail market indicate that several 'destination' retailers have expressed interest in downtown sites, noting Bennington's location at the intersection of Routes 7 and 9 and as a gateway to Vermont. A retailer with an established name and following that draws on clientele can break the 'rules' of contemporary downtown retailing as they establish their own market. While a big box store that is replicated throughout the region would not be advantageous to the downtown, a 'one-of-a-kind' retailer would make sense.
- The output of the retail gap analysis points to several retail categories that have potential for downtown Bennington (see Market Assessment); these should serve as a guide to leasing efforts.

Retail Feasibility Assessment

- Unless a destination retailer is attracted to the downtown, the 12,000 square feet of retail space shown in Alternative B is a more realistic goal for the Greenberg block. While retail leasing can be sporadic, the evidence suggests that it is reasonable to project 4,500 +/- square feet of absorption on an annual basis.
- Current retail lease rates in downtown Bennington reflect low commercial building pricing and the market realities of a retail recession and slow recovery. Even at the 'high' end, current net rates are only in the \$12 to \$14 (net) per square foot range.

A highly simplified pro-forma analysis was developed for retail development as well. As noted before any such analysis employs numerous assumptions and changing any one of which may alter the outcome of the analysis. Based on the assumptions of this analysis, and primarily as a result of relatively low vertical construction, the project could show positive cash flow in the fourth year of operations.

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IMPLEMENTATION

The following conceptual implementation plan has been developed primarily for the Greenberg block and includes an overview of the tasks to be completed, expected timing associated with redevelopment processes, and potential sources of funding to assist in the project.

As a very large site located at the very heart of the downtown, redevelopment of the Greenberg block would serve as a catalyst for further economic development within the downtown. As such, a priority should be placed on redevelopment of this site. This development will 'set the tone' for further development in the downtown, so it will be important to ensure that new development is of an appropriate configuration and quality to complement the downtown district.

Organizations and Roles in Downtown Redevelopment

Redevelopment of the Greenberg block will be a public-private partnership between the town and private developers. The Town has taken a number of actions to assist in the revitalization of its downtown including adoption of plans and zoning regulations that are appropriate for a downtown district and securing the designation of the downtown as a Designated Downtown by the State of Vermont which confers many benefits in terms of State assistance and funding to promote downtown revitalization. The Town and Bennington County Regional Commission (BCRC) will continue to play an active role in working with property owners, private development interests, downtown stakeholders and the broader community to guide redevelopment projects to fruition. These public agencies have an important role to play in promoting the vision and in identifying and securing public funding that can leverage private investment in the downtown. The Town will be the lead agency on the development of plans for public improvements including streetscape, open space and possibly public parking improvements.

Bennington College, Southern Vermont College and the Southwest Vermont Medical Center are significant institutions that have a long-term stake in Bennington. Continued outreach and collaboration with these important community institutions will also be important in revitalization of the downtown.

Finally, the efforts of the Better Bennington Corporation in the programming of downtown social and cultural events, outreach to the business community and marketing of the downtown through business networks also plays an important role in the revitalization of the downtown.

Most of the steps outlined below are applicable and relevant to any identified brown-field site within the Project Area. For sake of clarity, we have organized these elements

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under the following headings: Environmental Due Diligence and Remediation; Planning and Design. While the steps that fall below each of these headings are sequential, it is imperative that the environmental due diligence tasks and the planning and design tasks are performed in close coordination to avoid unnecessary reworking of plans and to take advantage of federal Brownfield money for well thought out remedial solutions that can also provide value to the final development.

Action Steps

Planning and Design

1. Meet with property owners, their agents and potential developers to present the conceptual plans and market study findings of this study to gauge interest and a willingness to proceed with redevelopment of the site.
2. Meet with State officials to identify possible grants and tax credit funding options that would be applicable for this site (a summary of potential funding sources follows in the chapter).
3. Meet with community institutions and downtown stakeholders to identify target businesses and tenants for the Greenberg block. Hire a marketing consultant if necessary to assist with this task.
4. Present the owners/developers with options for public grants and infrastructure improvements that will support redevelopment of the site.
5. Work with the property owner as plans are developed for the site to provide guidance regarding expectations for the development. Consider negotiating a development agreement between the Town and the developer that will define the terms of the development. Typical topics for an agreement include terms for funding, amount and phasing of development, public improvements, fees, etc.
6. If the owner is unable or unwilling to proceed alone, support or create a partnership with the Town and/or private entities as a development team for the project.
7. If the Town becomes a partner in the development, hire a development consultant to advise on the development of a project proforma that will create a financially feasible project.
8. Apply for grants for brownfield remediation and streetscape design for Main Street, Washington Avenue and Franklin Lane. Prepare plans for streetscape and open space improvements.
9. Submit the application for development approvals, including design review. Depending on the public funding used for the project, approvals by outside agencies, for example the State Historic Preservation Officer (SHPO) for the use of Historic Tax Credits will need to be secured.

Environmental Due Diligence and Remediation

As part of the standard due diligence in preparation for a commercial real estate transaction, to avoid potential future environmental liability related to past land use, the developer should undergo “all appropriate inquiry” as to the environmental status of the property. The **Phase I Environmental Site Assessment** (Phase I ESA), when performed in accordance with the current American Society of Testing and Materials (ASTM) standard practice (e.g., ASTM I3-I527), satisfies the AAI ob-

5 IMPLEMENTATION

ligations under the Small Business Liability Relief and Brownfields Revitalization Act (SBLR&BRA) amendment to the Comprehensive Environmental Response Compensation and Liability Act (CERCLA; 42 U.S.C. 103) and is designed to satisfy certain components required for the Innocent Landowner Defense under CERCLA. The objective of the Phase I ESA is to identify, by performing a review of relevant environmental databases, interviews with the landowner and managers, a review of historical land use documentation, and site inspection, any indications of a past or ongoing release or threat of release of hazardous or petroleum materials to the environment. As part of the Phase I ESA, it may be prudent to perform a visual inspection of the site buildings for suspected asbestos containing materials (ACM). Expected costs for a Phase I ESA for a collection of properties such as this can range between \$4,500 and \$8,000 and will typically be completed within one month to six weeks.

Depending on the findings of the Phase I ESA, further environmental assessment may be needed to evaluate whether any recognized environmental conditions (RECs) constitute an actual release of contaminants to the environment. If the Phase I ESA has identified RECs, the following steps should be undertaken to satisfy ongoing obligations for liability protection:

- Enroll the project in the VT DEC Brownfield Reuse Economic Liability Limitation Act (BRELLA) Program.
- Apply for funding for a Phase II ESA to the VT DEC Brownfield Response Program through a VT DEC Brownfield Program Technical Assistant Grant or a Regional Planning Commission hazardous assessment grant. The timing for the application and required public comment period is one month.
- Perform the Phase II ESA to identify whether recognized environmental conditions from the Phase I ESA constitute a release of petroleum or hazardous materials to the environment.

To better to adhere to development timelines, consider collecting additional data to begin remedial cost estimation process during the Phase II ESA. For example, as spoiling of excess soils generated during the development of a site within a historic growth center will likely require management as solid wastes, characterization sampling can be performed as part of the Phase II ESA. Similarly, if volatile organic compounds are identified in site media during the Phase II ESA, pilot testing can be performed that would be sufficient for designing a vapor intrusion mitigation system for the new or existing buildings.

The expected costs for the Phase II ESA vary greatly depending on site conditions and how many RECs need to be assessed. Typically, a Phase II ESA for a moderately sized parcel or group of parcels can be expected to range between \$30,000 and \$75,000 and can require three to six months to complete if using a dynamic work strategy; slower (6-12 months) if using a traditional approach.

If a release of contamination is identified during the Phase II ESA, remediation may be necessary to achieve the redevelopment objectives for the property. If remediation is warranted, we recommend the following steps:

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- Contact potential sources of funding for remedial work as soon as it is known that remediation may be necessary to inform them of the project.
- Retain a consultant to prepare Corrective Action Feasibility Investigation (CAFI) and Corrective Action Plan (CAP) remedial planning documents, as necessary. Costs for preparing these remedial planning documents are eligible under either EPA Brownfield Assessment funds or a Remediation Grant.

To better leverage any cleanup grants or low-interest loans, remedial planning should occur thoughtfully and concurrently with site design; oftentimes, remedial installations can serve as final site improvements and are eligible expenses under these grant/loan programs. Furthermore, the consultant should engage with architects to ensure CAFI/CAP is compatible with proposed redevelopment and vice – versa. The typical costs for the CAFI/CAP can range between \$5,000 and \$12,000 depending on the severity of the contamination and will require two to four months the preparation of draft documents, regulatory review, public comment, and final documents. Once a CAP has been finalized, the owner can apply to US EPA for a site-specific Clean-up Grant or to one of the State Revolving Loan Funds (RLF). The Vermont Agency of Commerce and Community Development, Windham Regional Commission, and Southern Windsor County Regional Planning Commission each have active RLFs. The application to a holder of an RLF, which are received on a rolling basis, usually is turned around within one to two months subject to funds being available. Applications for US EPA Cleanup Grants are due in December of each year and are typically available to awardees within ten months of the application.

Once remedial funding is secured, remedial implementation should be staged to occur concurrently with other project demolition or construction activities. Requests for bids should include requisite contracting language as stipulated within the grant or loan guidelines.

Timeline for Redevelopment

The basic steps and timelines for redevelopment are outlined below. More complicated projects, such as the Greenberg property, that are likely to include funding from a number of sources and require coordination of several public agencies will take longer; while simpler projects with fewer variables will take a shorter path to implementation. Overall, a simpler redevelopment project would likely take two and half to three years for redevelopment, while a larger more complicated project like the Greenberg block would be expected to take three to five years for implementation once an interested party is ready to undertake a project. The steps and estimated timelines are as follows:

Planning and Feasibility: During this time the development team will develop conceptual plans, a project pro-forma, identify potential sources of funding and obtain financial commitments for the project.

Estimated Timeline: Depending on the complexity of the project, six to 18 months.

Design and Permitting: In this phase of work construction plan for the project are developed, with cost analysis and feasibility reviews embedded into the process

5 IMPLEMENTATION

and permits are obtained from the Town and other relevant agencies for the redevelopment of the site.

Estimated Timeline: One year to 18 months

Construction: The final phase of redevelopment includes construction. For the Greenberg block, which would likely be built in phases, and may involve relocation of tenants, is likely to take several years. For most other sites in the downtown the construction phase would likely be six to 18 months in duration.

Estimated Timeline: One to 3 years.

Potential Funding Sources

EPA Assessment Grants

Hazardous and Petroleum Assessment Grants are available to the Vermont Department of Environmental Conservation (VT DEC) and either municipal or regional planning organizations/commissions through an application process from the US EPA Region I Brownfield Program. As of December 2015, there are six regional planning commissions that hold active Brownfield Assessment Grants, including Northwest, Lamoille, Central Vermont, Two Rivers-Ottawaquechee, Southern Windsor, and Windham Regional Commissions. The Town of Brattleboro also has its own Hazardous and Petroleum Assessment Grants. Bennington County Regional Commission is a past grantee and can solicit other regional planning commissions to share their grant funds. Assessment Grants provide funds for site assessment to discern the presence, degree, nature and extent of contamination at sites and to perform remedial planning, as necessary. As part of the grant co-operative agreement, each grantee will form a Brownfield Steering Committee that review applications from interested property owners on a rolling enrollment basis. Specific Targeted Brownfield Assessment grants are also available directly from US EPA to assess individual properties that may require a higher level of assessment.

Range:	Up to \$200,000 per parcel
Deadline:	Open for sub-grantees. RPC Applications for grant cycle begins each fall with a due date for applications in mid-December. Awards typically are announced around June 1st.
Contact:	Patricia Coppolino, Program Manager VT DEC Brownfield Response Program
Email:	patricia.coppolino@state.vt.us

US EPA Revolving Loan Fund Program

Revolving Loan Fund (RLF) Grants provide funding for an eligible recipient to capitalize a revolving loan fund and to provide subgrants to carry out cleanup activities at brownfields sites. Grants can be made up to \$1,000,000 to address sites contaminated by petroleum and hazardous substances, pollutants, or contaminants. RLF grants require a 20% match in money spent, labor, materials, or services for eligible costs.

5 IMPLEMENTATION The recipient may request a waiver on the cost share based on hardship.

Range: Up to \$1,000,000 per parcel
Deadline: Open for sub-grantees.
Contact: Kirsten Bourgeois
Agency of Commerce and Community Development
Email: kiersten.bourgeois@vermont.gov

Brownfield Revitalization Fund

Grants and loans for remediation of brownfield sites. The funds are made available to Vermont by the EPA and eligible applicants can be private developers, non-profits, and municipalities.

Range: Grants are capped at \$200,000
Eligibility: Municipalities, non-profit organizations and private developers.
Deadline: Rolling
Contact: Kiersten Bourgeois
Email: Kiersten.bourgeois@vermont.gov
Website: http://www.accd.vermont.gov/business/relocate_expand/capital/brownfields

Community Development Block Grant Program – Planning Grants

Federal grants for community development planning, downtown planning studies, project development planning for individual buildings. Projects must potentially benefit people with low to moderate incomes and/or eliminate slums and blight.

Range: \$3,000 minimum – \$30,000 or \$40,000 maximum; \$30,000 maximum for single municipality planning grants; \$40,000 maximum allowed for regional applications. A 25% match of cash or cash-in-kind goods or services is required for all Planning Grants.

Eligibility: Municipalities for eligible municipal projects and/or may apply on behalf of organizations and private owners for projects with community benefit.
Deadlines: Open application with funding decisions made throughout the year
Contact: Department of Economic, Housing & Community Development,
E-mail: josh.hanford@vermont.gov
Website: <http://www.accd.vermont.gov>

Community Development Block Grant Program – Implementation Grants

Federal grants for projects that involve economic development, housing, public facilities, and public services that will have direct benefit for persons of low and moderate income, eliminate slums or blight, or address an urgent need. Projects supporting normal municipal functions are not eligible. Projects in municipal facilities are eligible if they meet the benefit requirement.

5 IMPLEMENTATION

Range:	\$50,000 minimum - \$300,000 or \$1,000,000 maximum; \$300,000 maximum for community public facility projects (i.e. community centers, senior centers, day care centers, etc.) and public services projects.
Eligibility:	Municipalities for eligible municipal projects and/or may apply on behalf of organizations and private owners for projects with community benefit.
Deadlines:	Open application with funding decisions made throughout the year
Contact:	Department of Economic, Housing & Community Development
E-mail:	josh.hanford@vermont.gov
Website:	http://www.accd.vermont.gov

New Market Tax Credit Program

This is a federal tax credit program to provide investment into low income communities to support economic development. Through the NBTC Program, tax credits are allocated to Community Development Entities (CDEs) through a competitive application process. CDEs are financial intermediaries through which investment capital flows from an investor to a qualified business located in a low-income community.

Eligibility:	Project is located in a qualified low-income census tract; project has high community impact; total project costs exceeds \$3 million; at least 20% of the income from the project will come from commercial use (non-residential)
Contact:	Beth Boutin Vermont Rural Ventures, Inc.
Email:	Beth@vermontruralventures.com
Website:	http://www.vermontruralventures.com

Federal Rehabilitation Investment Tax Credit Program

Federal investment tax credit for 20% of the rehabilitation costs (including labor, materials and architects or other consultant fees) for income-producing buildings listed in the National Register of Historic Places.

Range:	20% of eligible expenditures
Eligibility:	Owners of income-producing historic buildings
Deadline:	Rolling application deadline; file application before construction
Contact:	Caitlin Corkins
Email:	caitlin.corkins@vermont.gov
Website:	http://www.nps.gov/tps/tax-incentives.htm

5 IMPLEMENTATION State Historic Preservation Grants

State 50:50 matching grants for the repair and restoration of historic buildings listed or eligible for listing in the National Register of Historic Places in Vermont.

Range: \$1,000 - \$20,000
Eligibility: Municipalities and non-profit organizations
Deadline: Annually in October
Contact: Caitlin Corkins
Email: caitlin.corkins@vermont.gov
Website: http://www.accd.vermont.gov/strong_communities/preservation/grants/historic_preservation

Downtown Transportation Grants

Downtown transportation grants are administered by the State of Vermont for municipalities to finance transportation related capital improvements in support of economic development, within or serving a Designated Downtown. Projects may include construction or alteration of roads and highways, parking facilities, pedestrian and streetscape improvement, rail or bus facilities or equipment, and underground relocation of electric utility, cable and telecommunications lines.

Range: 50% of overall project costs up to a maximum of \$100,000
Eligibility: Municipalities with a Designated Downtown
Deadline: Annually in March
Contact: Gary Holloway
Email: gary.holloway@vermont.gov
Website: http://accd.vermont.gov/strong_communities/opportunities/funding/downtown_transportation_fund

Downtown and Village Center Tax Credit Program

State investment tax credit for qualified historic rehabilitation, façade, code and technology upgrades for properties constructed before 1983 located within a Designated Downtown or Village Center.

Range: 10 – 50% of eligible expenditures
Eligibility: Properties within Designated Downtown or Village Center
Deadline: Annually in July
Contact: Caitlin Corkins
Email: caitlin.corkins@vermont.gov
Website: http://accd.vermont.gov/strong_communities/opportunities/funding/downtown_village_tax_credit

5 IMPLEMENTATION Recreational Facilities Grants Program

Matching state grants for capital costs associated with the development and creation of community recreational opportunities.

Range: \$1,000 - \$25,000
Eligibility: Municipalities and non-profit organizations
Deadline: Annually in October
Contact: Chrissy Gihuly
Email: christine.gihuly@vermont.gov

Community Facility Loans and Grants

Federal USDA Rural Development loans and grants to assist rural communities develop or improve essential community facilities, including theaters, community centers, museums, libraries, adult and childcare centers, and municipal buildings. Funds may be used for acquisition, construction or improvements to buildings and equipment.

Range: Grants up to \$50,000 or 75% of the project cost, whichever is less. Grant applicants must show financial need. A larger than 25 percent match for grants may be required based on the applicant's service area population and income level (see list on website). Loans have no \$ limit and 100% financing can be provided. Interest rates are long term and fixed rates based on municipal bond rates.
Eligibility: Non-profit corporations and public bodies serving communities of less than 20,000 population (see list on website).
Deadlines: Ongoing, but contact appropriate Rural Development office early in project development.
Contact: USDA Rural Development at http://www.rurdev.usda.gov/HAD-CF_Grants.html. This link provides program information, eligible communities, and list of staff serving your county.

Cultural Facilities Grant Program

The cultural facilities grant program is administered by the Vermont Arts Council in conjunction with the Vermont Historical Society, and the Vermont Division for Historic Preservation. The purpose of the program is to enhance or expand the capacity of an existing building to provide cultural programming. The program awards grants on a competitive basis to nonprofit organizations and municipalities to make improvements to community facilities that provide cultural activities for the public.

Range: \$1,000 - \$30,000 and require a 1:1 match. The matching funds must be either cash, or 50% cash and 50% in-kind.
Contact: Sonia Rae, Artist and Community Services Manager, Vermont Arts Council
Email: srae@vermontartscouncil.org
Website: <http://www.vermontartscouncil.org>

5 IMPLEMENTATION Hart Family Fund for Small Towns

Grant from the National Trust for Historic Preservation to assist small town preservation and revitalization initiatives around the country. Award may be used for community revitalization, feasibility studies for endangered buildings and sites, architectural planning, landscape research and planning, development of heritage education programs, and co-sponsorship of workshops or conferences.

Range: \$2,500 - \$5,000. Grants must be matched on a one-to-one basis.
Eligibility: Non-profit organizations, universities, and public agencies.
Deadlines: February 1st, June 1st, October 1st
Contact: Applicants should complete the general preservation fund grant application, which is available at the website
Website: <http://www.preservationnation.org/resources/find-funding/documents/preservation-funds-guidelines-eligibility.html>
Contact: grants@nthp.org

APPENDIX A

Managed Environmental Sites

Vermont Brownfield Response Program Sites						
SITE NUMBER	SITE NAME	ADDRESS	PRIORITY	CLOSURE DATE	SOURCE OF CONTAMINATION	CONTAMINANTS
20104061	Alcaro Motors	239 MAIN ST	LOW		Other, UST-Gasoline	Gasoline, PAH
Permitted Underground Storage Tank Facilities						
SITE NUMBER	NAME	UST FacilityID				
951833	Brookside Apartments	1034				
941673	Sargents Short Stop	4471011				
941597	Fleming Texaco	1779				
931420	C & R Getty	4423994				
931381	New England Telephone	940				
931363	C B Sports	1743				
921255	Vt State Liquor Store	9990309				
921217	Martins Mini Mart	4429825				
20063545	St Francis DeSales	4424518				
972212	Stewarts Shop	1770				
900645	Bennington Garage	4425496				
Permitted Hazardous Waste Generator Facilities						
Generator ID	NAME	ADDRESS	STATE	ZIP	STATUS	FILE NUMBER
10053	MARTINS MINI MART	321 MAIN STREET	VT		5201 C	02-02-004
10060	CHEM FAB CORP	WATER STREET	VT		5201 C	02-02-011
Vermont Hazardous Waste Sites						
SITE NUMBER	SITE NAME	ADDRESS	PRIORITY	CLOSURE DATE	SOURCE OF CONTAMINATION	CONTAMINANTS
880178	Nowles	n/a	NFAP			
880266	Tri Mount Texaco	n/a	NFAP	NA	UST-Gasoline	Gasoline
900645	Bennington Garage	Route 9	LOW		UST-Gasoline	Gasoline
921212	Pauls Fish Fry	Main And Depot Sts	NFAP	8/10/1993	UST-Gasoline	Gasoline
921217	Martins Mini Mart	321 Main St	SMAC	7/1/1997	UST-Gasoline	Gasoline, Heating Fuel
921255	Vt State Liquor Store	Depot St	NFAP	7/1/1994	UST-Gasoline	Gasoline
931363	C B Sports	210 South St	SMAC	8/23/1999	Floor drain/Dry well	Chlorinated Solvents
931381	New England Telephone	126 Pleasant St	NFAP	7/1/1994	UST-Gasoline	Gasoline
931420	C & R Getty	636 Main	SMAC	9/23/2002	UST-Gasoline	Gasoline
931555	Mount Anthony Union High School	Main St	NFAP	5/1/1994	UST-Gasoline	Gasoline
941597	Fleming Texaco	305 South St	LOW		UST-Gasoline	Gasoline
941673	Sargents Short Stop	300 Main St	SMAC	9/28/2015	UST-Gasoline	Gasoline
951833	Brookside Apartments	323 South St	SMAC	5/30/2008	UST-Heating Oil	Heating Oil
951859	Bennington Banner Building	425 Main St	NFAP	8/1/1995	UST-Gasoline	Gasoline
962018	Bennington Town Garage	Depot St	SMAC	6/22/1998	UST-Gasoline	Gasoline
972212	Stewarts Shop	713 Main St	SMAC	11/1/1998	UST-Gasoline	Gasoline
982341	Tuttles True Value	Depot St	SMAC	11/9/2005	Unknown, UST-Gasoline	Gasoline
20063559	Bennington Town Offices	205 South St	SMAC	1/11/2008	UST-Heating Oil	Heating Oil
20063599	Blacksmith Shop/Visitor Center	215 South St	SMAC	12/10/2007	UST-Heating Oil	Heating Oil
20083873	210 South Street	210 South Street	MED		Floor drain/Dry well	Chlorinated Solvents
20104061	Alcaro Motors	239 MAIN ST	LOW		Other, UST-Gasoline	Gasoline, PAH
20104107	O'Malley's Pet Supply/The Pharmacy	108 Gage St	SMAC	4/10/2013	UST-Heating Oil	Heating Oil
20144501	Normansel Development LLC	241, 301, 321, & 325 Main	LOW		Floor drain/Dry well, UST-Gasoline	Chlorinated Solvents, Gasoline

Site Name: 210 South Street / former CB Sports
 SMS #: 900645
 Address: 326 Main Street
 Contaminant Source: UST-Gasoline
 Status/Priority: Low

	Heating Fuel	Gasoline	Diesel	Chlorinated	Solvents	Ketones	PCBs	PAHs	Phenols	Cresols	Other SVOCs	Metals	Pesticides
Known COCs ¹ :			Y		Y								
Media of Interest:	Soil	Groundwater	Soil Gas	Indoor Air	Notes								
Evaluated? y/n	yes	yes	no	no									
Impacted? y/n	yes	yes	N/A	N/A									
> Standard													
Delineated? y/n													
Other Potential site COCs ²	Metals, other petroleum products, PCBs,												
Impacted Receptors?	groundwater and soil, but no sensitive receptors.												
Potentially Impacted Receptors	indoor air												
Notes:	Ust Contamination, Invest Complete. Monitoring Ongoing. ECS to perform groundwater monitoring 11/01												
	Found tetrachloroethene and chloroform in groundwater during tank assessment												
RECs / Data Gaps	None. Ongoing monitoring underway.												

¹SI COCs: Contaminants of Concern for the Site Investigation

⁴Other Potential site COCs: Other COCs based on past use.

Site Name: 210 South Street / former CB Sports
 SMS #: 94-1597
 Address: 305 South Street
 Contaminant Source: UST - Gasoline
 Status/Priority: LOW - Site with contamination to soils or groundwater, but no effect on sensitive receptors

	Heating Fuel	Gasoline	Diesel	Chlorinated Solvents	Ketones	PCBs	PAHs	Phenols	Cresols	Other SVOCs	Metals	Pesticides
SI COCs ¹ :			y									
Media of Interest:	Soil	Groundwater	Soil Gas	Indoor Air	Notes							
Evaluated? y/n	y	y	screened	n								
Impacted? y/n	y	y	y	NA								
> Standard	y	y	unknown	NA								
Delineated? y/n	y	y	y									
Other Potential site COCs ²												
Impacted Receptors?	Groundwater and soil have been impacted, no impact to sensitive receptors.											
Potentially Impacted Receptors	indoor air.											
Notes:	04/14: Annual monitoring ongoing. Next round scheduled for Fall 2014. Approved work plan and to install a replacement well for FT-9 and to sample all monitoring wells.											
RECs / Data Gaps												

¹SI COCs: Contaminants of Concern for the Site Investigation

²Other Potential site COCs: Other COCs based on past use.

Site Name: 210 South Street / former CB Sports
 SMS #: 2014-4501
 Address: 241, 301, 321, 325 Main & O Washington
 Contaminant Source: Various
 Status/Priority: Low

	Heating Fuel	Gasoline	Diesel	Chlorinated Solvents	Ketones	PCBs	PAHs	Phenols	Cresols	Other SVOCs	Metals	Pesticides								
SI COCs ¹ :	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes								
Assessed?	yes	yes	yes	yes	yes	no	yes	no	no	yes	yes	no								
Media of Interest:	Soil	Groundwater	Soil Gas	Indoor Air	Notes															
Evaluated? y/n	Yes	Yes	No	Yes																
Impacted? y/n	Yes	Yes	Unknown	Yes	TCE is above the VGES in one well (MW-3, located along southern property boundary) Petroleum NAPL found along Main Street, east of Martin's Mini Mart Benzene is above the IA Screening Value within Martin's Mini Mart. Benzo(a)pyrene, chromium and arsenic are greater than the RSLs															
> Standard	Yes	Yes	Unknown	Yes																
Delineated? y/n	No	No	Unknown	No																
Other Potential site COCs ²																				
Impacted Receptors?	Other SVOCs. Former rail line ran adjacent to the portion of the property to the west of Washington Street.																			
Potentially Impacted Receptors	Soil and groundwater																			
	No impact to sensitive receptors																			
Notes:																				
	Source of NAPL appears to be former USTs located in the area of MW-5.																			
	Sources have included floor drain, dry well, UST (gasoline) and potential upgradient release																			
RECs / Data Gaps																				
	TCE contamination in groundwater may be coming from an offsite source (210 South Street?)																			
	Low level contamination of soils likely resides in unpaved exterior areas of the site.																			

¹SI COCs: Contaminants of Concern for the Site Investigation

²Other Potential site COCs: Other COCs based on past use.

Site Name: 210 South Street / former CB Sports
 SMS #: 20083873
 Address: 210 South Street
 Contaminant Source: Floor drain/Dry well
 Status/Priority: MEDIUM

	Heating Fuel	Gasoline	Diesel	Chlorinated Solvents	Ketones	PCBs	PAHs	Phenols	Cresols	Other SVOCs	Metals	Pesticides
SI COCs ¹ :				Yes								
Media of Interest:	Soil	Groundwater	Soil Gas	Indoor Air	Notes							
Evaluated? y/n	Yes	Yes	Yes	Yes								
Impacted? y/n	Yes	Yes	Yes	Yes								
> Standard												
Delineated? y/n		No	Yes	No								
Other Potential site COCs ²	PAHs, other solvents											
Impacted Receptors?	Site has an active sub slab depressurization system to prevent vapor intrusion of TCE contaminated soil gas.											
Potentially Impacted Receptors	Downgradient indoor air.											
Notes:												
	This site was SMS number 931363. It has been reopened due to possible vapor intrusion issues from the residual TCE in groundwater.											
	Referred to as "CB Sports" under 931393											
RECs / Data Gaps	The downgradient extent of TCE contamination in soil gas and groundwater has not been defined.											
	unknown.											
	Vertical distribution of TCE contamination in groundwater is unknown.											

¹SI COCs: Contaminants of Concern for the Site Investigation

²Other Potential site COCs: Other COCs based on past use.

Site Name: 210 South Street / former CB Sports
 SMS #: 2010-4061
 Address: 239 Main Street
 Contaminant Source: USTs (Gasoline, bunker oil), Floor drains, Exterior drum storage area
 Status/Priority: COC

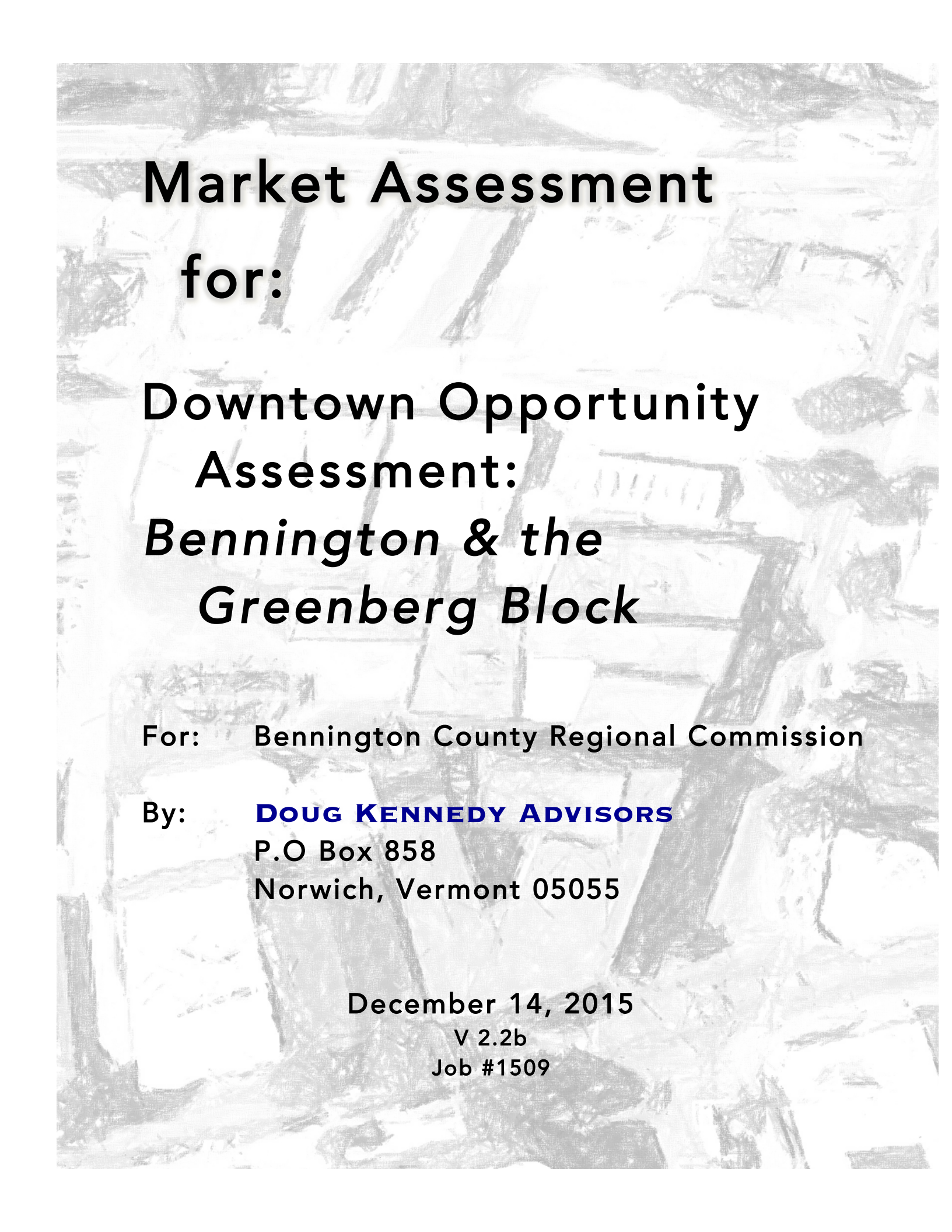
	Heating Fuel	Gasoline	Diesel	Chlorinated Solvents	Ketones	PCBs	PAHs	Phenols	Cresols	Other SVOCs	Metals	Pesticides
SI COCs ¹ :			X			X	X				X	
Media of Interest:	Soil	Groundwater	Soil Gas	Indoor Air	Notes							
Evaluated? y/n	y	y										
Impacted? y/n	y	y										
> Standard	y	y										
Delineated? y/n	y	y										
Other Potential site COCs ²	asbestos, lead											
Impacted Receptors?	None. Contaminated soils have been capped, the former floor drain sump has been cleaned and closed.											
Potentially Impacted Receptors	none											
Notes:	Currently LaFlamme's Furniture.											
	CAP has been in place and included selective capping, closing of the site floor drain, and placement of a notice to land records.											
RECs / Data Gaps	None.											

¹SI COCs: Contaminants of Concern for the Site Investigation

²Other Potential site COCs: Other COCs based on past use.

APPENDIX B

Market Assessment



Market Assessment for:

Downtown Opportunity Assessment: *Bennington & the Greenberg Block*

For: Bennington County Regional Commission

By: **DOUG KENNEDY ADVISORS**
P.O Box 858
Norwich, Vermont 05055

December 14, 2015

V 2.2b

Job #1509

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Executive Summary

The market assessment addresses market and development potentials for downtown Bennington with a focus on potential redevelopment of the entirety of the Greenberg Block.

- A review of broad economic indicators makes it clear that there is a steady upward trend and that employment, housing and economic activity are in growth modes. Moreover, continued steady growth is forecast for Vermont. The Bennington area (and southern Vermont) have been relatively static in recent years; however, it is apparent that local trends inevitably 'latch-on' to regional and national trends, potentially portending positive change for Bennington.
- Two area of employment have shown solid growth in the Bennington market:
 - o Non-Durable Manufacturing – reflective of the strong growth in local foods and food production; this is a growth area throughout the state;
 - o Professional & Business Services – a positive sign with respect to commercial real estate and office space in the downtown.
- Although there has been minimal growth and some loss of downtown businesses in recent years, downtown Bennington remains an attractive urban area, with a pleasant walking environment. Further, the community's location at the intersection of two major routes and its gateway status with respect to the remainder of the state are positives for downtown redevelopment.
- Significant growth among two demographic groups create opportunities for housing and commercial development in the downtown: 1) Households headed by persons 55 to 74 years (Empty Nesters and Single Persons); and 2) Households by persons aged 25 to 34 years who are beginning to have a positive impact on the local economy.
- Two significant indicators point to potential for new housing development in downtown Bennington:
 - o New residential building permits have fallen to a minimal level in the community, pointing to pent-up demand for new, updated housing products;
 - o There is an almost total lack of quality housing in Bennington's downtown core area. As an increasing segment of current households seek living situations

with easy access to downtown stores and services, new development in the core downtown makes more sense.

- An assessment of Bennington's current retail situation from demand and supply perspectives indicates that there is potential for growth in the following retail categories:
 - o Electronics & Appliances – downtown potential only for highly specialized/service intensive business;
 - o Lawn & Garden – likely not a good mix with a more urbanized Greenberg Block;
 - o Specialty Food – an excellent downtown retailer that could have a strong link with residential development on the Greenberg Block;
 - o Beer, Wine & Liquor – a potential for the Greenberg Block, particularly for a retailer with a focus on mid to upper end wines;
 - o Clothing – potential for the downtown, but only if there is a cluster of stores;
 - o Restaurants – multiple restaurants with diverse fare are synonymous with successful downtowns.
- A discussion of the two Alternatives (A & B) for the Greenberg Block – and the market and feasibility of the proposed uses – begins on **page 62** of this report.

Introduction

The following report summarizes background research and analysis to provide a basis for making market-based development recommendations relative to:

- Bennington downtown area as a whole and;
- The Greenberg Block in Bennington's downtown core area.

The market assessment included the following major steps:

- Assess ongoing economic/market trends in the Bennington region to determine if conditions support a new development in the downtown core;
- Working with conceptual plans, we assessed the overall feasibility of the project ~ Is there a market for a mixed-use development in downtown Bennington?
- Provide quantitative parameters for future use in a project pro forma with specific findings relative to: Absorption Rate – Commercial & Residential; Pricing; Unit Mix and Sizing Appropriate Amenities and other recommendations.

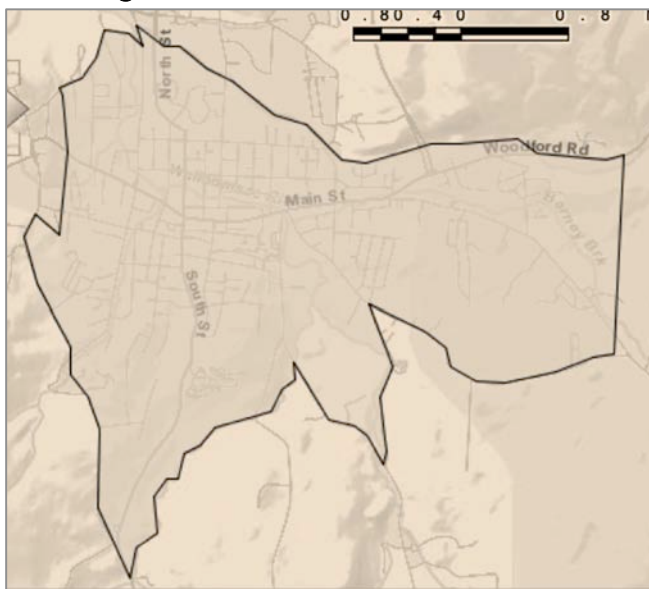
This report, including all background data, findings and recommendations, is based on market conditions as assessed by Doug Kennedy Advisors at the time of report's preparation. In the event that there are any significant changes in a number of factors, including; macro-economic conditions, local/regional economic conditions, interest rates, local/regional competition, changes in the project program, or other factors affecting the market, it is likely that the findings contained in the report will change. No guarantees are offered that the estimates, projections and findings in this report will be met. However, the findings contained in the report do reflect the judgment of Doug Kennedy Advisors, following an extensive review of market conditions.

The Study Area, Land Use & Market

From a market perspective, the analysis effectively assessed the Bennington area from several perspectives:

- The region – regional economic trends have, and will continue to affect business and real estate in downtown Bennington. As such, the analysis was programmed to include a geographic area within 30+/- minutes drive-time of the downtown;
- Downtown Bennington – the entirety of the downtown/urbanized area; this area includes a broad variety of commercial, retail, industrial, office and institutional uses. The graphic below shows the 'Bennington CDP,' as defined by the U.S. Census Bureau.

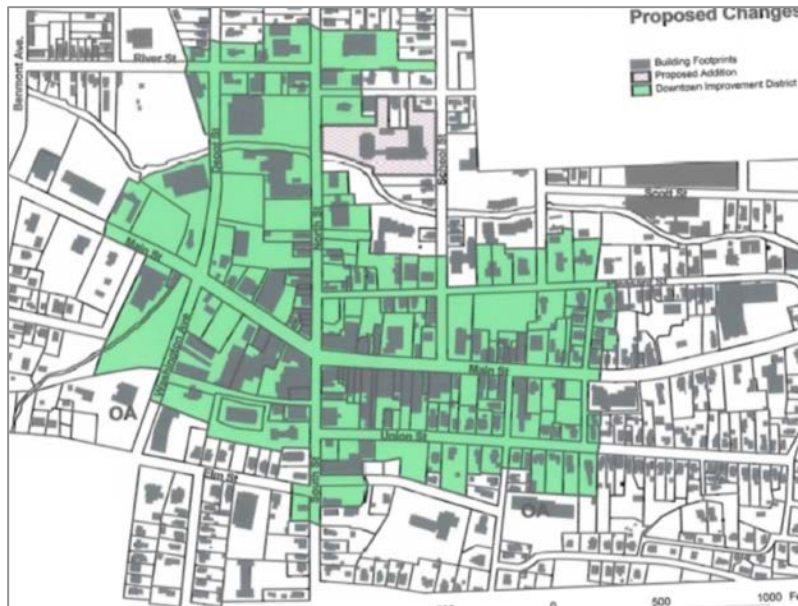
Bennington CDP



While the development of a single block within the downtown is the ultimate focus of the market/economic analysis, the market component of the work was designed to identify all development potentials within the broader downtown – ultimately resulting in an assessment of what best 'fits' on the selected re-development block.

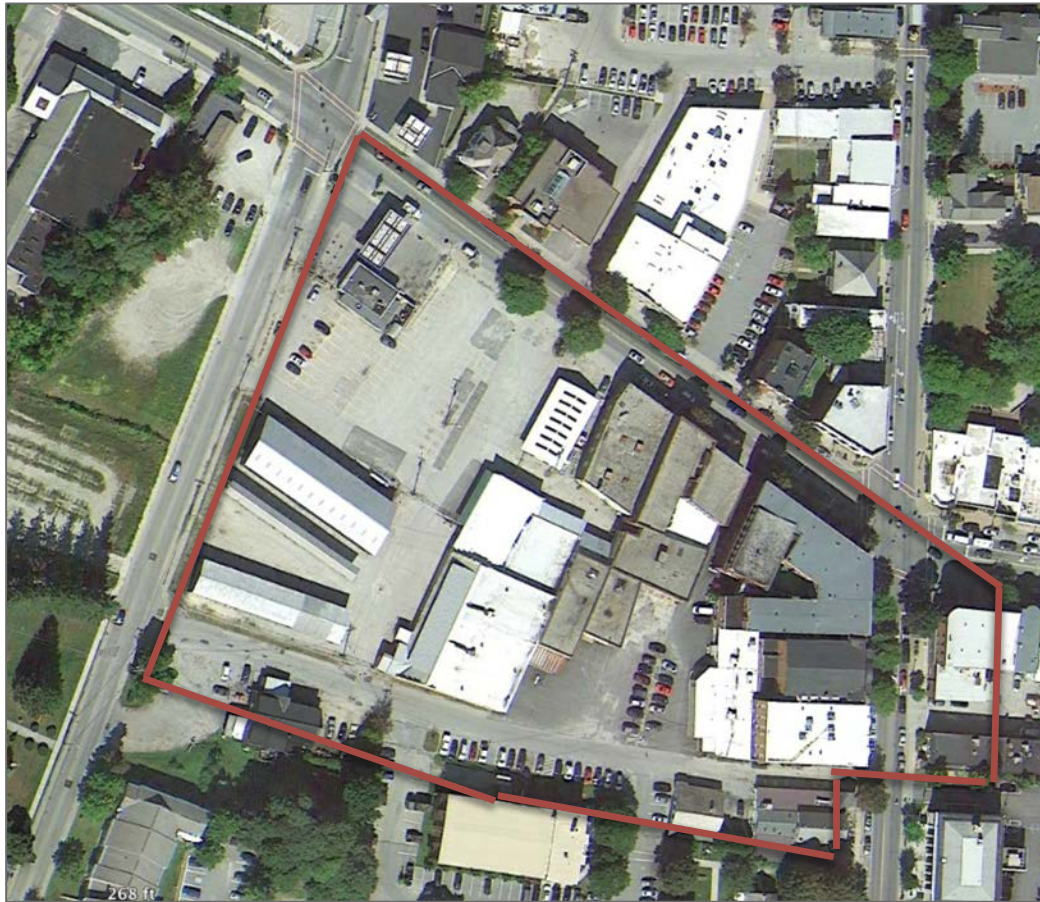
- The 'Downtown Core' area is the *defined* study area for purposes of the subject assessment. This area is centered on the U.S. 7/Vt. Rte. 9 intersection (Main/North/South) and highly urbanized ~ from a Vermont perspective. This area is shown in the graphic below.

Downtown Core/Study Area



- The 'Greenberg Block' was selected as the focus of redevelopment feasibility planning. The block, which is contained by Main St., South St., Franklin La. and Washington St., is in a central downtown location and is clearly a contributor to the downtown's appearance and economy. The block is shown in the graphic below.

Greenberg Block



Land Use

A 2006 market analysis for downtown Bennington found the following with respect to land use in the 'Core' Area (Shown on following page).¹

¹ Source: *Downtown Market Analysis for Downtown Bennington, Vermont* (2006).

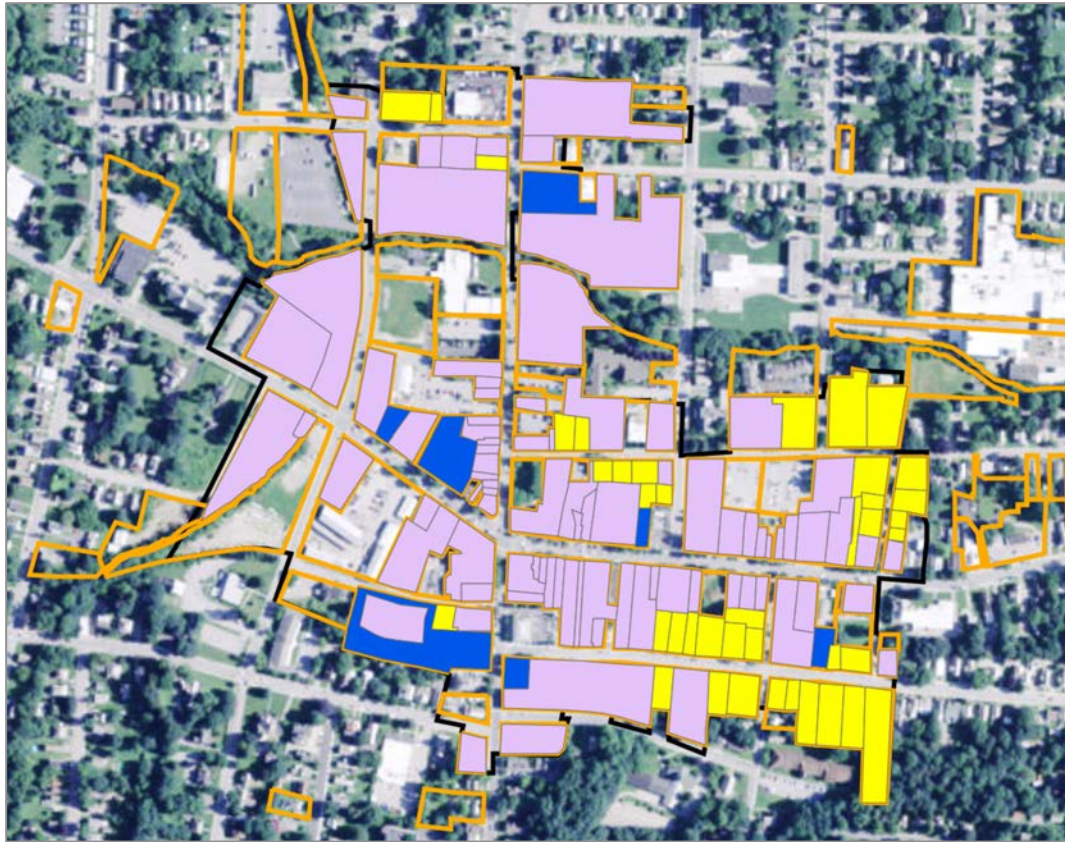
2006 Land Use Survey – Bennington Downtown Core

	Floor Area (Sq. Ft.)	% of Total
Commercial-Retail	179,861	50.7%
Commercial-General	62,001	17.5%
Office	54,383	15.3%
Institutional	14,832	4.2%
Lodging	7,606	2.1%
Vacant	35,924	10.1%
Total	354,607	100%

In 2006, just over half of the downtown core's building space was used for retail/commercial uses. Further, 10 percent of the core building square footage was vacant at the time. Because the land use inventory for the current assessment does not include square footage data, it is not possible to determine to what extent the above values have changed. However, comparative (Current) field observations appear to indicate that the amount of active retail/commercial space has decreased, while at least 10 percent of the total available commercial building space is vacant.

The summary land use completed as part of this assessment found the following with respect to land use by downtown core parcel: Commercial properties (Retail/Services/Etc.) are shaded in *pink*, Professional (Office) properties are shaded in *blue* and Residential uses are shaded in *yellow*. Note that there are significant vacancies within this area.

Downtown Core Land Use by Parcel



Pink – Commercial Use (Retail, Service, etc.)

Blue – Professional Use (Office)

Yellow – Residential Use

Commercial and Professional uses remain the dominant uses in the downtown core. For the most part, residential use is clustered outside of the core area.

The market assessment includes two major components:

1. A broad-based assessment of market potentials in Bennington's downtown, with the intent of identifying new uses and redevelopment potentials for downtown sites:
2. A focused market/feasibility assessment for the Greenberg Block, including: a) identification of potential new uses that 'work' within the context of the downtown market; and b) assessment of quantitative and qualitative parameters surrounding potential redevelopment of the block.

The Downtown Market

Background Market Trends

New development and related real estate activity are inevitably a local affair. However, there is little doubt that the macro-economy plays a significant role in local events. Ongoing national and regional trends in employment, personal income, housing permitting all exert a strong influence over the rate of development in Bennington County and within the study corridor.

Core Economic Indicators

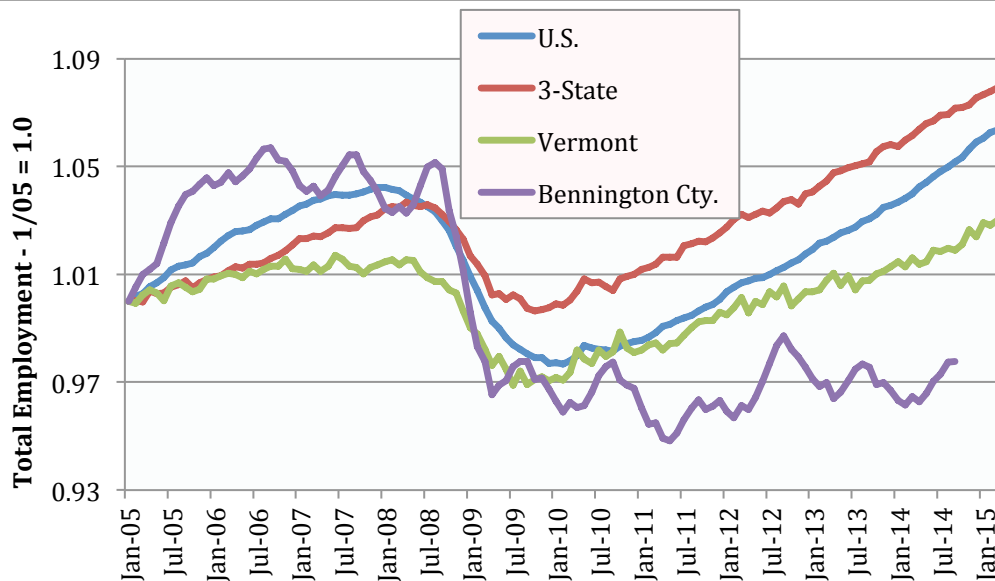
The following graphics and tabular data compare national (U.S.) level trends with trends at the regional, tri-state, statewide and county levels; as backdrop to the exploration of potential new development in Bennington's downtown. Where available, the discussion also includes projection-based data.

Employment

The graphic on the following page compares recent total employment trends at the U.S. '3-State' (Vermont, Massachusetts, New York combined), Vermont (Alone) and Bennington County levels. In this instance, the data is *indexed* to show January 2005 employment levels equal to 1.0, providing a basis for comparative assessment of trends between the geographies.²

² Sources: U.S. Bureau of Labor Standards, Vermont Department of Employment.

Indexed Employment Trends: U.S.; 3-State; Vermont; Bennington County; (January 2005 to April 2015)

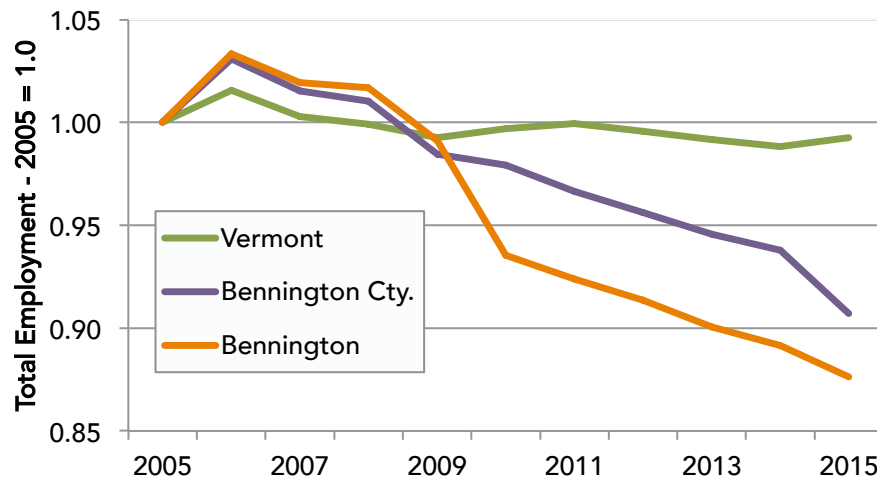


While employment at all four geographic levels reflects the impact of the recent recession during the 2008 to 2010 period, U.S., 3-State and Vermont employment levels have all shown steady increases since early 2010. However, Bennington County employment has essentially stabilized since 2010.

A more localized assessment of comparative employment trends is shown in the illustration on the following page; this time comparing: Vermont, Bennington County and Bennington Town.³ Again the data is indexed to 2005 = 1.0 for comparative purposes.

³ Source: Vermont Department of Employment. 2015 data for May.

Indexed Employment Trends: Vermont; Bennington County; Bennington Town (2005 – 2015)



Overall, Vermont's employment level has not changed dramatically since 2005. However, employment levels for Bennington County and particularly Bennington Town have decreased significantly.

The employment forecast for Vermont is generally positive; as shown in the table below – Vermont compared to U.S.⁴

Employment Forecast: Vermont; U.S.; (2012 – 2018 ~ Forecast Percent Annual Change)

	Recent			Forecas			
	2012	2013	2014	2015	2016	2017	2018
Employment							
U.S.	1.7%	1.7%	1.8%	2.4%	2.4%	1.3%	0.5%
Vermont	1.3%	0.5%	1.2%	2.0%	1.9%	1.5%	0.9%

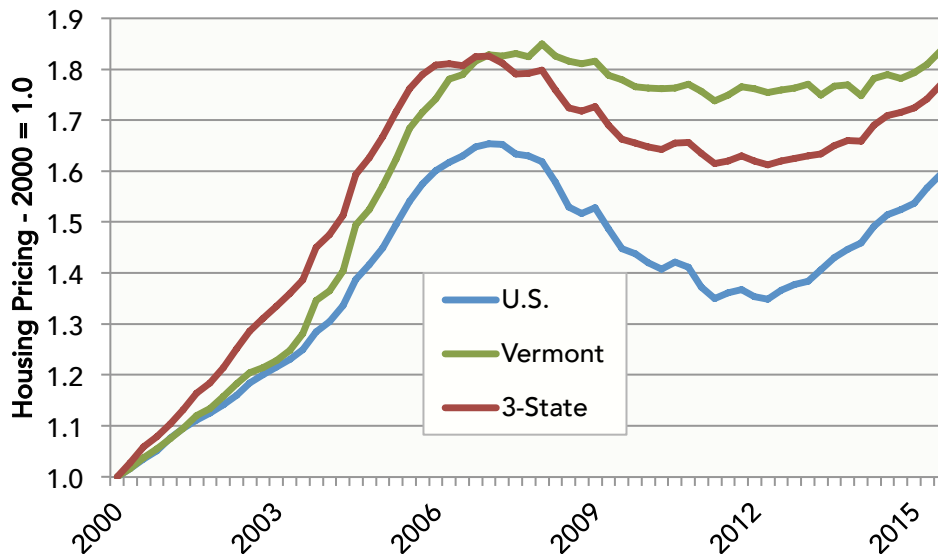
Vermont employment is projected to increase at an average annual rate of 1.5 percent between 2015 and 2018.

⁴ Source: NEEP October 2014 forecast.

Housing: Pricing & Permits

Residential pricing is a key economic statistic, as it serves as a relatively direct indicator of household wealth. The graphic below compares the U.S., 3-State (VT, MA, NY) and Vermont alone in terms of change in housing pricing. The data is indexed to year 2000 = 1.0.⁵

Indexed Housing Pricing: U.S.; 3-State; Vermont; (2000 – 3Q 2015)



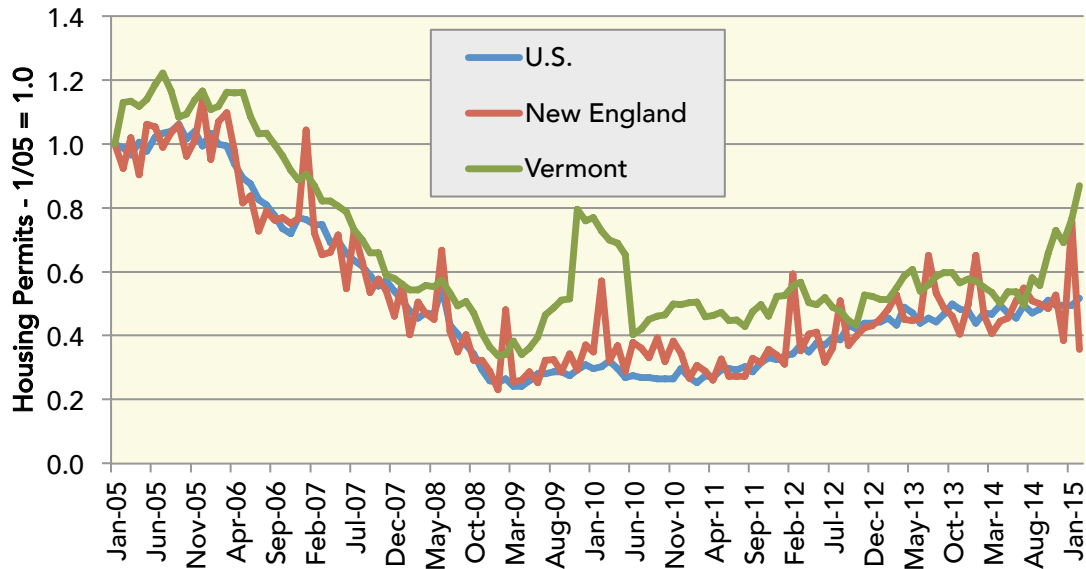
After a steady/strong rate of increase through the mid-2000s, residential pricing fell at all levels through to 2011 – albeit at a less extreme rate in Vermont/3-State than for the U.S. as a whole. Since 2012, U.S. housing pricing has improved at a strong rate, while regional pricing (Vermont/3-State) was slower to experience price increases, recent data shows strong price appreciation.

The graphic on the following page compares trends in housing permits for the U.S., New England and Vermont; for the period January 2005 to current. Again, the data is indexed to year 2005 = 1.0.⁶

⁵ Source: Federal Housing Finance Agency.

⁶ Source: Federal Reserve Bank, Boston. 2015 data through April.

Indexed Housing Permits: U.S.; New England; Vermont; (2005 – 2015)

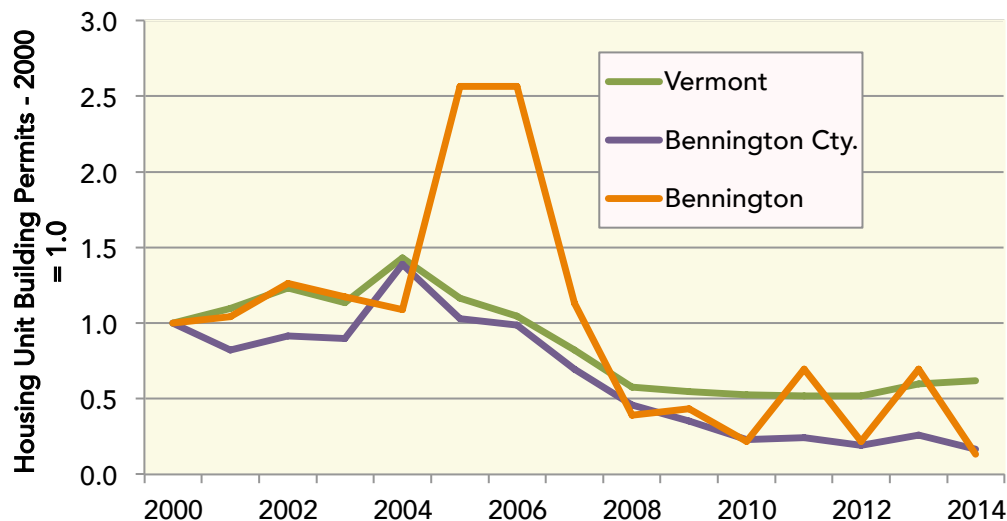


Not surprisingly, housing permits fell precipitously at all levels from 2005 to 2009. Since then, both the three geographies have experienced gradual recoveries.

The illustration on the following page takes a more localized view of housing permit trends, comparing indexed trends for Vermont; Bennington County and Bennington Town ~ data indexed to year 2000 = 1.0.⁷

⁷ Source: HUD State of the Cities Database.

Indexed Housing Permits: Vermont; Bennington County; Bennington Town; (2000 – 2014)



Residential development activity has slowed considerably in the local area; in year 2014, housing permits at the Bennington County and Town level were less than 20 percent of the year 2000 level.

Area Economy

The analysis of core indicators makes it clear that the Bennington area as a whole has lost employment in recent years. A more detailed analysis of employment by industry (for Bennington County) provides a better view of the dynamics of change in the region. The table on the following page shows year 2000, 2010 and 2014 county employment broken down by industry.⁸

⁸ Source: Vermont Department of Employment.

Employment by Industry: Bennington County (2000 – 2014)

	2000		2010		2014	
	Employ- ment	% of Total Employ.	Employ- ment	% of Total Employ.	Employ- ment	% of Total Employ.
Natural Resources & Mining	107	1%	73	0%	89	1%
Construction	661	3%	583	3%	592	3%
Manufacturing/Durable	2,238	12%	1,653	10%	1,710	10%
Manufacturing/Non-Durable	1,297	7%	746	4%	866	5%
Trade/Transportation & Utilities	4,123	22%	3,350	20%	3,107	18%
<i>Wholesale Trade</i>	553	3%	196	1%	157	1%
<i>Retail Trade</i>	3,302	17%	2,954	17%	2,807	17%
<i>Transportation</i>	238	1%	200	1%	143	1%
Information	495	3%	384	2%	307	2%
Financial Activities	570	3%	535	3%	509	3%
Professional & Business Services	981	5%	1,210	7%	1,400	8%
Education & Health Services	3,294	17%	3,661	22%	3,579	21%
<i>Education</i>	696	4%	852	5%	839	5%
<i>HealthCare</i>	2,598	14%	2,808	17%	2,740	16%
Leisure & Hospitality	2,534	13%	2,110	12%	2,135	13%
Other Services	620	3%	429	3%	444	3%
Government	2,191	11%	2,206	13%	2,208	13%
Private Sector	16,920	89%	14,734	87%	14,738	87%
Public Sector	2,191	11%	2,206	13%	2,208	13%
Totals	19,111	100%	16,940	100%	16,946	100%

As a follow up to the above, the table on the following page shows longer-term change (Year 2000 to 2014) and shorter-term change (Year 2010 to 2014) in employment by industry. Industries that have experienced notable employment increases during the short-term have been highlighted in *blue*.

Change in Employment by Industry: Bennington County (2000 – 2014; 2010 – 2014)

	Change 2000-'14		Change 2010-'14	
	Employ- ment	%	Employ- ment	%
Natural Resources & Mining	(18)	(16.8%)	16	+21.9%
Construction	(69)	(10.4%)	9	+1.5%
Manufacturing/Durable	(528)	(23.6%)	57	+3.4%
Manufacturing/Non-Durable	(431)	(33.2%)	120	+16.1%
Trade/Transportation & Utilities	(1,016)	(24.6%)	(243)	(7.3%)
Wholesale Trade	(396)	(71.6%)	(39)	(19.9%)
Retail Trade	(495)	(15.0%)	(147)	(5.0%)
Transportation	(95)	(39.9%)	(57)	(28.5%)
Information	(188)	(38.0%)	(77)	(20.1%)
Financial Activities	(61)	(10.7%)	(26)	(4.9%)
Professional & Business Services	419	+42.7%	190	+15.7%
Education & Health Services	285	+8.7%	(82)	(2.2%)
Education	143	+20.5%	(13)	(1.5%)
HealthCare	142	+5.5%	(68)	(2.4%)
Leisure & Hospitality	(399)	(15.7%)	25	+1.2%
Other Services	(176)	(28.4%)	15	+3.5%
Government	17	+0.8%	2	+0.1%
Private Sector	(2,182)	(12.9%)	4	+0.0%
Public Sector	17	+0.8%	2	+0.1%
Totals	(2,165)	(11.3%)	6	+0.0%

Although total employment decreased, several industries have shown a positive trend in recent years:

- o Manufacturing; Non-Durable – this is a bright spot for Vermont and potentially for Bennington; the 'local food' trend is providing a boost to non-durable manufacturing as many food processors are finding a market in the state. Small-scale food processors could find a market in the downtown.

- o Professional & Business Services – as the service economy expands, so do Professional and Business Services. This growth also reflects the ‘work at home’ trend. Growth in this category is clearly a plus for the downtown, which can provide attractive office locations;
- o Education and Healthcare Services – Healthcare is a mainstay in the Bennington economy. Again, this employment category holds promise to create demand for commercial space in the downtown.

Summary

While the Bennington area has struggled to find growth in recent years, economic trends at the national and regional levels make it clear that there is a basis for optimism. Further, our conversations with local contacts make it clear that there is interest Bennington’s downtown, both from commercial and residential perspectives.

Markets & Market Areas

While the downtown study area is the focus of this ongoing planning effort, it is apparent that economic markets – and the market for current or potential uses within the study area – are not confined by study area boundaries. Rather, market/trade areas can be better defined as a series of overlapping economic influences and markets – each with differentiated needs. Our assessment of the study area indicates the following regarding these markets:

- ***Downtown Core Area Residents*** – persons living within the defined downtown core area, or within easy walking/biking distance of the area. The size and demographic characteristics of this population are assessed under *Market Demographics* below. From a commercial perspective, this group seeks to fill day-to-day shopping needs within walking distance and also seeks social interaction, entertainment and cultural attractions.
- ***Downtown Workers*** – persons who work in the downtown area. Based on field surveys and published data, it is estimated that there are currently approximately 280 employers and 2,200 employees working within the *defined* study area – the downtown core.⁹ Within a broader (U.S. Census) definition of the downtown – the Bennington CDP – it is estimated that employment is closer to 4,000 persons. From a commercial/retail perspective, this group seeks restaurant/food options at lunchtime and also seeks to address some day-to-day service needs within walking distance of their place of work.
- ***Commuters*** – persons who regularly drive through the study area. While it is difficult to estimate the precise number of commuters passing through the area, traffic volume data does provide some indication of levels of activity:¹⁰
 - o U.S. 7/South Main at Elm Street – 2012 AADT – 8,200 Vehicles;
 - o U.S. 7/North Main at County – 2012 AADT – 9,700 Vehicles;
 - o VT 9 at Benmont – 2012 AADT – 6,100 Vehicles;
 - o VT 9 at Valentine – 2012 AADT – 8,700 Vehicles.

It is essential to note that the completion of the Bennington Bypass (Route 279) had the impact of decreasing total vehicular volumes in the downtown and decreasing

⁹ Sources: Field Observations; ESRI.

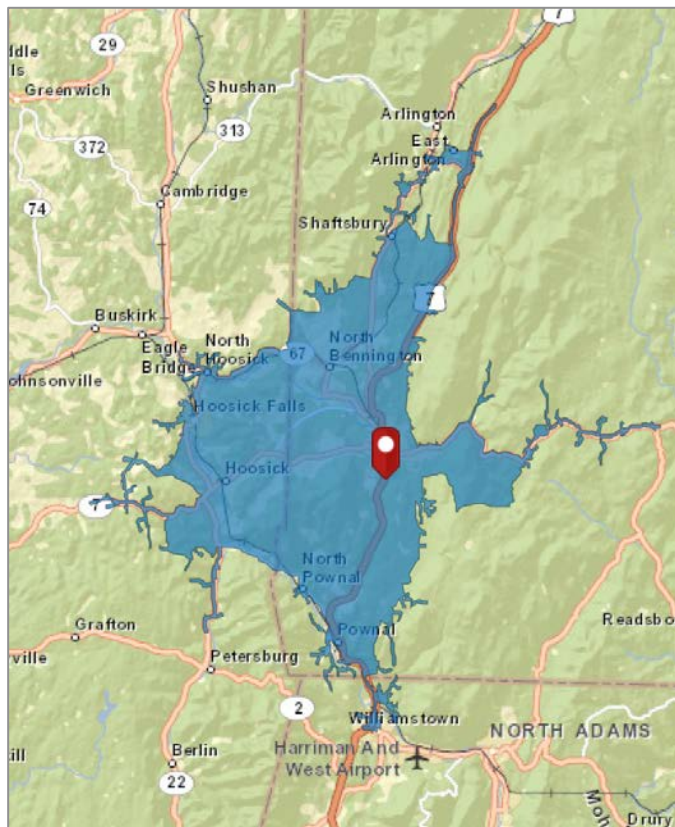
¹⁰ Traffic data source: Vermont Agency of Transportation.

truck traffic as a percent of the traffic stream. Nevertheless, there is substantial traffic moving through the downtown.

- **Traditional Markets** – commercial uses within the downtown have a market influence over the surrounding geographic area. The 2006 assessment of the downtown market noted that 11 area communities accounted for 90 percent of persons who commute to Bennington for employment on a daily basis.¹¹ From a commercial/retail perspective, this market group will fill some of their shopping needs within the downtown, particularly if unique or one-of-a-kind goods are available. This group will also look to the downtown to fulfill eating-out and cultural needs.

Based on a review of the 2006 analysis, an examination of traffic corridors, typical travel routes and the potential influence of study area businesses, a traditional market area comprised of the geographic area within 20⁺ minutes drive time of the center of the study area has been defined. This area is shown in the illustration below:

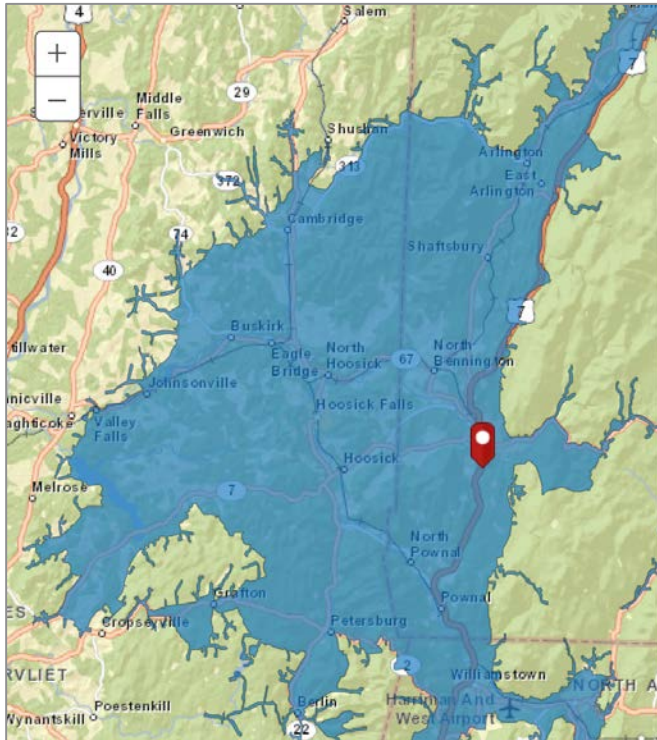
Traditional Market Area



¹¹ The 11 towns are: Bennington; Shaftsbury; Pownal; Hoosick, NY; Arlington; White Creek, NY; Manchester; Woodford; Pittstown, NY; Cambridge, NY; North Adams, MA.

For purposes of demographic comparison (and use in the assessment of retail markets) a 'regional' market was also defined; the 'region' has been defined to include the geographic area within 35+/- minutes drive-time of the center of the study area. This is shown in the graphic below.

Region



Market characteristics and demographics of these defined areas are addressed under *Market Demographics* below.

- **Non-Local Markets** – the market impact of tourists, through travelers and visitors to the area. This group will look to the downtown for: Unique retailing opportunities; Restaurant/Food options and cultural attractions.

Local tourism activity has been estimated as follows:

- o In 2013, Vermont is estimated to have attracted 15.1 million 'visitor nights'. Bennington County attracted 7.5 percent of those visitor nights; 1.13 million.¹²
- o Based on a review of Meals/Rooms tax receipts, it is estimated that Bennington Town attracted 34.7 percent of Bennington County's tourism activity.¹³ As such, it is

¹² Source: Vermont Tourism Data Center.

estimated that the study area attracts approximately 390,000 tourists on an annual basis.

- o From a study area perspective, it is significant to note that substantial tourist/traveler activity 'passes through' the area via highway U.S. Route 7 and Vermont Route 9. Based on a review of a number of tourism data centers, none of Vermont's top ten tourism destinations are located in Bennington.

¹³ Source: Vermont Department of Taxes.

Market Demographics

As noted under *Markets and Market Areas* above, downtown Bennington serves a number of unique markets, ranging from local to non-local, and each with varying needs. An assessment of the demographics and economic characteristics of the populations of the study area, the traditional market area and the region provides some perspective on the potentials for support and creation of new activity within the study area.

Population & Households

The table on the following page shows recent and projected population change for the three defined geographic areas (Study Area, Traditional Market Area, Region) as well as comparative recent population change for Bennington Town and Vermont.¹⁴

¹⁴ Sources: ESRI, Vermont Department of Health, U.S. Census Bureau.

**Recent & Projected Population Change: Study Area;
Traditional Market Area; Region; Bennington Town;
Vermont (2000 – 2020)**

	2000	2010	2015	2020
Downtown Core	1,734	1,655	1,615	1,587
Change		-79	-40	-28
% Change		-4.6%	-2.4%	-1.7%
Market Area (20+/- Min. Drive)	27,622	28,211	27,907	27,802
Change		589	-304	-105
% Change		2.1%	-1.1%	-0.4%
Region (35+/- Min. Drive)	73,420	72,122	71,735	71,632
Change		-1,298	-387	-103
% Change		-1.8%	-0.5%	-0.1%
	2000	2010	2013	
Bennington Town	15,737	15,764	15,519	
Change		27	-245	
% Change		0.2%	-1.6%	
	2000	2010	2013	
Vermont	608,827	624,741	626,855	
Change		15,914	2,114	
% Change		2.6%	0.3%	

While change has occurred, the Bennington area's population can best be described as stable during recent years, with no substantial change projected for the next five years. Also note that the population of the downtown core is estimated to have decreased in recent years, pointing to a lack of new (or existing) housing options in Bennington's most urbanized area.

While total population remains stable, the demographics of aging are creating market dynamics in the Bennington area. The tables on the following page show current and projected (2020) population by age group for the Market Area and Region.¹⁵

¹⁵ Source: ESRI.

**Current/Projected Population by Age:
Market Area (2015 – 2020)**

Age Group	Total Persons		% Change	Change
	2015	2020		
0-14	4,381	4,226	(3.5%)	(155)
15-24	4,744	4,504	(5.1%)	(240)
25-34	2,874	3,003	+4.5%	+128
35-44	2,902	2,891	(0.4%)	(11)
45-54	3,740	3,197	(14.5%)	(542)
55-64	3,963	4,059	+2.4%	+96
65-74	2,819	3,253	+15.4%	+434
75-84	1,535	1,724	+12.3%	+189
85+	921	945	+2.6%	+24
Total Population	27,907	27,802	(0.4%)	(105)
Population Aged 62+ Years	6,463	7,140	+10.5%	+676
Median Age	41.9	42.4		

**Current/Projected Population by Age:
Region (2015 – 2020)**

Age Group	Total Persons		% Change	Change
	2015	2020		
0-14	10,832	10,602	(2.1%)	(230)
15-24	11,406	10,673	(6.4%)	(733)
25-34	7,245	7,593	+4.8%	+348
35-44	7,532	7,521	(0.1%)	(11)
45-54	9,899	8,524	(13.9%)	(1,375)
55-64	10,760	10,888	+1.2%	+128
65-74	7,676	8,954	+16.7%	+1,278
75-84	4,017	4,656	+15.9%	+639
85+	2,224	2,292	+3.1%	+68
Total Population	71,735	71,632	(0.1%)	(103)
Population Aged 62+ Years	17,145	19,169	+11.8%	+2,024
Median Age	43.5	44.3		

It is important to note several points regarding the area population:

- Substantial, positive growth will occur among persons aged 65 to 84 years; in large part, this reflects the aging of the 'baby boom.' While the total population of the Market Area will remain essentially stable between 2015 and 2020, the number of persons aged 62 years or more will increase by 10.5 percent.
- Although less pronounced, the number of persons aged 25 to 34 years will increase over the next five years, a positive indicator for new household creation and consumer expenditures.

Households are the best indicator for activity in a number of consumer categories and for residential markets. The table on the following page shows recent and projected total household change for the Study Area, Market Area and Region. Average household size is shown for each time period.¹⁶

**Current/Projected Total Households:
Study Area, Market Area, Region (2000 – 2020)**

	2000	2010	2015	2020
Downtown Core	916	874	861	848
<i>Change</i>		(42)	(13)	(13)
<i>% Change</i>		(4.6%)	(1.5%)	(1.5%)
Market Area (20+/- Min. Drive)	10,618	10,875	10,892	10,886
<i>Change</i>		+257	+17	(6)
<i>% Change</i>		+2.4%	+0.2%	(0.1%)
Region (35+/- Min. Drive)	28,662	28,976	29,198	29,276
<i>Change</i>		+314	+222	+78
<i>% Change</i>		+1.1%	+0.8%	+0.3%
Average HH Size				
Downtown	1.81	1.78	1.76	1.75
Market Area	2.46	2.37	2.34	2.34
Region	2.4	2.32	2.29	2.28

¹⁶ Source: ESRI.

Decreasing average household sizes will result in a slightly more positive picture for total households.

The tables below and on the following page show current and projected households by age group for the Market Area and Region.¹⁷

**Current/Projected Households by Age Group:
Market Area (2015 – 2020)**

<i>HH Age Group</i>	2015		2020		<i>Change</i>
	<i>HHs</i>	<i>% of Total</i>	<i>HHs</i>	<i>% of Total</i>	
15-24	404	3.7%	366	3.4%	(38)
25-34	1,355	12.4%	1,395	12.8%	+40
35-44	1,490	13.7%	1,465	13.5%	(25)
45-54	2,105	19.3%	1,780	16.4%	(325)
55-64	2,319	21.3%	2,334	21.4%	+15
65-74	1,750	16.1%	1,978	18.2%	+228
75+	1,469	13.5%	1,568	14.4%	+99
Totals	10,892		10,886		(6)
HHs Aged >62 Yrs.	3,915	35.9%	4,246	39.0%	+332

¹⁷ Source: ESRI.

**Current/Projected Households by Age Group:
Region (2015 – 2020)**

HH Age Group	2015		2020		Change
	HHs	% of Total	HHs	% of Total	
15-24	1,009	3.5%	888	3.0%	(121)
25-34	3,368	11.5%	3,495	11.9%	+127
35-44	3,945	13.5%	3,872	13.2%	(73)
45-54	5,617	19.2%	4,745	16.2%	(872)
55-64	6,337	21.7%	6,301	21.5%	(36)
65-74	4,863	16.7%	5,557	19.0%	+694
75+	4,059	13.9%	4,420	15.1%	+361
Totals	29,198		29,278		+80
HHs Aged >62 Yrs.	10,823	37.1%	11,867	40.5%	+1,044

The aging pattern is even more pronounced among households; households aged 62 years or more will increase by 39 and 40 percent in the Market Area and Region, while the totals will increase by only small values. Again, it is significant to note the projected increase among households aged 25 to 34 years.

Household Characteristics & Income

Several household characteristics relating to consumer and economic habits are summarized below.

The table on the following page compares educational attainment in the Downtown Core, Market Area, Region, Vermont and for the entire U.S.¹⁸

¹⁸ Sources: U.S. Census Bureau, ESRI.

**Educational Attainment: Downtown Core; Market Area; Region;
Vermont; U.S. (2014/15)**

	<i>% of Population Aged 25+ Years</i>				
	Downtown Core	Market Area	Region	VT	US
Less than 9th Grade	5.8%	4.1%	3.5%	3.0%	5.9%
High School Graduate	20.4%	27.0%	27.1%	30.8%	28.1%
Bachelors Degree	8.7%	16.4%	16.6%	21.0%	18.0%
Graduate/Professional Degree	7.1%	11.7%	12.4%	13.8%	10.8%

28 percent of the Market Area population (Aged 25+ Years) has a bachelor's degree or higher; this compares to higher levels for the entire state – 35 percent and U.S. – 29 percent.

Small average household size is a reflection of a number of trends: Aging Population; Delayed Marriage age, etc. The table below breaks down households by size (Number of Persons) for the Downtown Core; Market Area; Region; Vermont; and U.S.¹⁹

**Household Distribution by Size: Downtown Core; Market Area;
Region; Vermont; U.S. (2014/15)**

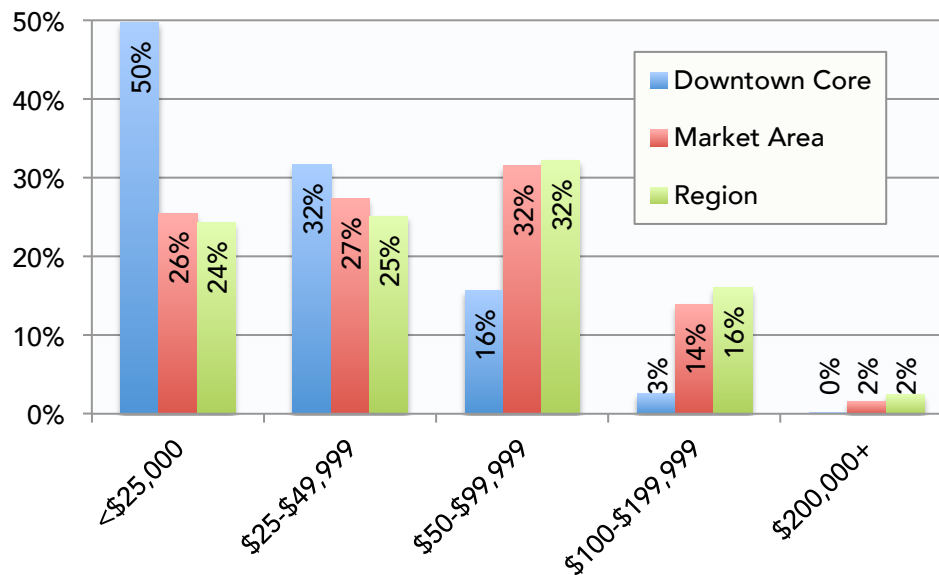
	<i>% of Households by HH Size</i>				
	Downtown Core	Market Area	Region	VT	US
HH Size					
1	48.2%	30.2%	30.2%	28.4%	27.5%
2	26.8%	35.5%	36.3%	38.6%	33.5%
3	12.9%	15.2%	15.1%	15.1%	15.8%
4	7.8%	11.7%	11.3%	11.8%	13.3%
5	3.0%	5.0%	4.7%	4.2%	6.1%
6	0.8%	1.5%	1.5%	1.4%	2.3%
7+	0.5%	0.9%	0.9%	0.5%	1.5%

¹⁹ Sources: U.S. Census Bureau; ESRI.

66 percent of the households in the Market Area are composed of only one or two persons, while only 19 percent include four or more persons. The prevalence of small households is particularly important when addressing the area housing market. Note that 75 percent of the households living in the Downtown Core include only one or two persons; reflective of an aging population and the presence of single person households.

The graphic below summarizes household distribution by income for the Downtown Core, Market Area and Region.

Household Income Distribution: Downtown Core; Market Area; Region; (2015)



Downtown Core households tend to be very low/low income; 82 percent of the downtown core's households have incomes less than \$50,000. This compares to only 49 percent for the Region and 53 percent for the market area. For purposes of comparison, the median income for all Vermont households is \$54,267; this compares to:

- Downtown Core - \$25,076;
- Market Area - \$46,189;
- Region - \$50,472.

We note that there is an almost total lack of higher quality housing in the downtown core area (See Residential Assessment). As a result, current downtown core are lower income households living in housing units of only fair quality.

Housing Stock Characteristics & Market Activity

The following housing data is provided as background for the assessment of potential residential uses within the downtown. The presence of a mix of housing opportunities is one of the keys to a successful downtown area. Simply put, downtown residents 'activate' street life, while providing a built-in market for downtown goods and services. In many instances, downtown residents provide an impetus for the enrichment of downtown cultural life as well.

The three tables below (and on following page) show recent changes in: Total Housing Units; Ownership Housing Units; and Rental Housing Units for the Downtown Core, Market Area and Region – for the period 2000 to 2015.²⁰

Total Housing Unit Change: Downtown Core; Market Area; Region (2000 – 2015)

	2000	2010	2015	% Change 2000-'15
Total Housing Units				
Downtown Core	978	958	959	(1.9%)
<i>Change</i>		(20)	1	
Market Area	11,557	12,005	12,168	5.3%
<i>Change</i>		448	163	
Region	33,021	34,315	34,974	5.9%
<i>Change</i>		1,294	659	

Ownership Housing Unit Change: Downtown Core; Market Area; Region (2000 – 2015)

	2000	2010	2015	% Change 2000-'15
Ownership Units				
Downtown Core	281	253	246	(12.2%)
<i>Change</i>		(28)	(6)	
Market Area	7,131	7,239	7,203	1.0%
<i>Change</i>		108	(36)	
Region	19,647	19,937	20,040	2.0%
<i>Change</i>		290	103	

²⁰ Source: ESRI.

**Rental Housing Unit Change: Downtown Core;
Market Area; Region (2000 – 2015)**

	2000	2010	2015	% Change 2000-'15
Rental Units				
Downtown Core	635	621	615	(3.2%)
<i>Change</i>		(14)	(6)	
Market Area	3,490	3,638	3,687	5.6%
<i>Change</i>		147	49	
Region	9,015	9,025	9,163	1.6%
<i>Change</i>		10	138	

The Downtown Core's housing stock declined while the Market Area and Region's stocks increased by five to six percent over the 2000 to 2015 period. Note that rental housing accounts for 65 percent of the total in the downtown core, this compares to 30 percent for the Market Area and only 26 percent for the Region.

As noted in *Core Economic Indicators* above, the Bennington area has experienced relatively little new housing development in recent years. The table on the following page shows detailed (annual) residential building permit data for Bennington County and Bennington Town. The data is broken down by *single family* and *multi-family* permits and covers the period 2004 through 2014.²¹

²¹ Source: HUD State of the Cities Database.

**Residential Permits: Bennington County, Bennington Town;
(2004 – 2014)**

Residential Building Permits													
												% of Totals	Total
												Totals	Total
Bennington County													
Single-Family	185	149	134	112	88	59	47	48	41	47	35	945	74%
Multi-Family	111	70	76	36	10	16	2	4	0	8	0	333	26%
Totals	296	219	210	148	98	75	49	52	41	55	35	1,278	
Bennington Town												% of Totals	Total
Single-Family	25	19	23	14	9	8	5	16	5	10	3	137	59%
Multi-Family	0	40	36	12	0	2	0	0	0	6	0	96	41%
Totals	25	59	59	26	9	10	5	16	5	16	3	233	

At the county level, there were an average of 108 permits annually between 2005 and 2009; this decreased to 43 annually between 2010 and 2014. Similarly, the town's annual average decreased from 33 between 2005 and 2009 to only nine annually between 2010 and 2014.

The analysis also included an assessment of residential sales activity in the area. The table on the following page summarizes residential sales activity in Bennington Town and Bennington County – for the period 2005 to 2014 – showing: Total Number of Sales; Total Sales Volume; and Median Sale value.²²

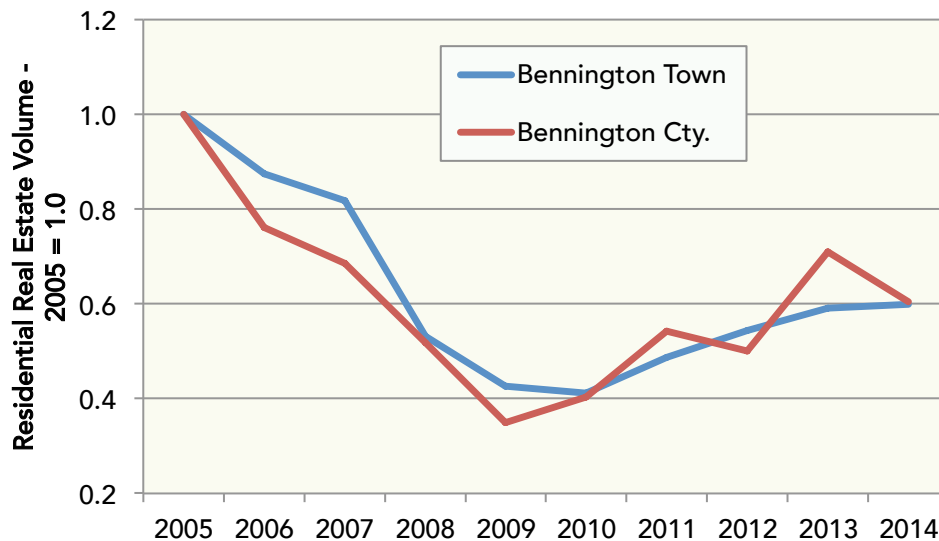
²² Source: Vermont Department of Taxes. R1, R2, MH w/, MH w/o and Other (Condo) categories are included in tabular statistics; only 'Market' sales included.

**Residential Sales Activity: Bennington Town Bennington County:
(2005 – 2014)**

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Bennington Town										
Sales	262	207	194	124	132	119	144	157	184	180
Volume (\$Millions)	\$36.7	\$32.1	\$30.0	\$19.5	\$15.7	\$15.1	\$17.9	\$19.9	\$21.7	\$22.0
Median Sale	\$121,203	\$136,990	\$136,005	\$140,040	\$112,682	\$122,647	\$116,802	\$110,980	\$114,402	\$118,583
Bennington County										
Sales	754	603	549	389	347	342	475	459	618	564
Volume (\$Millions)	\$197.2	\$150.2	\$135.3	\$102.1	\$68.7	\$79.5	\$107.0	\$98.8	\$140.1	\$119.2
Median Sale	\$180,873	\$186,021	\$186,472	\$203,448	\$154,203	\$168,515	\$175,125	\$165,264	\$169,817	\$170,965

The graphic below compares indexed residential real estate volume trends for the town and county.

**Indexed Residential Real Estate Volumes: Bennington Town;
Bennington County; (2005 – 2014)**



Residential real estate volume fell precipitously from 2005 to 2009; but has been on a slow recovery trajectory since then. Nevertheless, year 2014 volumes were at only 60 percent of the 2005 level.

Current Residential Market

The current residential market was assessed from two perspectives: Ownership Units and Rental Units:

Ownership Market

A review of current condominium/townhouse listings and sales in Bennington Town indicated the following:²³

- The average unit includes: 2.1 bedrooms and 1.9 baths. The median unit includes 1,156 square feet of living space;
- The median listed/sold unit was constructed in 1991;
- The median price for listed/sold units was \$124,900; the median price per square foot of living space was \$107.

Overall, pricing for Bennington condominiums is toward the low end of the regional scale. The exception would be the Red Mill Condominiums in North Bennington, where current pricing is in the \$207 to \$240 per square foot range. Finally, we note that – with the exception of the Apple Ridge project – minimal new development has occurred in recent years.

²³ Source: NNEREN as of July 2015; condominium listings/sales for Bennington Town. The review focused on condominiums/townhouses as this provides the best comparison for potential residential use in the downtown area.

Rental Market

HUD reports the following regarding current Fair Market Rents in Bennington Town:²⁴

- One Bedroom Units - \$666 per month;
- Two Bedroom Units - \$836 per month.

A survey of current residential rental listings in Bennington's downtown revealed the following regarding current rental pricing:²⁵

- One Bedroom Units – median *gross* rental cost of \$828 per month.²⁶ Listed units had an average size of 625 square feet.
- Two Bedroom Units – median *gross* rental cost of \$895 per month. Listed units had an average size of 908 square feet.

Also note the following regarding downtown rentals:

- Relatively few rentals are currently listed in the downtown area; this reflects both the scarcity of downtown core housing and a presumed low current vacancy rate.²⁷
- There appear to be a *small* number of high quality/high rent loft-type rentals located in the downtown area. These units rent at a significant premium to the median rental level. Several surveyed units rent at net (annual) levels in excess of \$18 per square foot.
- Median *net*, annual rents per square foot are in the \$14 to \$15 range. Higher quality units have net, per square foot rents in the \$18+/- range. (*Note that residential use rents at a higher rate than commercial/office use – per square foot – in downtown Bennington – see below.*)

²⁴ Source: HUD-Gov Fair Market Rents.

²⁵ Source: Review of rental listings in: Bennington Banner; Zillow; Craigslist.

²⁶ Gross = including all utilities.

²⁷ U.S. Bureau of the Census data – 2013 Bennington Town – infers a rental vacancy rate of 3.6 percent.

Commercial Real Estate Activity

The table below summarizes commercial *real estate* activity at the Bennington Town and Bennington County levels; showing: Number of Sales; Total Sales Volume (\$Millions); and Average Sale Value for the period 2005 through 2014.²⁸

Commercial Real Estate Transaction Activity: Bennington Town; Bennington County; (2005 – 2014)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Bennington Town										
Sales	34	23	19	16	18	1	3	11	22	19
Volume (\$Millions)	\$12.6	\$9.7	\$20.8	\$9.4	\$5.1	\$0.0	\$1.4	\$7.3	\$13.1	\$6.8
Average Sale	\$370,580	\$420,322	\$1,096,341	\$589,813	\$284,476	\$15,000	\$463,500	\$667,818	\$597,364	\$356,091
Bennington County										
Sales	64	51	42	41	31	13	12	27	56	42
Volume (\$Millions)	\$32.9	\$18.9	\$33.7	\$25.8	\$9.8	\$4.5	\$4.3	\$15.4	\$33.5	\$17.0
Average Sale	\$513,282	\$371,107	\$801,978	\$628,561	\$316,641	\$349,538	\$361,592	\$571,963	\$598,452	\$404,394

Clearly, Bennington's commercial real estate activity level is currently well below the level of the early 2000s. However, 2013/2014 data shows a clear uptick in activity level.

Current Commercial Real Estate Activity

A review of current commercial real estate listings in the downtown area revealed the following:²⁹

- There is currently a substantial number of: Commercial buildings for sale; and/or commercial spaces for lease. A significant number of these spaces are located in the core area or immediate vicinity of the core area.

²⁸ Source: Vermont Department of Taxes. Includes 'Commercial' and 'Commercial Apartment' sales.

²⁹ Sources: NNEREN; Loopnet; Craigslist; Southern Vermont Commercial Real Estate; Better Bennington Corp.

- Net retail/office lease rates range from \$5.25 to \$13.50. Prime retail space, with excellent exposure is at \$12.00 per square foot.
- Available commercial buildings have median for-sale listing rates in the \$40 to \$45 per square foot range – a low level compared to pricing in more active markets.

Summary

Overall, Bennington's commercial real estate market has not been very active in recent years; correspondingly, pricing for commercial real estate is at a relatively low point. However, low pricing creates opportunity for development, by creating a situation in which capital requirements for purchase are limited. Ultimately, low initial pricing may be the critical value that makes commercial redevelopment possible.

Commercial Market Activity & Retail Gap Analysis

The table below shows recent trends in annual Gross & Retail Receipt collections for Bennington Town; Bennington County; and Vermont; period-to-period percent change is also shown.³⁰

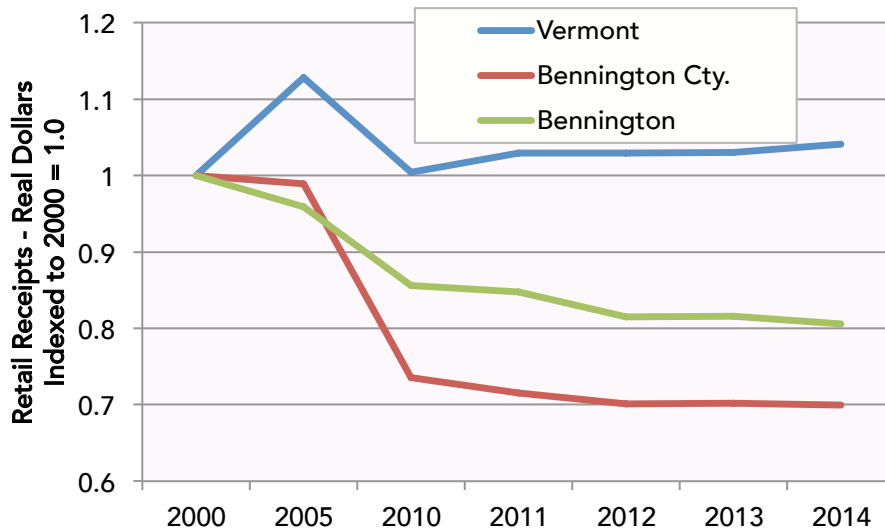
Gross & Retail Receipts Collections: Bennington Town; Bennington County; Vermont (2000 – 2014) (CPI Adjusted)

		Gross/Retail Receipts - in \$Millions)						
		2000	2005	2010	2011	2012	2013	2014
Bennington Town								
Retail		\$164.9	\$158.2	\$141.3	\$139.8	\$134.4	\$134.6	\$132.9
% Change			(4.1%)	(10.7%)	(1.0%)	(3.9%)	+0.1%	(1.3%)
Gross		\$583.6	\$503.8	\$461.3	\$479.0	\$468.8	\$491.3	\$512.8
% Change			(13.7%)	(8.4%)	+3.8%	(2.1%)	+4.8%	+4.4%
Bennington Cty.								
Retail		\$386.5	\$382.3	\$284.1	\$276.6	\$271.1	\$271.4	\$270.4
% Change			(1.1%)	(25.7%)	(2.6%)	(2.0%)	+0.1%	(0.4%)
Gross		\$1,534.8	\$1,311.1	\$1,093.2	\$1,121.8	\$1,137.2	\$1,170.8	\$1,107.1
% Change			(14.6%)	(16.6%)	+2.6%	+1.4%	+3.0%	(5.4%)
Vermont								
Retail		\$5,339	\$6,024	\$5,361	\$5,495	\$5,496	\$5,498	\$5,559
% Change			+12.8%	(11.0%)	+2.5%	+0.0%	+0.0%	+1.1%
Gross		\$28,467	\$29,755	\$34,140	\$33,061	\$33,281	\$35,969	\$36,188
% Change			+4.5%	+14.7%	(3.2%)	+0.7%	+8.1%	+0.6%

Relative changes in retail receipts alone are shown in the graphic on the following page – indexed to Year 2000 = 1.0.

³⁰ Source: Vermont Department of Taxes. Gross Receipts include Sales and Use taxes. 2014 figures are preliminary calendar year data. All dollar figures adjusted to current (2014) dollars using CPI Index – Federal Reserve Bank.

Comparative Retail Receipts Collections: Bennington Town; Bennington County; Vermont (2000 – 2014)



While retail at the statewide level has shown *small* gains since 2010, both Bennington County and Town experienced significant losses during the 2005 to 2010 period and have stabilized since them. In real terms, the town's retail sector is currently only generating 80 percent of the receipt value of year 2000. We note that the impact of Internet shopping has been significant in recent years.

An inventory of Downtown Core businesses and employment by type was completed, as summarized in the table on the following page.³¹

³¹ Source: Field Observations and ESRI. Based on both published and observed data ~ the inventory may include several businesses located outside – but in the immediate vicinity – of the defined Downtown Core. Businesses classified using NAICS system.

Downtown Core Businesses & Employment

	Number of Businesses/ Operations	Employment	Employment as % of Total
Agriculture, Forestry, Fishing & Hunting	1	1	0.0%
Mining			
Utilities			
Construction	3	15	0.5%
Manufacturing	8	50	1.7%
Wholesale Trade	5	100	3.3%
Retail Trade	53	369	12.3%
Motor Vehicle & Parts Dealers	1	16	0.5%
Furniture & Home Furnishings Stores	3	30	1.0%
Electronics & Appliance Stores	4	12	0.4%
Bldg Material & Garden Equipment & Supplies Dealers	2	29	1.0%
Food & Beverage Stores	4	19	0.6%
Health & Personal Care Stores	5	37	1.2%
Gasoline Stations	2	16	0.5%
Clothing & Clothing Accessories Stores	5	22	0.7%
Sport Goods, Hobby, Book, & Music Stores	3	10	0.3%
General Merchandise Stores	5	84	2.8%
Miscellaneous Store Retailers	18	90	3.0%
Nonstore Retailers	0	3	0.1%
Transportation & Warehousing	4	60	2.0%
Information	9	109	3.6%
Finance & Insurance	32	169	5.6%
Central Bank/Credit Intermediation & Related Activities	19	113	3.8%
Securities, Commodity Contracts & Other Financial	4	13	0.4%
Insurance Carriers & Related Activities; Funds, Trusts &	8	44	1.5%
Real Estate, Rental & Leasing	13	54	1.8%
Professional, Scientific & Tech Services	23	113	3.8%
Legal Services	13	67	2.2%
Management of Companies & Enterprises			
Administrative & Support & Waste Management & Remediation	7	20	0.7%
Educational Services	6	81	2.7%
Health Care & Social Assistance	27	449	15.0%
Arts, Entertainment & Recreation	3	21	0.7%
Accommodation & Food Services	20	200	6.7%
Accommodation	1	2	0.1%
Food Services & Drinking Places	19	198	6.6%
Other Services (except Public Administration)	43	162	5.4%
Automotive Repair & Maintenance	3	7	0.2%
Public Administration	20	215	7.2%
Totals	396	3,000	
No Business in NAICS Category			

The most important single industry in the downtown is Health Care & Social Assistance (15 percent of total employment); consistent with broader employment trends in the area. With only 6.7 percent of total employment, Accommodation & Food Services is surprisingly insignificant for one of Vermont's principal urban concentrations. Similarly, Retail Trade (12.3 percent of total employment) is relatively less significant than in other downtowns in the region.

Retail Market Analysis & Gap Estimates

While many factors play a role in the success or failure of a retail/commercial business, it is essential that market demand for goods or a service exist as a prerequisite of success. Even in the presence of significant demand, substantial competition that 'absorbs' all of the available demand can be a barrier to entry. The following analyses show the results of the **Retail Gap Analysis** – a detailed analysis of how retail sales compare to retail demand in the defined market areas. While the results are highly quantitative, they are a significant component of any retail assessment. The gap analysis includes three major steps:

- Estimate of sales occurring within the defined areas – gross revenues at businesses located within defined areas;
- Estimate of sales generated by persons living within the defined areas – *at any location (includes purchases made out of the area and internet sales)*;
- A comparison of sales and sales generation as a means of identifying potential opportunities in the retail market.

While there is clearly retail activity within the defined Downtown Core, the retail gap analysis is primarily focused on current deficiencies in the broader Market Area, as the identification of potentials for the Market Area will offer development ideas for the Downtown Core area.

Retail Sales

The table on the following two pages shows estimates of gross (annualized) retail **sales** by detailed retail category – for the Market Area and Region. *Sales estimates include all sales occurring **within** the defined areas.*³²

³² Comparisons at the Market Area and Region levels are most useful for identifying retail 'gaps' in Bennington. The defined study area accounts for a small segment of area retail activity.

The estimates are based on an inventory of retail spaces within the defined areas, as well as a series of research/analytical steps to calculate sales levels. Note that sales levels are shown in \$Millions.³³ In instances where \$0 sales are shown, there is no business within the retail category.

**Estimated Annual Gross Retail Sales; Market Area,
Region (2015) - (Shown on Two Pages)**

	Gross Annual Sales - 2015 (\$Millions)			
	Market Area		Region	
	Sales	% of Total	Sales	% of Total
Motor Vehicle & Parts Dealers	\$66.95	18.7%	\$158.53	16.6%
Automobile Dealers	\$60.02		\$135.66	
Other Motor Vehicle Dealers	\$2.26		\$9.69	
Auto Parts, Accessories & Tire Stores	\$4.67		\$13.19	
Furniture & Home Furnishings Stores	\$7.10	2.0%	\$11.12	1.2%
Furniture Stores	\$3.55		\$5.80	
Home Furnishings Stores	\$3.55		\$5.32	
Electronics & Appliance Stores	\$2.42	0.7%	\$8.55	0.9%
Bldg Materials, Garden Equip. & Supply Stores	\$20.93	5.9%	\$42.91	4.5%
Bldg Material & Supplies Dealers	\$20.02		\$34.84	
Lawn & Garden Equip & Supply Stores	\$0.91		\$8.07	
Food & Beverage Stores	\$80.92	22.7%	\$242.14	25.3%
Grocery Stores	\$77.31		\$228.30	
Specialty Food Stores	\$1.42		\$3.04	
Beer, Wine & Liquor Stores	\$2.19		\$10.80	
Health & Personal Care Stores	\$31.03	8.7%	\$76.18	8.0%
Gasoline Stations	\$34.47	9.6%	\$126.15	13.2%
Clothing & Clothing Accessories Stores	\$5.00	1.4%	\$26.81	2.8%
Clothing Stores	\$2.35		\$20.84	
Shoe Stores	\$0.77		\$1.20	
Jewelry, Luggage & Leather Goods Stores	\$1.88		\$4.77	
Sporting Goods, Hobby, Book & Music Stores	\$3.50	1.0%	\$10.42	1.1%
Sporting Goods/Hobby/Musical Instr Stores	\$2.19		\$5.63	
Book, Periodical & Music Stores	\$1.31		\$4.79	
General Merchandise Stores	\$33.20	9.3%	\$77.65	8.1%
Department Stores Excluding Leased Depts.	\$32.28		\$70.82	
Other General Merchandise Stores	\$0.92		\$6.84	

³³ Sources: ESRI; Infogroup; Census of Business.

Miscellaneous Store Retailers	\$23.23	6.5%	\$35.37	3.7%
Florists	\$0.40		\$0.99	
Office Supplies, Stationery & Gift Stores	\$6.20		\$8.83	
Used Merchandise Stores	\$2.30		\$5.05	
Other Miscellaneous Store Retailers	\$14.33		\$20.50	
Nonstore Retailers	\$18.68	5.2%	\$64.67	6.8%
Electronic Shopping & Mail-Order Houses	\$0.39		\$11.17	
Vending Machine Operators	\$0.00		\$1.56	
Direct Selling Establishments	\$17.88		\$51.94	
Food Services & Drinking Places	\$29.80	8.3%	\$74.99	7.8%
Full-Service Restaurants	\$17.60		\$45.77	
Limited-Service Eating Places	\$8.95		\$23.97	
Special Food Services	\$0.59		\$1.48	
Drinking Places - Alcoholic Beverages	\$2.66		\$3.76	
Total Retail Trade and Food & Drink	\$357.22		\$955.50	
Total Retail Trade	\$327.42	91.7%	\$880.52	92.2%
Total Food & Drink	\$29.80	8.3%	\$74.99	7.8%

Gross revenues in the Market Area total almost \$357 million annually and are dominated by Motor Vehicle & Parts (18.7 percent of total) and Food & Beverage stores (22.7 percent of total). It is estimated that the Downtown Core accounts for an annual total of \$38.35 million in retail sales; approximately 10.7 percent of the Market Area total.

Retail Demand

Area residents make substantial expenditures on retail goods. While sales per household vary significantly dependent on household demographics and income levels, all households make expenditures in major retail categories. This *demand* for retail goods can be quantified based on historic spending patterns and resident demographics/incomes. The table on the following two pages shows estimated annual retail demand generated by the residents of the Market Area and Region.³⁴ Keep the following in mind in reviewing the estimates:

- The estimates reflect dollars expended by residents; these dollars are not necessarily expended within the defined areas. A segment of the demand generated by residents of the two areas will typically be satisfied outside the geographic limits of the defined areas (Driving to remote locations; Internet Shopping, Spending while traveling; etc.)

³⁴ Sources: ESRI; Infogroup; Census of Business.

- The figures include only the demand generated by *residents* of the two areas. Purchases made by Vermont residents from outside the defined areas and sales generated by tourists/travelers also contribute to retail activity.

**Estimated Annual Retail Demand Generated by Residents of:
Market Area & Region (2015) - (Table Shown on Two Pages)**

	Estimated Annual Demand 2015 - (\$Millions)			
	Market Area		Region	
	Demand	% of Total	Demand	% of Total
<i>Motor Vehicle & Parts Dealers</i>	\$53.07	19.0%	\$148.46	18.7%
Automobile Dealers	\$45.76		\$129.39	
Other Motor Vehicle Dealers	\$3.30		\$8.80	
Auto Parts, Accessories & Tire Stores	\$4.01		\$10.28	
<i>Furniture & Home Furnishings Stores</i>	\$6.71	2.4%	\$18.33	2.3%
Furniture Stores	\$3.09		\$8.66	
Home Furnishings Stores	\$3.62		\$9.68	
<i>Electronics & Appliance Stores</i>	\$6.70	2.4%	\$21.01	2.7%
<i>Bldg. Materials, Garden Equip. & Supply Stores</i>	\$9.70	3.5%	\$26.03	3.3%
Bldg. Material & Supplies Dealers	\$6.53		\$19.36	
Lawn & Garden Equip & Supply Stores	\$3.18		\$6.68	
<i>Food & Beverage Stores</i>	\$48.17	17.3%	\$137.92	17.4%
Grocery Stores	\$44.80		\$124.20	
Specialty Food Stores	\$1.42		\$4.96	
Beer, Wine & Liquor Stores	\$1.96		\$8.76	
<i>Health & Personal Care Stores</i>	\$21.36	7.7%	\$62.68	7.9%
<i>Gasoline Stations</i>	\$27.77	9.9%	\$72.39	9.1%
<i>Clothing & Clothing Accessories Stores</i>	\$19.20	6.9%	\$52.94	6.7%
Clothing Stores	\$14.42		\$39.45	
Shoe Stores	\$2.64		\$7.15	
Jewelry, Luggage & Leather Goods Stores	\$2.15		\$6.34	
<i>Sporting Goods, Hobby, Book & Music Stores</i>	\$7.33	2.6%	\$19.43	2.5%
Sporting Goods/Hobby/Musical Instr. Stores	\$6.12		\$16.28	
Book, Periodical & Music Stores	\$1.21		\$3.14	
<i>General Merchandise Stores</i>	\$23.96	8.6%	\$71.72	9.1%
Department Stores Excluding Leased Depts.	\$11.16		\$33.61	
Other General Merchandise Stores	\$12.80		\$38.10	

Miscellaneous Store Retailers	\$6.72	2.4%	\$19.64	2.5%
Florists	\$0.41		\$1.30	
Office Supplies, Stationery & Gift Stores	\$2.15		\$5.89	
Used Merchandise Stores	\$1.04		\$2.85	
Other Miscellaneous Store Retailers	\$3.12		\$9.60	
Nonstore Retailers	\$22.55	8.1%	\$66.18	8.4%
Electronic Shopping & Mail-Order Houses	\$16.56		\$50.82	
Vending Machine Operators	\$0.47		\$1.26	
Direct Selling Establishments	\$5.53		\$14.09	
Food Services & Drinking Places	\$25.92	9.3%	\$75.10	9.5%
Full-Service Restaurants	\$14.43		\$40.35	
Limited-Service Eating Places	\$9.61		\$28.59	
Special Food Services	\$1.18		\$3.98	
Drinking Places - Alcoholic Beverages	\$0.71		\$2.17	
Total Retail Trade and Food & Drink	\$279.17		\$791.83	
Total Retail Trade	\$253.25	90.7%	\$716.74	90.5%
Total Food & Drink	\$25.92	9.3%	\$75.10	9.5%

Market Area residents generate annual demand for in excess of \$279 million in retail goods, while Region residents generate annual demand for \$792 million in retail goods.

Impact of Tourism & Other Travel Activities

Travel has an impact on retail activity in Bennington County. A recent study placed annual visitor nights at approximately 1.13 million; accounting for \$114 million in annual spending.³⁵ Broken down even further, travel activity is estimated to have the following impacts in Bennington:

- Food & Beverage - \$10.3 million in annual spending;
- Groceries - \$6.0 million in annual spending;
- Other Retail - \$4.86 million in annual spending;
- Gasoline - \$7.4 million in annual spending.

³⁵ Source: Vermont Tourism Data Center. Includes; Day-Trippers; Overnight Visitors; and Second Home Owners.

These expenditure figures were added to the *demand* figures shown above in order to estimate total retail demand.

Retail Gap & Identification of Potential

Retail gap analysis is a simple comparison of *Demand* and *Sales* that can serve as a means of identifying opportunities for new retail businesses within a defined area. For purposes of analysis, we complete two 'gap assessments'; 1) A comparison of Demand generated by the Region with current Sales in the Market Area; and 2) A comparison of Demand generated by the Market Area with current Sales in the Market Area. While the first calculation compares a larger area (Region) with a smaller area (Market Area), the magnitude of the resultant 'gaps' is as basis for identifying the Region's retail shortcoming. In the second instance (Market Area <> Market Area) the calculations show direct shortcomings for a known population group. While the calculation of the Region<>Market Area gaps is not an 'apples to apples' comparison, it does provide a broad view of retail potentials in the Bennington area.

The Demand, Sales and resultant Gap figures are shown in the table on the following page. In both instances, positive 'Gaps' with relevance to the downtown area have been highlighted in blue. (Deficits – instances in which Sales exceed Demand – are shown in red type.) In addition, in instances where there is a 'positive gap,' the gap is expressed as a percent of total demand ~ providing an indication of the significance of the gap to the market.

**Retail Gap Assessments: Region<>Market Area;
Market Area<>Market Area (2015)**

	Region<>Market				Market<>Market			
	Region Demand	Market Sales	'Gap'	Gap as % of Demand	Market Demand	Market Sales	'Gap'	Gap as % of Demand
Motor Vehicle & Parts Dealers	\$148.46	\$66.95	\$81.51	55%	\$53.07	\$66.95	-\$13.88	
Automobile Dealers	\$129.39	\$60.02	\$69.37	54%	\$45.76	\$60.02	-\$14.26	
Other Motor Vehicle Dealers	\$8.80	\$2.26	\$6.54	74%	\$3.30	\$2.26	\$1.04	32%
Auto Parts, Accessories & Tire Stores	\$10.28	\$4.67	\$5.61	55%	\$4.01	\$4.67	-\$0.66	
Furniture & Home Furnishings Stores	\$19.01	\$7.10	\$11.91	63%	\$7.39	\$7.10	\$0.28	4%
Furniture Stores	\$8.66	\$3.55	\$5.10	59%	\$3.09	\$3.55	-\$0.46	
Home Furnishings Stores	\$9.68	\$3.55	\$6.13	63%	\$3.62	\$3.55	\$0.07	2%
Electronics & Appliance Stores	\$21.01	\$2.42	\$18.59	88%	\$6.70	\$2.42	\$4.28	64%
Bldg Materials, Garden Equip. & Supply Stores	\$26.47	\$20.93	\$5.54	21%	\$10.14	\$20.93	-\$10.78	
Bldg Material & Supplies Dealers	\$19.36	\$20.02	-\$0.66		\$6.53	\$20.02	-\$13.49	
Lawn & Garden Equip & Supply Stores	\$6.68	\$0.91	\$5.77	86%	\$3.18	\$0.91	\$2.26	71%
Food & Beverage Stores	\$143.93	\$80.92	\$63.01	44%	\$54.18	\$80.92	-\$26.74	
Grocery Stores	\$124.20	\$77.31	\$46.89	38%	\$44.80	\$77.31	-\$32.52	
Specialty Food Stores	\$4.96	\$1.42	\$3.54	71%	\$1.42	\$1.42	\$0.00	0%
Beer, Wine & Liquor Stores	\$8.76	\$2.19	\$6.57	75%	\$1.96	\$2.19	-\$0.23	
Health & Personal Care Stores	\$63.46	\$31.03	\$32.43	51%	\$22.14	\$31.03	-\$8.89	
Gasoline Stations	\$79.81	\$34.47	\$45.34	57%	\$35.19	\$34.47	\$0.72	2%
Clothing & Clothing Accessories Stores	\$53.91	\$5.00	\$48.92	91%	\$20.17	\$5.00	\$15.17	75%
Clothing Stores	\$39.45	\$2.35	\$37.10	94%	\$14.42	\$2.35	\$12.07	84%
Shoe Stores	\$7.15	\$0.77	\$6.38	89%	\$2.64	\$0.77	\$1.87	71%
Jewelry, Luggage & Leather Goods Stores	\$6.34	\$1.88	\$4.46	70%	\$2.15	\$1.88	\$0.27	13%
Sporting Goods, Hobby, Book & Music Stores	\$19.91	\$3.50	\$16.41	82%	\$7.82	\$3.50	\$4.32	55%
Sporting Goods/Hobby/Musical Instr Stores	\$16.28	\$2.19	\$14.09	87%	\$6.12	\$2.19	\$3.93	64%
Book, Periodical & Music Stores	\$3.14	\$1.31	\$1.83	58%	\$1.21	\$1.31	-\$0.09	
General Merchandise Stores	\$72.78	\$33.20	\$39.59	54%	\$25.03	\$33.20	-\$8.17	
Department Stores Excluding Leased Depts.	\$33.61	\$32.28	\$1.33	4%	\$11.16	\$32.28	-\$21.12	
Other General Merchandise Stores	\$38.10	\$0.92	\$37.19	98%	\$12.80	\$0.92	\$11.89	93%
Miscellaneous Store Retailers	\$20.07	\$23.23	-\$3.15		\$7.16	\$23.23	-\$16.07	
Florists	\$1.30	\$0.40	\$0.90	69%	\$0.41	\$0.40	\$0.01	3%
Office Supplies, Stationery & Gift Stores	\$5.89	\$6.20	-\$0.31		\$2.15	\$6.20	-\$4.05	
Used Merchandise Stores	\$2.85	\$2.30	\$0.55	19%	\$1.04	\$2.30	-\$1.26	
Other Miscellaneous Store Retailers	\$9.60	\$14.33	-\$4.73		\$3.12	\$14.33	-\$11.21	
Nonstore Retailers	\$66.18	\$18.68	\$47.50	72%	\$22.55	\$18.68	\$3.88	17%
Electronic Shopping & Mail-Order Houses	\$50.82	\$0.39	\$50.43	99%	\$16.56	\$0.39	\$16.17	98%
Vending Machine Operators	\$1.26	\$0.00	\$1.26	100%	\$0.47	\$0.00	\$0.47	100%
Direct Selling Establishments	\$14.09	\$17.88	-\$3.79		\$5.53	\$17.88	-\$12.36	
Food Services & Drinking Places	\$85.32	\$29.80	\$55.52	65%	\$36.15	\$29.80	\$6.35	18%
Full-Service Restaurants	\$40.35	\$17.60	\$22.75	56%	\$14.43	\$17.60	-\$3.17	
Limited-Service Eating Places	\$28.59	\$8.95	\$19.64	69%	\$9.61	\$8.95	\$0.65	7%
Special Food Services	\$3.98	\$0.59	\$3.39	85%	\$1.18	\$0.59	\$0.58	50%
Drinking Places - Alcoholic Beverages	\$2.17	\$2.66	-\$0.48		\$0.71	\$2.66	-\$1.94	

Not surprisingly, the comparison of Region to Market Area shows positive gaps in the great majority of retail categories; . However, the Market Area to Market Area comparison results in varied positive and negative gaps by retail category. A review of the combined assessments indicates that there are consistent positive Gaps (Demand exceeds Supply) in the following retail categories ~ that could have potential in a downtown location:

- o Electronics & Appliance Stores – this would be appropriate downtown use, but competing with ‘big box’ electronics would make this a specialized undertaking; suggesting that any entry in this category should be oriented toward a market niche and include a significant service component – far in excess of the level of service offered by big box stores. The ‘Market Area<>Market Area comparison shows a \$4.28 million gap in this category; at a typical per square foot sales level of \$500, this translates to 8,550⁺/– square feet of retail potential;
- o Lawn & Garden Equipment – this is typically not an appropriate use for an urbanized area; however, we note that a substantial portion of the Greenberg Block is currently utilized as a lumber yard. The ‘Market Area<>Market Area comparison shows a \$2.26 million gap in this category; at a typical per square foot sales level of \$350, this translates to 6,500⁺/– square feet of retail potential;
- o Specialty Food Stores – this category represents a clear opportunity in any downtown; urban consumers are increasingly focused on improving the quality of their food consumption as well as focusing on local food producers. We regard the presence of high quality groceries (within walking distance) as essential to bolstering the potential for higher quality, market rate housing in the downtown. We note that a number of Vermont downtowns successfully support food coop stores – a clear potential for Bennington;
- o Beer, Wine & Liquor Stores – clearly an appropriate use for a downtown area. While the gap is limited in the Market Area<>Market Area comparison, there is a substantial gap (\$6.57 million) at the Region<>Market Area level. At an assumed per square foot sales level of \$1,100, this translates to 5,975⁺/– square feet of retail potential. Again, we feel that an entry in this category should be oriented toward higher quality and that an orientation toward wine would make sense in a downtown context;
- o Clothing & Clothing Accessory Stores – although this category shows a significant gap between demand and supply, it is well noted that clothing retailing has suffered in Vermont’s downtowns. Simply put, individual retailers face tremendous competition from clusters of clothiers in shopping centers and malls. However, it is apparent that a *cluster* of specialized Clothing stores could become a shopping attraction in the downtown. The ‘Market Area<>Market Area comparison shows a \$15.17 million gap in this category; at a typical per square foot sales level of \$450, this translates to 33,700⁺/– square feet of retail potential;

- o Sporting Goods Stores – this is clearly an appropriate use in a downtown area; and we note that the downtown previously hosted a specialized sporting goods store. The 'Market Area<>Market Area comparison shows a \$3.93 million gap in this category; at a typical per square foot sales level of \$355, this translates to 11,070⁺/– square feet of retail potential;
- o Food Services & Drinking Places – simply put, Vermont's most successful downtowns invariably host a variety of restaurants and drinking place, typically clustered within a 'walkable' area in the core downtown. With a substantial portion of eating dollars spent at restaurants, consumers are constantly on the lookout for variety, and greatly appreciate the opportunity to window shop a number of potential places to eat within a small area. Downtown Bennington currently lacks a restaurant cluster. The 'Market Area<>Market Area comparison shows a \$6.35 million gap in this category; at a typical per square foot sales level of \$585, this translates to 10,850⁺/– square feet of retail potential.

Residential Market Assessment

Housing Stock

Field observations and reviews of published data reveal the following regarding the housing stock within the Downtown Core:³⁶

- Approximately 960 total housing units;
- 26 percent of the total (245 Units) occupied on an ownership basis;
- 65 percent of the units (620 Units) occupied on a rental basis;
- 10 percent of the units (95 Units) are currently vacant – including units intended for ownership and rental ~ as well as units that may be held as second homes.
- The estimated median value of ownership units in the study area is \$127,000.

Although Bennington's housing stock includes a significant number of subsidized and affordable-rent housing units, the majority of the units are not located in the defined downtown core.³⁷

Residential Market Demographics

Household age by income data is by far the most instructive indicator of household decision-making/behavior regarding moves and housing preferences. Not surprisingly, a young, relatively low income household's housing need is substantially different from that for an upper age, upper income bracket household. The series of tables on the following page shows three sets of household age/income data – for the *Market Area*:³⁸

- Current (2015) number of households by age/income bracket;
- Projected (2020) number of households by age/income bracket;

³⁶ Source: Field observations, U.S. Bureau of the Census, ESRI. The housing inventory may include small areas located outside the defined Study Area.

³⁷ However, many of these units are located within the broader downtown area and within walking distance of downtown services.

³⁸ Source: ESRI. Market Area demographics assessed as the best indicator of area housing needs.

- Change in number of households by age/income bracket over the 2015 to 2020 period.
- o Age x Income groups that are projected to experience the largest increases are highlighted in the third component of the table.

Household Age X Income: Market Area (2015, 2020 and Change)

2015		HH Age Group						
HH Income Group		25-34	35-44	45-54	55-64	65-74	75+	Totals
	\$0-\$34,999	522	438	565	803	705	886	3,919
	\$35-\$74,999	451	496	713	774	684	388	3,506
	\$75-\$99,999	200	220	369	320	181	89	1,379
	\$100-\$149,999	109	236	242	260	101	67	1,015
	\$150-\$199,999	53	70	171	120	48	28	490
	\$200,000+	19	30	44	42	30	11	176
	Totals	1,354	1,490	2,104	2,319	1,749	1,469	10,485
2020		HH Age Group						
HH Income Group		25-34	35-44	45-54	55-64	65-74	75+	Totals
	\$0-\$34,999	475	369	397	668	698	854	3,461
	\$35-\$74,999	439	438	536	730	757	434	3,334
	\$75-\$99,999	261	261	386	407	269	127	1,711
	\$100-\$149,999	134	288	253	338	148	96	1,257
	\$150-\$199,999	66	73	165	140	66	41	551
	\$200,000+	21	36	43	52	42	16	210
	Totals	1,396	1,465	1,780	2,335	1,980	1,568	10,524
Change 2015-'20		HH Age Group						
HH Income Group		25-34	35-44	45-54	55-64	65-74	75+	Totals
	\$0-\$34,999	(47)	(69)	(168)	(135)	(7)	(32)	(458)
	\$35-\$74,999	(12)	(58)	(177)	(44)	+73	+46	(172)
	\$75-\$99,999	+61	+41	+17	+87	+88	+38	+332
	\$100-\$149,999	+25	+52	+11	+78	+47	+29	+242
	\$150-\$199,999	+13	+3	(6)	+20	+18	+13	+61
	\$200,000+	+2	+6	(1)	+10	+12	+5	+34

Consistent with area demographics, the most significant 2015 to 2020 increases will occur among households aged 65 to 74 years. Also note that the household *income* group projected to experience the greatest increase is \$75,000 to \$99,999. Although the most substantial increases will clearly occur among moderate income upper age bracket households, it is significant to note that there will also be increases among moderate/higher income (\$75,000 to \$149,999) younger (25 to 44 years) households.

Residential Market Trends and Implications

- Bennington's demographic trends are reflective of broader trends throughout the northeast; a significant increase in the 55 to 74 years population and an uptick in the number of younger households (Millennials). In the instance of older households, real estate professionals note that 'empty nesters' and single women account for the majority of housing demand;
- While Vermont's housing market is clearly differentiated from broader U.S. trends, it is apparent that both Millennials and empty nesters are showing an increased interest in living in urbanized locations, with a focus on easy access to services, places to eat and public interaction. We note the following:
 - o "There is a significant portion of the Baby Boomer generation that is opting to go to the cities, I think this is the beginning of a long-term trend."
 - o That empty nesters whose children have grown up and gone to college or work are downsizing by selling their suburban homes and moving into apartments is old news; the magnitude of this trend is what's surprising developers.
 - o Industry experts said future projects will likely have a unit mix that includes more two-bedroom and three-bedroom units to attract renters ages 55 and older. Additionally, Millennials tend to prefer one-bedroom apartments, whereas Boomers favor multiple-bedroom units, to accommodate a home office and/or visiting children and grandchildren. Though the two cohorts enjoy amenities such as swimming pools, workout rooms, Wi-Fi, and dog parks, Millennials are more likely to want more social attractions, such as TV lounges, bars, and such, according to Zillow.com. The Boomers, conversely, the website said, prefer more-luxurious trappings, such as state-of-the art kitchens, high-end bathrooms, and walk-in closets.
- Although the numbers are limited, it is apparent that the combination of services, cluster or residences and aesthetic qualities of a downtown location has resulted in a *limited* amount of higher end residential development in the study area. These

rental units have well above average finishes and appointments – and well above ‘market’ rents.

- Finally, the limited pace of new residential development in Bennington (particularly the downtown area) would suggest that there is pent-up demand, and that good quality housing would find renters – or buyers – sufficient to translate to rapid absorption in the current market.

Bennington’s Residential Context

Bennington has suffered in recent years from employment losses and lack of growth. While the past three years have seen stabilization in these trends, the impact of these trends are reflected in instances of vacant commercial space, retail losses and commercial turnover. Nevertheless, downtown Bennington remains quite attractive from streetscape and building quality perspectives. This is a pleasant place to live. We also note two points:

- The completion of the northeast section of the downtown bypass (Route 279) significantly decreased the amount of truck traffic along Main Street in the vicinity of the Greenberg Block;
- The potential redevelopment of the ‘Greenberg Block,’ will likely take some time to be implemented. However, this project could be a major step toward improving the downtown’s commercial sector and quality of life.

In summary, the project is situated in a location that will provide residents with easy walking access to many of downtown Bennington’s services, but which can provide a high quality residential setting.

Summary

Although there are clearly issues, downtown Bennington remains a pleasant environment that offers a range of services and attractions for area residents. We note in particular that there is currently a paucity of housing in the downtown core area and that the number of quality/market rate units within easy walking distance of the downtown core is minimal.

As such, we feel that any redevelopment effort in downtown core should include market rate housing. Initially, we feel that the demand will be for quality, market rate rental units. In time, the establishment of a quality housing base in downtown will lead to demand for ownership units.

Lodging Market Assessment

A number of the planning concepts for the Greenberg Block – and broader downtown – note that potential of a lodging/hotel project. It is apparent that downtown Bennington lacks a quality hotel facility and that the activity generated by hotels can enliven and generate business activity in a downtown.

A summary of relevant market data follows:

The U.S. Perspective

The U.S. lodging industry is currently at a high point, with occupancy levels, room rates on the increase and hotel values on an upward curve. According to a recent reports:

- The Average Selling Price Per Room (ASPR) - for U.S. lodging properties – is at \$165,303, an all-time high. The ASPR is 11% higher than the \$148,658 recorded for year-end 2014.³⁹
- 2014 to 2015 projected trends for the industry notes the following:⁴⁰
 - o Occupancy will increase by 2.0 percent;
 - o Average Revenue Per Available Room (RevPAR) will increase by 7.2 percent;
 - o Average Net Operating Income (NOI) will increase by 14.2 percent.
- One of the hallmarks of the recovery of the U.S. lodging industry from the depths of the great recession in 2009 has been the limited amount of new hotels coming into the market. From 2011 through 2014, the annual changes in lodging supply for the nation were less than 1.0 percent. The pace of hotel construction has picked up in 2015 with a net increase of 1.2 percent expected.⁴¹
- 2016 is shaping up to be the strongest year ever for our industry and that is saying a lot given the strong performance we experienced this year. However, the stars are aligned and it is crucial that your hotel is setup for success. Get those well-thought out and actionable business plans done now so you can finalize your

³⁹ Source: Lodging Econometrics, November 2015.

⁴⁰ Source: PKF Hospitality Research.

⁴¹ Source: PKF Hospitality Research.

budgets and hit the ground running on January 1st. Achieving the expected stellar results will not be a walk in the park but looking back this time next year, you will be amazed and what you have achieved from an operations and valuation standpoint.⁴²

- The pace of hotel development remains robust: the total number of – U.S. - properties grew from some 52,000 properties to 53,432 properties; and rooms grew from some 4.8 million rooms to 4,978,705 rooms, in just one year. The industry also provides billions of dollars to communities across the country. Just this year, hotels generated \$141.5 billion in business travel tax revenue, which is up \$6.5 billion from last year.

Travelers are spending more too. The typical business traveler spends about 3 percent more per night, and the typical leisure traveler spends about 6 percent more per night. Not only has the industry promoted domestic growth, international travel to the U.S. continues to increase, making the U.S., by far, the top destination for international travel. By 2020, 96.4 million visitors are forecasted to visit, which amounts to an increase of 29 percent over 2014.⁴³

- Lodging occupancy is projected as follows:⁴⁴
 - o 2014 – 64.4 percent;
 - o 2015 – 65.7 percent;
 - o 2016 – 65.8 percent.

Overall then, the U.S. lodging market picture looks very strong.

The Vermont Perspective

The Vermont lodging industry is summarized as follows:⁴⁵

- 285 lodging properties (figure only includes flag/chain properties);
- 16,175 hotel rooms;
- Estimated to generate \$826 million in sales.

⁴² Source: Bob Rauch Lodging Forecast October 2015.

⁴³ Source: American Hotel & Lodging Association.

⁴⁴ Source: PwC US, based on STR Data.

⁴⁵ Source: American Hotel & Lodging Association.

Unfortunately, Vermont does not provide any useful statistics with regard to the lodging sector; notably, no reliable occupancy data is available. However, it is apparent that a significant portion of the state's 'room' base is contained in small properties, including: B&Bs; Small Inns; Older Motels; and other sources. Further, it is significant to note that a high proportion of Vermont's lodging nights is generated by 'pleasure/leisure' travel, rather than 'business' travel. Finally, travellers from Vermont, the other New England states and the Mid-Atlantic States account for almost 80 percent of the state's room nights.⁴⁶

We also note the following regarding Vermont's lodging market performance:

- The Vermont lodging industry continues to be very strong, with REVPAR growth of 8.0%. It was the strongest growth rate in the region, and follows on 2012 when it also finished with the strongest rate of growth at 7.7%. In addition to a very strong winter for skiing, the state also likely benefitted from Canadian travelers encouraged by the exchange rate and by a decline in supply.⁴⁷
- Recent available metrics – for Vermont chain/flag properties only – indicate the following:⁴⁸
 - o Vermont average daily room rate (ADR) - \$111.38;
 - o Vermont occupancy rate – 57 percent.

It is significant to note that the 'typical' Vermont leisure traveler is often older (55+ years) and based in the northeast or Mid-Atlantic States. Further, many of these travelers are on driving trips, often moving through several sections of the state. Regional demographics make it clear that this group is already large and growing at a strong rate. As a 'Vermont Gateway' community, Bennington is poised to capture a significant segment of this market.

Lodging in Bennington/Area & Local Market Trends

- Bennington County's lodging inventory includes a total of 160 properties with a total licensed capacity of 7,011 persons. The median property has a capacity of 25 persons, with a capacity range from 2 to 510 persons (the Equinox Hotel & Spa in Manchester).

⁴⁶ Source: Vermont Department of Tourism & Marketing – 2011 Report.

⁴⁷ Source: Hospitality Review, 2013 Report.

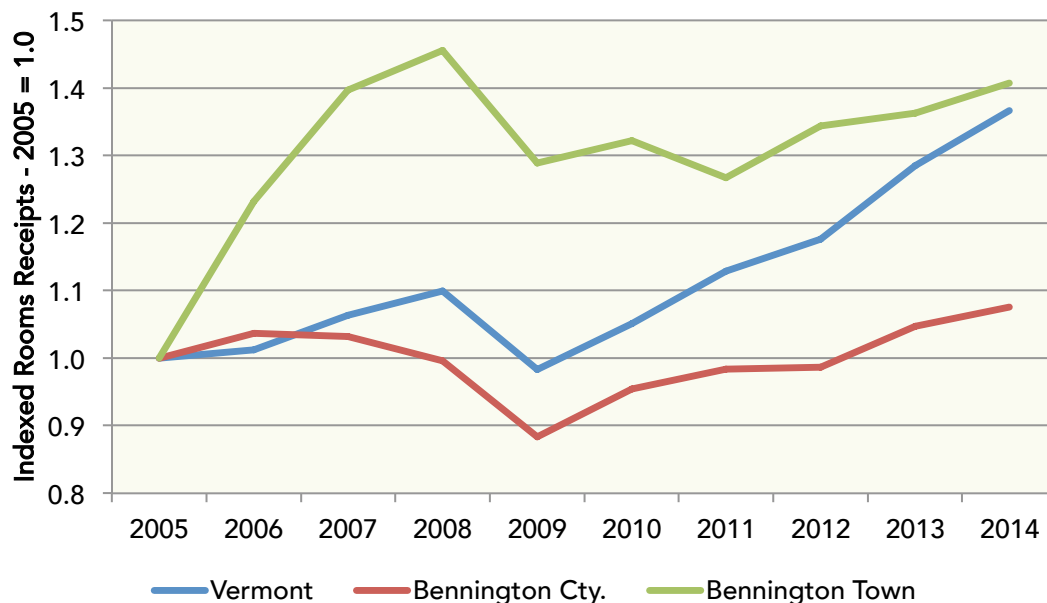
⁴⁸ Source: STR.

- Bennington Town's lodging inventory includes a total of 21 properties with a total licensed capacity of 1,548 persons and 387 rooms. The median property has a capacity of 62 persons and 16 rooms. Property capacities range from six persons (The Eddington House) to 320 persons (the Hampton Inn by Hilton). We note that the Hampton Inn is located approximately four miles from the downtown core area, placing it well out of convenient range for travellers wishing to use downtown services.⁴⁹ The only lodging property within relatively easy walking distance of the core – and of significant capacity – is the Paradise Inn, which is located approximately ½ mile from the core area.

It is also worth noting that with the exception of the Hampton Inn, all of Bennington Town's lodging properties are 'independents,' and are not associated with a national/regional trend nor benefit from broad-reaching marketing programs.

Vermont does provide Room Receipt data, showing gross revenues at licensed lodging properties. The graphic below shows recent – indexed – rooms receipt trends, comparing Vermont, Bennington County and Bennington Town.⁵⁰

Indexed Comparison: Rooms Receipts; Vermont, Bennington County, Bennington Town (2005 – 2014)



⁴⁹ The New Englander Motor Inn is a Best Western property; the Best Western system is a loose confederation of lodging properties.

⁵⁰ Source: Vermont Department of Taxes.

Room receipts in Bennington Town's room receipts trend has been out of the norm over the 2005 to 2014 period. After showing strong growth during the 2005 to 2008 period, the town did experience a decline from 2008 to 2009 (concurrent with the U.S. recession); however, receipts stabilized over the 2009 to 2011 period and have shown growth since 2011. Statewide, there has been solid growth since 2009.

The town's total room receipts in year 2014 totaled approximately \$6.73 million, accounting for 19.5 percent of the Bennington County total. By comparison, the town accounted for only 14.9 percent of the county's room receipts in year 2005.

Bennington Town's superior performance during the period shown suggests that demand for lodging in the community is strong, and that even with an aging and highly variable level of quality inventory, the local lodging industry is able to attract travellers.

Summary

Current travel trends and demographic factors point to a strong future for the Vermont lodging industry in coming years. While Bennington does not have a reputation as one of Vermont's major travel attractions, it is apparent that the community's location with respect to the regional highway network puts it in a position to tap into a growing market.

Of greater significance, there is currently no competitive hotel property serving the downtown core area. With an attractive walking environment, the downtown is clearly a potential location for a strong hotel entry.

Market Assessment – Plan Alternatives & Conceptual Feasibility for the Greenberg Block

Two Alternative Conceptual Redevelopment Plans have been generated for the Greenberg Block; Alternative A; and Alternative B. In both instances, the plans respond to background assessments of site conditions; urban context; market conditions; environmental conditions and other considerations. While the Alternatives provide a conceptual framework for redevelopment of the block, it is essential to keep in mind that the ultimate plan for the block will almost certainly vary from either plan. Single or multiple project developers are likely to use the Alternatives as a starting point for developing specific plans suited to their objectives.

While the Alternatives present differing approaches to redevelopment of the block, there are a number of commonalities to the plans, particularly with respect to proposed uses. Further, it is apparent that elements of each Alternative could be ‘mixed’ so that the ultimate redevelopment of the block is a hybrid of the concepts. As such, the market-based assessment of the plans is primarily focused on uses.

The assessment also includes conceptual feasibility assessment for the proposed uses included in the Alternatives. Because the ultimate redevelopment plan for the block will differ from either Alternative A or B, detailed pro forma analyses of these plans would be a hypothetical exercise at best. As such, the assessment of feasibility focuses on individual uses (Office, Residential, etc.). The assessment identifies relevant quantitative parameters and includes conceptual pro forma work to provide an overview of feasibility.

The Alternatives

A brief summary of the two Alternatives follows, with a focus on proposed uses:⁵¹

Alternative A – this alternative includes redevelopment of the Putnam Hotel, Winslow Building and Courthouse buildings with a focus on Office, Retail and Restaurant (includes Event/Meeting space). New development would include: Retail; Rental Apartments; the plan includes surface/garage Parking and a new Park area. The alternative is shown in graphic form below.

⁵¹ The Plan Alternatives were developed and produced by Greenman-Pedersen, Inc. Further details regarding the Alternatives can be found in Greenman-Pedersen, Inc.’s reporting.

Alternative A



Major land use quantities include:⁵²

- o Office Space – 30,400 sq. ft. of gross building space;
- o Retail Space – 27,200 sq. ft. of gross building space;
- o Restaurant (Event/Meeting) Space – 8,200 sq. ft. of gross building space;
- o Rental Apartments – 72 total units ranging from Studio to 2 BR;
- o Parking (Surface & Garage) – 129 spaces.

The total estimated construction cost of Alternative A (Including Design & Contingency) is approximately \$35.0 million.

⁵² Source: Greenman-Pedersen, Inc. Note that square footage figures are gross building space; net leasable space would likely total 75 to 80 percent of the gross square footage.

Alternative B – this alternative is focused on the redevelopment/expansion of the Putnam, Winslow and Courthouse buildings to create a new hotel facility. In addition, the plan includes new construction to create retail and rental & ownership residential units on the remainder of the block. Finally, the plan includes surface/garage Parking and a new Park area. The plan is shown in graphic form below.

Alternative B



Major land use quantities include:⁵³

- o Hotel – 104 rooms on three levels;
- o Retail Space – 12,000 sq. ft. of gross building space;
- o Residential/Rental – 24 units;
- o Residential/Ownership – 15 units;

⁵³ Source: Greenman-Pedersen, Inc. Note that square footage figures are gross building space; net leasable space would likely total 75 to 80 percent of the gross square footage.

- o Parking (Surface & Garage) – 129 spaces.

The total estimated construction cost of Alternative B (Including Design & Contingency) is approximately \$42.3 million.

Market Prospects and Feasibility by Use

Office Space – Although *only* Alternative A specifies office space as a land use (30,400 gross sq. ft.) it is apparent that the ‘Main Street Mixed-Use Building’ proposed in Alternative B could accommodate office space, particularly on its second level. Perhaps more importantly, office use is highly appropriate in a core downtown location like the Greenberg Block (particularly for upper levels of buildings) and *should* ultimately be included in any redevelopment plan for the parcel. Like residential use, office use tends to ‘activate’ downtowns, by creating daytime street activity and ready-made customers for downtown retail and service providers.

In particular, it is important to note that quality office space in the core downtown will be attractive to professionals and health services professionals seeking a ‘prestige’ location. This is a significant point - new or redeveloped office space in the downtown core will be highly competitive; employers seeking an accessible/visible location with easy walking access to downtown services will choose the Greenberg Block site over other available Bennington locations. As a result, new or redeveloped office space located on the Greenberg Block should command a premium rent in the Bennington market.

We note the following regarding the prospects for new office space in downtown Bennington:

- o Overall, Vermont is projecting 1.5 to 1.9 percent annual growth in employment over the next few years; we expect that a substantial segment of that growth will be in service occupations, with accompanying demand for office space;
- o While the employment picture in the Bennington area has been mixed in recent years, it is apparent that Professional & Business Services and Education & Health Services have been bright spots, sectors in which employment has increased. In both instances, new jobs create demand for office space;
- o 2013 and 2014 transaction data show a significant uptick in sales of commercial buildings in Bennington, pointing to developers’ expectations for improvement in the commercial market *and* expectations for increased demand for commercial and office space.

Office Space Feasibility Assessment

The assessment of the office space market leads to the following estimates:

- o Research into the current downtown office/commercial market indicates that the upper end is approximately \$13.50 per square foot (Net). However, we note that virtually no new office space has been developed in the downtown in recent years. Relatively low lease rates are possible in instances where building owners have long-term ownership, little or no debt and have not made any significant recent capital investments in buildings; this appears to be the case for a number of commercial buildings in the downtown.
- o Under the assumption that the typical office workers requires 200⁵⁴ square feet of space, we feel it is reasonable to assume that absorption of new office space could occur at the rate of 5,000 to 6,000 square feet on an annual basis. As such, the 30,400 allocation within Alternative A (*if developed at one time*) could *overreach* the current market. Nevertheless, the market assessment does indicate that there is demand for office space on the site.
- o It is likely that Bennington's current higher end office rent level (\$13.50 Net) would need to be pushed upward to support redeveloped or new office space within the project.

The table on the following page presents a highly simplified pro forma for an office development, including the following assumptions (financial inputs are shown in the table). *It is essential to note that myriad assumptions could be incorporated into any pro forma, each of which would alter the outcome:*

Capital Costs

- o 15,000 sq. ft. of office space – developed at one time; assumption that 17,250 gross square feet of building space would be required to achieve this net amount;
- o Cost allocation for site development ~ assumes that public sector may 'pick-up' a portion of site development costs;
- o Assumes a 20 percent 'down-payment' on the vertical cost of the office space.

Revenues

- o Assumed absorption rate of 5,500 sq. ft. annual;
- o Net rental rate at \$18 per sq. ft.

Additional assumptions as shown.

⁵⁴ Source NAIOP; note that the average space requirement for office workers has *declined* in recent years.

Hypothetical Pro Forma – Office Development

Capital Cost:		Revenues	
Vertical Cost		Net Rent per Sq. Ft.	\$17
Gross Sq. Ft.	17,250	Other Revenues	3%
Const. Cost per Sq. Ft.	\$175	Vacancy	8%
Vertical Cost =	\$3,018,750	Operating	
Site Development Allocation		Property Taxes (at Completion)	\$62,600
% of Bldg. Space	12%	Insurance	\$9,056
Allocated @ 50%	\$138,870	Maint/Repairs (at Completion)	\$21,735
Total Capital Cost =	\$3,157,620	Management	8%
		Other	

Finance:	
Investment	603,750
Loan Amount	2,553,870
Rate	4.80%
Period	15

Year	1	2	3	4	5
Absorption (Sq. Ft.)	2,500	5,500	5,500	1,500	
Cumulative Absorbed	2,500	8,000	13,500	15,000	15,000
Revenue					
Gross	\$42,500	\$136,000	\$229,500	\$255,000	\$255,000
Other Income	\$1,275	\$4,080	\$6,885	\$7,650	\$7,650
Total Revenue	\$43,775	\$140,080	\$236,385	\$262,650	\$262,650
Vacancy Allowance	8%	8%	8%	8%	8%
Net Revenue	\$40,375	\$129,200	\$218,025	\$242,250	\$242,250
Operating Expenses					
Property Taxes	\$9,072	\$29,032	\$48,991	\$54,435	\$54,435
Insurance	\$1,313	\$4,200	\$7,088	\$7,875	\$7,875
Utilities	Net	Net	Net	Net	Net
Maint/Repairs	\$3,150	\$10,080	\$17,010	\$18,900	\$18,900
Management	\$3,400	\$10,880	\$18,360	\$20,400	\$20,400
Other					
Total Expenses	\$16,935	\$54,192	\$91,449	\$101,610	\$101,610
Operating Cash Flow	\$23,440	\$75,008	\$126,576	\$140,640	\$140,640
Finance Costs					
Capital Investment	\$603,750				
Mort. Amortization	\$120,145	\$125,912	\$131,956	\$138,290	\$144,927
Mort. Interest	\$122,586	\$116,819	\$110,775	\$104,441	\$97,803
Cash Flow Before Taxes					
	-\$702,896	-\$41,811	\$15,801	\$36,199	\$42,837

The pro forma indicates that, at a net rent of \$18 per square foot, the project could 'cash-flow' in the third year of the project. While the Internal Rate of Return (IRR) for the five year period of operations shown would be negative, an assumed sale in the 6th year could produce a positive IRR. Finally, note that a rental rate based on the current 'market rate' in Bennington (say \$12 per sq. ft.) would not achieve a positive cash-flow during the five year period.

Hotel – downtown Bennington's current lack of a higher quality lodging facility is an evident opportunity for development. With no nationally known 'flag' hotel, the downtown falls 'off the radar' for area travelers who tend to restrict their hotel business – via reservation systems - to known brands. In simple terms, there is no direct competition for a true downtown hotel in Bennington, while there are other accommodations in the area, few are up to date and none offers easy walking access to the core downtown.

It is also important to note a hotel's potential contributions to the broader enhancement of downtown Bennington:

- o An increase in 'people activity' in the downtown, creating new customers for downtown retailers and service providers;
- o Provision of a high quality bed-base that would support meetings, conferences and other needs of Bennington businesses;
- o A significant boon to Bennington's efforts to attract tourism, with an emphasis on downtown attractions and events.

The following would be significant considerations in developing a new lodging facility on the Greenberg Block:

- o The facility should be on the smaller end of national flag's range of standard offerings – likely in the 75 to 95 rooms range;
- o Traditionally, downtown hotels incorporate a range of on-site services, including restaurant(s), gyms, room service, etc. that related to 'full-service.' However, the likely scale of a Bennington facility would make these facilities difficult to finance and potentially difficult to operate on a profitable basis. However, It is possible to develop a 'full-service' hotel facility by incorporating other uses on the block or within a *short* walking distance - meeting facilities; restaurant; retail, gym. While it would likely be too expensive to include all of these uses *within* the hotel, easy walking connections (indoors when possible) can make it seem like the other uses are part of the hotel facility.

- o The redevelopment of the Putnam/Winslow/Courthouse buildings as a hotel would be attractive from an aesthetic perspective; as this would fully integrate the facility into the downtown architectural fabric. However, it is essential that the resultant facility be fully functional and meet current-day lodging standards. If this is not possible within the existing structures, new construction should be a consideration.

A hotel feasibility assessment (or pro forma) is beyond the range of this assessment. However, we note that the current (December 2015) rate for the Hampton Inn is approximately \$120 per night. A mid-summer rate is in the \$190 per night range.

Residential<>Rental & Ownership – a diverse year-round downtown population is acknowledged to be a critical element in downtown revitalization. Permanent downtown residents activate street life and create year-round demand for downtown goods and services. Project research makes it clear that downtown Bennington has surprisingly little in the way of quality housing choices. While there are fair/moderate quality rental units in the vicinity of the downtown core, there are limited choices – at best – in the core area.

We note the following with respect to the potential downtown residential market:

- o The regional housing market is clearly on the upswing; ownership pricing throughout the state has increased over the past two years and there is upward pressure on residential rents. Bennington's rental vacancy rate has consistently been reported at less than three percent in recent years.⁵⁵ A number of Vermont's more urbanized markets have seen increases in building permits in the past two years; this trend will inevitably make its way to Bennington;
- o Bennington has processed minimal residential building permits in recent years. This strongly suggests that there is a pent-up market for new, higher quality residential product – both from rental and ownership perspectives;
- o While projections do not point to substantial growth in Bennington's total population, the dynamics of aging will result in new housing needs. Specifically: 1) the number of households with heads aged 55 to 74 years will increase dramatically during the next five to ten years. As noted above, a significant segment of this group will be seeking simplified housing options (rentals<>condominiums) and many will be seeking a housing situation with easy access to downtown services; 2) an increase in the number of moderate income households with heads aged 25 to 44 years. These formative and

⁵⁵ Source: U.S. Census Bureau, American Factfinder.

'move-up' households create a significant market for rentals and for smaller condominium units;

- o Contacts in the Bennington market report that there is a significant increase in 'market rate' apartment seekers who want to live in downtown Bennington. In addition, they point to the success of the projects and individual buildings that have offered higher quality with higher range pricing.
- o The Greenberg Block offers a prime downtown location; easy walking access to downtown services; easy walking distance to the Walloomsac Pathway; potential direct views/access to a park area to be developed on the east or west side of Washington Ave. We also note that the location of a quality grocery store in the core downtown would greatly enhance its attraction to potential renters or buyers.

Residential Ownership Note – research in the area residential market indicates that ownership housing should be approached as a second phase of block redevelopment. Interest in residential ownership in Bennington's downtown will occur if: there is evidence that the Greenberg Block is well on its way to complete redevelopment; there is an increase in the kinds of services that interest urban buyers (groceries, restaurants, arts, gyms, etc.); and when higher end residential rental activity has clearly established itself in the downtown:

- o The best location for ownership housing would be on the westerly portion of the site along Washington Street, particularly if there is direct access to a park feature in this area.
- o Two and three bedroom townhouse units would best meet market demands.
- o There is currently no established market pricing for a project of this type. The general lack of new housing development in Bennington – and the total absence of a downtown project of this nature make it clear that any new project would be able to (and would need to based on development costs) establish pricing at a level well above that for recent transactions in the Bennington market.

Rental Residential Feasibility Assessment

The following would be significant considerations in developing new residential units (Rental and/or Ownership) on the Greenberg Block:

Rental – rental development should be a high priority for block redevelopment:

- o Project – a quality project could include studios, one bedroom and two bedroom units, with the majority being in one bedroom configurations. Rental units can be located throughout the block; however, if they are located on the northerly (Main Street) or easterly (South Street) portions of the block, the units should be located on upper building levels.
- o Absorption – we feel that a quality rental project could achieve absorption at a rate of 20+/- units annually;
- o A review of *higher* quality rental units in the Bennington market indicates that median rents for one bedroom units are currently at \$975 per month, while median rents for two bedroom units are currently at \$1,300 per month. Overall, *net annual* rents per square foot are in the \$13 to \$17 range.

The table on the following page presents a highly simplified pro forma for a residential development, including the following assumptions (financial inputs are shown in the table). *It is essential to note that myriad assumptions could be incorporated into any pro forma, each of which would alter the outcome:*

Capital Costs

- o 32,000 gross sq. ft. of office space – developed at one time; assumes average unit size of 1,175 square feet living space (50/50 mix of one and two bedroom units and 15 percent on top for common areas; assumes completed development in one phase and absorption as shown in table;
- o Cost allocation for site development ~ assumes that public sector may ‘pick-up’ a portion of site development costs;
- o Assumes a 20 percent ‘down-payment’ on the vertical cost of the residential space.

Revenues

- o Assumes monthly net rents of \$975 for one bedroom units and \$1,325 for two bedroom units;

Additional assumptions as shown.

Hypothetical Pro Forma – Rental Residential Development

Capital Cost:		Revenues	
Vertical Cost - Residential Unit	24	Annual Net - 1BR	\$11,700
Gross Sq. Ft.	32,000	Annual Net - 2BR	\$15,900
Const. Cost per Sq. Ft.	\$150	Vacancy	5%
Vertical Cost =	\$4,800,000		
Site Development Allocation			
% of Bldg. Space	23%		
Allocated @ 50%	\$257,613		
Total Capital Cost =	\$5,057,613		
Finance:		Operating	
Investment	960000	Property Taxes (at Completion)	\$99,538
Loan Amount	4,097,613	Insurance	\$14,400
Rate	4.80%	Maint/Repairs (at Completion)	\$33,600
Period	15	Management	5%
		Other	

Year	1	2	3	4	5
Absorption - 1 BR	5	6	1		
Cumulative 1BR	5	11	12	12	12
Absorption - 2BR					
Cumulative 2BR	5	6	1		
	5	11	12	12	12
Revenue					
Gross	\$138,000	\$303,600	\$331,200	\$331,200	\$331,200
Other Income	\$4,140	\$9,108	\$9,936	\$9,936	\$9,936
Total Revenue	\$142,140	\$312,708	\$341,136	\$341,136	\$341,136
Vacancy Allowance	5%	5%	5%	5%	5%
Net Revenue	\$135,240	\$297,528	\$324,576	\$324,576	\$324,576
Operating Expenses					
Property Taxes	\$41,474	\$91,243	\$99,538	\$99,538	\$99,538
Insurance	\$6,000	\$13,200	\$14,400	\$14,400	\$14,400
Utilities	Net	Net	Net	Net	Net
Maint/Repairs	\$14,000	\$30,800	\$33,600	\$33,600	\$33,600
Management	\$6,762	\$14,876	\$16,229	\$16,229	\$16,229
Other					
Total Expenses	\$68,236	\$150,119	\$163,766	\$163,766	\$163,766
Operating Cash Flow	\$67,004	\$147,409	\$160,810	\$160,810	\$160,810
Finance Costs					
Capital Investment	\$960,000				
Mort. Amortization	\$192,769	\$202,022	\$211,719	\$221,882	\$232,532
Mort. Interest	\$196,685	\$187,433	\$177,735	\$167,573	\$156,923
Cash Flow Before Taxes					
	-\$1,089,681	-\$40,024	-\$16,926	-\$6,763	\$3,887

The pro forma indicates that the project could reach positive cash flow in the 5th year and that a sale in the 6th year could result in a positive IRR.

Retail Space – retailing is essential to the downtown experience. Moreover, it is apparent that a core location such as the Greenberg Block should include retailing in order to activate the redevelopment and more broadly enhance downtown Bennington. Building frontage on Main and South Streets is prime real estate for retailing in this community. With these goals in mind, it is essential to acknowledge that Bennington retailing has suffered in recent years, with a loss over sales volume and perhaps more significantly, the loss of a number of key retailers. On-site retailing is under siege as a result of Internet shopping, making it clear that successful retailing must be highly targeted, particularly in a downtown setting:

- o The 2006 land use inventory for downtown showed approximately 180,000 square feet in commercial-retail use, accounting for approximately 50 percent of downtown's non-residential building space. The evidence suggests that this has declined since then – Bennington's retail employment level declined by 15 percent between 2000 and 2014.
- o Discussions with contacts familiar with the downtown retail market indicate that several 'destination' retailers have expressed interest in downtown sites, noting Bennington's location at the intersection of Route 7 and 9 and as a gateway to Vermont. A retailer with an established name and following that draws on clientele can break the 'rules' of contemporary downtown retailing; as they establish their owner market. While a big box store that is replicated throughout the region would not be advantageous to the downtown, a 'one-of-a-kind' retailer would make sense.
- o The output of the retail gap analysis points to several retail categories that have potential for downtown Bennington. (See pp. 51, 52); these should serve as a guide to leasing efforts.

Retail Feasibility Assessment

- o Unless a destination retailer is attracted to the downtown, the 12,000 square feet of retail space shown in Alternative B is a more realistic goal for the Greenberg Block. While retail leasing can be sporadic, the evidence suggests that it is reasonable to project 4,500⁺ square feet of absorption on an annual basis.
- o Current retail lease rates in downtown Bennington reflect low commercial building pricing and the market realities of a retail recession and slow recovery. Even at the 'high' end, current net rates are only in the \$12 to \$14 (Net) per square foot range.

The table on the following page presents a highly simplified pro forma for an retail development, including the following assumptions (financial inputs are shown in the table). *It is essential to note that myriad assumptions could be incorporated into any pro forma, each of which would alter the outcome:*

Capital Costs

- o 12,000 gross sq. ft. of office space – developed at one time; assumes that net 10,500 sq. ft. would be available for leasing;
- o Cost allocation for site development ~ assumes that public sector may ‘pick-up’ a portion of site development costs;
- o Assumes a 20 percent ‘down-payment’ on the vertical cost of the retail space.

Revenues

- o Assumed absorption rate of 4,500 sq. ft. annual;
- o Net rental rate at \$14 per sq. ft.

Additional assumptions as shown.

Hypothetical Pro Forma – Retail Development

Capital Cost:		Revenues	
Vertical Cost		Net Rent per Sq. Ft.	\$14
Gross Sq. Ft.	12,000	Other Revenues	2%
Const. Cost per Sq. Ft.	\$130	Vacancy	15%
Vertical Cost =	\$1,560,000	Operating	
Site Development Allocation		Property Taxes (at Completion)	\$32,350
% of Bldg. Space	7%	Insurance	\$4,680
Allocated @ 50%	\$81,444	Maint/Repairs (at Completion)	\$11,232
Total Capital Cost =	\$1,641,444	Management	10%
		Other	

Finance:	
Investment	312000
Loan Amount	1,329,444
Rate	6.00%
Period	15

Year	1	2	3	4	5
Absorption (Sq. Ft.)	2,000	4,500	4,000		
Cumulative Absorbed	2,000	6,500	10,500	10,500	10,500
Revenue					
Gross	\$28,000	\$91,000	\$147,000	\$147,000	\$147,000
Other Income	\$560	\$1,820	\$2,940	\$2,940	\$2,940
Total Revenue	\$28,560	\$92,820	\$149,940	\$149,940	\$149,940
Vacancy Allowance	15%	15%	15%	15%	15%
Net Revenue	\$24,360	\$79,170	\$127,890	\$127,890	\$127,890
Operating Expenses					
Property Taxes	\$5,392	\$17,523	\$28,306	\$28,306	\$28,306
Insurance	\$780	\$2,535	\$4,095	\$4,095	\$4,095
Utilities	Net	Net	Net	Net	Net
Maint/Repairs	\$1,872	\$6,084	\$9,828	\$9,828	\$9,828
Management	\$2,800	\$9,100	\$14,700	\$14,700	\$14,700
Other					
Total Expenses	\$10,844	\$35,242	\$56,929	\$56,929	\$56,929
Operating Cash Flow	\$13,516	\$43,928	\$70,961	\$70,961	\$70,961
Finance Costs					
Capital Investment	\$312,000				
Mort. Amortization	\$57,117	\$60,544	\$64,176	\$68,027	\$72,108
Mort. Interest	\$79,767	\$76,340	\$72,707	\$68,856	\$64,775
Cash Flow Before Taxes	-\$378,250	-\$32,411	-\$1,746	\$2,105	\$6,186

Primarily as a result of relatively low vertical construction cost, the project could show positive cash flow in the 4th year of operations.

APPENDIX C

Compiled Comments on the Conceptual Redevelopment Plans

Bennington Areawide Plan

Greenberg Block Redevelopment Concepts

Comment Card Compilation – Farmers Market and Homebrew Fest Outreach

August 1, 2015

Comments Regarding Conceptual Alternatives and Desires for the Area

- I would like to see a permanent home for the Farmers Market
- I like the Hotel
- I like apartments combined w/ town houses
- I like any revitalization
- Keep (historic) facades
- Gallery space: Bennington Museum/Bennington College
- Food: Like Simon Pearce, but with Bennington – also like Duo in Brattleboro
- Nice, quality retail
- I think it should be used to make individual home shelter for men or women with children and one for families with children. That's what we need in Bennington.
- Hockey Rink/Riley Rink (Manchester, VT) over by Elks Club (where townhouses are).
- Maximize and centralize green space "Central Park"
 - Use for concerts and outdoor movies
 - Welcoming family atmosphere
- Hotel and Townhouses – Yes! Check out Carriddi Mill in North Adams, MA
- Need something for at-risk kids
- Love both plans for use of space. Downtown hotel would be a big plus.
- Restaurants!! Downtown hardware store!
- Alternative A offers more for the whole Bennington Community. The park will draw more people downtown to help support Main Street and bring in more business. We have ample housing now and need more business and open space to allow this to grow.
- Hotel yes!! Restaurants yes!!
- Beautiful spaces
 - Downtown market is very important plus green spaces
- Open green space downtown is critical for Bennington. Social gathering and event, relaxation spot would promote further downtown development.
- Looking for more diversity in retail offerings – bringing in the youth voice and interest in diverse cuisine options and walkable city planning.
- We really need a food store for this part of town. Please! Thank you.
- Must spend \$ and planning in residential areas not in downtown. Too much tax payer \$ has been spent to pay to improve private buildings and lots downtown.
- We need quality downtown townhouses for young professional and empty nesters. When you have people living downtown, and not low-income housing, you bring business to town.
- I love this! Bennington really needs/deserves a place for people to gather and address downtown vibrancy, parking, transportation, restaurants, food, farmers market and youth. A food truck presence and performance stage would be really amazing. Please look at examples like: Saxapahaw, NC; Dunedin, FL; Hudson, NY; and Burlington, VT for inspiration. Thank you!

- Attractive, convenient and well-marked off-street parking is the most important thing that downtown needs. Both options have this.
- Any restaurants that could have nice outdoor seating is a plus.
- Hotel options with a bus to ski resorts is our preferred option of the two. Especially if we can continue to support events like Full-Tilt Boogie, car show, etc.
- Both options look good!
- Put in an amphitheater.
- Expand the Old Castle Theater – they need a bar like the Proctor Theater in Albany.

General Comments

- Can you please get the plans online in a readable format?
- Include Main Street from Four Corners to Union Street in planning.