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Winooski Falls

Winooski, Vermont

Project Type: **Mixed Use—Three Uses or More**

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PROJECT TYPE

Situated on 20 acres (8 ha) along the Winooski River, Winooski Falls is a mixed-use project that creates a new downtown core for Winooski, a town immediately north of Burlington, Vermont. Developed through a public/private partnership among the Braverman Company, HallKeen, and the city of Winooski, the project comprises 50,000 square feet (4,645 sq m) of street-level retail space, 126,000 square feet (11,705 sq m) of office space, 84 university housing units, 213 mixed-income apartments, and a residential project that will feature 234 condominiums when completed. It also includes a six-story parking structure and infrastructure improvements such as a traffic circle and riverwalk that provides public access along the river.

LOCATION

Central Business District

SITE SIZE

20 acres/8 hectares

LAND USES

Condominiums, Multifamily Rental, Office Building, Neighborhood Retail Center, Student Housing, Urban Park

KEYWORDS/SPECIAL FEATURES

- Riverfront
- Pedestrian-Friendly Design
- Infill Development



- Public/Private Partnership
- Mixed-Income Housing

WEB SITE

www.winooskifalls.com

DEVELOPERS



The Braverman Company, LLC
Winooski, Vermont
802-655-3200

www.bravermancompany.com

HallKeen
Norwood, Massachusetts
781-762-4800

www.hallkeen.com



ARCHITECTS

Spinner Place and the Cascades

Niles Bolton Associates, Inc.
Atlanta, Georgia
404-365-7600

www.nilesbolton.com

Keen's Crossing

Arrowstreet
Somerville, Massachusetts
617-623-5555

www.arrowstreet.com

GENERAL DESCRIPTION

Located on what was once the city of Winooski's abandoned urban core, Winooski Falls features housing, shops, offices, and parking, all just steps away from the Winooski River. The result of a public/private partnership among two private developers and the city, the project also includes \$24 million in infrastructure improvements, such as a traffic circle, parks, and a riverwalk. The project has five components. The Vermont Student Assistance Corporation (VSAC) building is an 85,000-square-foot (7,896-sq-m) office building. There is also a six-story, 950-space municipality-owned parking garage. Keen's Crossing comprises 213 units of mixed-income rental housing in four buildings. Located in a structure wrapped around the parking garage, Spinner Place University Housing can accommodate up to 312 beds for college students in the five stories above ground-floor retail. Offering 70 condominium units and an underground parking garage, the Cascades will feature 234 units at buildout.

THE SITE

With a population of around 6,300, the city of Winooski is located in Chittenden County, Vermont, and is a part of the Burlington/South Burlington metropolitan statistical area (the population of which was estimated at 207,400 in 2007). This area includes three northwestern Vermont counties and is anchored by the city of Burlington, which is

located on the shores of Lake Champlain. The region is known for its highly educated workforce, liberal arts colleges, liberal government policies, and high-tech and health care industries.

Winooski Falls sits on a 20-acre (8-ha) quadrangle of land that is defined by the Winooski River to the south, Abenaki Way to the east, Main Street (Routes 2 and 7) to the west, and East Allen Street (Route 15) to the north. To help ease the increase in traffic generated by the new structures, a traffic circle was built by the city. Located along Main Street at the western edge of the project, the circle represents part of the city's infrastructure investment in the redevelopment program.

Champlain Mill, listed on the National Register of Historic Places, is situated at the southwestern corner of the project. Sitting along the riverfront, it was a working woolen mill from 1910 to 1954. To the east of the site is a 60-acre (26.8-ha) wilderness area with trails for walking and biking.

BACKGROUND

Winooski Falls is part of a revitalization of downtown Winooski that has been 25 years in the making. Since the closing of its wool mills, the city has struggled to keep up with nearby Burlington, which is home to the University of Vermont and Fletcher Allen Health Care—two of the state's largest employers. In the 1960s and 1970s, the city scrapped the old tenement housing that defined the downtown core in order to jump-start urban revitalization. But the sought-after result never materialized and by the 1980s the area was home to retail strip centers. Big-box retail arrived in Vermont in 1988 and the independent businesses that occupied the strip centers departed soon thereafter. Soon, Winooski's urban core was abandoned.

By the early 1990s, the city had once again started planning for the new downtown that would eventually become Winooski Falls. In its first iteration, a master plan was created and promoted by the municipality's quasi-public development agency, the Winooski Community Partnership, which, at the time, acted as lead developer. The plan was presented to Howard Dean, then governor of Vermont, who rejected the proposal during his last year in office. A few months later, the plan was approved by the incoming governor, Jim Douglas, who believed that the project could be a model for towns across Vermont. However, his approval came with the stipulation that Winooski Falls be developed through a public/private partnership with experienced private sector developers. The state would play an important role in the project by guaranteeing the loans required for the buildout of infrastructure, including roads, parks, the traffic circle, and the parking garage.

After spending several years and millions of dollars master planning the area, the city was ready to engage developers, and in 2003, it issued a request for proposals (RFP). Ken Braverman, CEO of the Braverman Company, was already known among local officials for his work in the area with other firms. Recognizing that he could not land the project alone, Braverman teamed up with HallKeen, an organization that could bring size, scale, and affordable housing experience to the table. Although the city had a master plan in place, many of the competing developers disregarded it. The Braverman/HallKeen team, however, embraced the master plan in its proposal, a key move that helped it land the project.

Based in the Boston area, HallKeen is mid-sized development company that specializes in value-added multifamily rehabilitation projects, mixed-income apartment communities, and affordable housing and management. The firm was originally an affordable housing management concern, until the current partners of HallKeen added acquisition and development to its offerings in 1991. As of fall 2008, HallKeen manages over 6,500 apartment units.

The development team of Braverman and HallKeen included four active partners. However, four years into the project, partner Bob Keen passed away. His unexpected death placed an immediate need on the partnership for replacement equity. At the time, the project was 75 percent complete and Ken Braverman approached the institutional market for investors. Many felt that the institutions would not have an appetite for a complicated project such as Winooski Falls and indeed they were not interested at the project's outset earlier in the decade. In the ensuing years, however, several institutional investors and funds had become familiar with infill, new urbanist,

mixed-use projects such as Winooski Falls; in fact, some funds are now focused specifically on this niche. In October 2007, Braverman found such a firm—the New Boston Fund—to take Bob Keen’s stake.

PLANNING

The development team then spent the next six months in negotiations with the state’s departments of commerce and transportation and the governor’s office to push through key changes that were imperative to the project’s success. First, the team lowered the overall density of the project from 800 residential units to 600. By eliminating 200 units, the development team was able to eliminate costs associated with higher-density construction methods, which would have called for concrete or steel. Instead, the residential Keen’s Crossing and the Cascades are made from wood-frame structures over concrete podiums with parking underneath. Decreasing unit counts also saved on the costs of developing additional parking.

The original plans also called for the project to be built in two phases. Because downtown Winooski is part of a tax increment financing (TIF) district with funds derived from each phase going to pay down debt, the city and local taxing authorities were eager to have the project completed quickly so they could begin taxing it to pay the infrastructure costs. Often, the mantra with TIF districts is “build so we can pay our bills” rather than “build as the market demands.” The development team was able to demonstrate the risks associated with building too far ahead of the market and eventually had the project slated for seven phases. By increasing the number of phases, the market risks were mitigated.

The city’s largest employer—VSAC, a nonprofit agency that helps Vermonters go to college with grants, loans, and other assistance—became a partner and agreed to spend \$14 million to construct a new building on site. A key component of the overall master plan, the 85,000-square-foot (7,896-sq-m) office building now houses over 340 employees and is a main anchor for the project.

Finally, to retain the historic character of a New England mill town, the city wanted full screening of the aforementioned 950-space, six-story parking garage. The original master plan called for a seniors’ housing building to wrap the structure. However, a long and skinny building that wraps a parking structure is extremely inefficient and expensive to construct. Furthermore, the long hallways of the proposed building (measuring 800 linear feet/244 meters) would not have worked for seniors’ housing, which is traditionally constructed around a central core in order to save elderly residents from long walks. Because the area is home to a number of universities, the development team decided that student housing would be a more appropriate use for Spinner Place, as college students would not have an issue with walking the long corridors.

DESIGN

Aesthetics and parking have driven the design and development processes. Unlike the prior attempts to develop the area, Winooski Falls has been designed to evoke Winooski’s history as a mill town and to echo the red-brick facade of the historic Champlain Mill. Parking is kept out of sight. At nine feet (2.7 m) wide, Winooski Falls’ tree-lined sidewalks can accommodate an active street life, and sight lines and view corridors to the river and nearby historic properties were maintained and respected in all planning and development decisions.

The design of the four-block project kept the existing street grid intact. As mentioned previously, the traffic circle marks the western edge of the project, and the large block immediately to the east is home to the parking garage, the VSAC building, and Spinner Place. The VSAC building faces East Allen Street, while Spinner Place lines the perimeter of the block and faces the three remaining streets. The parking garage is located in the center. East of this block sits Keen’s Crossing, which takes up the northeastern quadrant of the site. To its south is the Cascades. Champlain Mill sits to the west of the Cascades and both structures line the riverfront. East of both the Cascades and Keen’s is the aforementioned 60-acre (26.8-ha) wilderness area.

DEVELOPMENT PROGRAM AND FINANCING

As stated earlier, the separate projects within the overall development program comprise a variety of uses, including student housing above retail at Spinner Place, mixed-income apartments at Keen's Crossing, condominiums at the Cascades, office uses at the VSAC building, as well as the parking garage and infrastructure work. Though not a part of the original development program, the Champlain Mill adaptive use project is included in this discussion due to its location and the fact that it was developed by Braverman/HallKeen.

Spinner Place, the Parking Garage, and the VSAC Building. Because the 950-space parking garage is attached to both Spinner Place and the VSAC building, coordination among the three owners was crucial. The first floor of the garage is used for municipal parking, the ground-floor retail, and overflow parking from the multifamily housing projects. The majority of garage's spaces are reserved for the VSAC building, Spinner Place, and Champlain Mill.

Designed by Atlanta-based architecture firm Niles Bolton, the majority of Spinner Place's units are laid out in suites with large kitchen and living room areas. The ground floor contains 16,000 square feet (1,486 sq m) of retail space while floors two through six can accommodate up to 312 beds. Rents per bed are \$670 per month with all utilities included. Ground-floor retail space rents range from \$16 to \$24 per square foot (\$172.22 to \$258.33 per sq m) triple net. The students can park in the parking structure and have controlled access from it to Spinner Place on several levels. Only 50 percent of the student residents own cars and the remainder rely on a shuttle bus service.

Spinner Place is based on the privatized university housing model. To develop the student housing, the development team partnered with the nonprofit Collegiate Housing Foundation. The foundation owns Spinner Place and its involvement in the project was necessary to secure tax-exempt bond financing from the Vermont Housing Finance Agency. For Braverman/HallKeen, this was not just a fee development deal. While the foundation owns the housing, the development team owns the ground-floor retail space, which it purchased for \$500,000, the prorated cost of construction.

Since its opening, Spinner Place has been a success. Overall residential occupancy of the facility is 100 percent. St. Michael's students occupy 42 beds and Chamberlin College leases 270 beds from the foundation. As of fall 2008, the developer-owned ground-floor retail is only partially leased.

Keen's Crossing. Keen's Crossing is a 230-unit, mixed-income rental housing project with 213 underground parking spaces and 5,200 square feet (482 sq m) of ground-floor retail space. Designed by Arrowstreet, another Boston-based architecture firm, it includes townhouses, lofts, and flats. Challenging hillside soil conditions and 17 different floor plans complicated the construction process. With half of the units designated for affordable housing and the other half rented out at market rates, each floor of the project mixes income levels.

The project is 0.5 mile (0.8 km) away from the largest medical facility in northern New England, which also includes a medical school. Medical professionals and students make up a significant portion of the residents and the project was fast-tracked in order to be available for incoming medical students. Affordable rental rates range from \$750 for a one-bedroom unit to \$1,200 for three bedrooms. Market-rate units go from \$1,180 for a one-bedroom apartment to \$1,700 for a two-story townhouse with vaulted ceilings and large windows. Parking is available for \$72 per month. As of fall 2008, Keen's Crossing is 94 percent occupied.

Even with the large city-owned parking garage at the center of Winooski Falls, parking remains at a premium. Because Keen's Crossing's underground parking remains empty during the day while the residents are at work, there have been suggestions for a possible shared parking program with adjacent office users.

Keen's was financed using private equity, \$22 million in low-income housing tax credits, a Community Development Block Grant, and HUD HOME funds. Five years' worth of Vermont's low-income housing funds were also used. The tax credits were placed with AGON Realty. Since every floor has residents with a mix of income levels and different financing methods were used for the market-rate and affordable units, care was taken in crafting a condominium agreement so the units could be financed appropriately. Rules were put in place to retain the proper 50/50 ratio of affordable to market-rate units—which is important to preserve the tax credit benefit. Keen's is 99 percent owned by limited partner AGON and 1 percent owned by general partner HallKeen, which also

manages the property. Construction financing was obtained through Bank of America and there is a 15-year lockout period before the entire project can be converted to market-rate units or for-sale condos.

The Cascades. For over 100 years, Winooski had its back turned to the river. Reversing this trend, Phase I of the Cascades commands views of the Winooski River. Each of the project's 70 residential condominiums comes with a parking space in the building's underground garage.

Heeding lessons learned from Keen's Crossing, Braverman and HallKeen reached out to a wider demographic, shifting from the original target market of empty nesters to a workforce market. Prices at the Cascades start at \$198,000 for one-bedroom units, with larger dwellings selling for more than \$700,000. Seventeen of the one-bedroom condos are priced below \$285,000 and are financed by the state housing authority and the Vermont Housing Finance Agency.

The market-rate component of the project was funded by Citizens Bank. Braverman/HallKeen secured funding for the Cascades during a challenging time in the market, right in the middle of a nationwide condo and finance meltdown. The success of Keen's Crossing next door gave lenders the assurance that housing demand in the area was strong and that the Cascades could be converted and operated successfully as a rental project if necessary.

Keen's Crossing also provides a marketing advantage for the Cascades because potential buyers could rent a unit at Keen's while the Cascades was under construction. By focusing on the target market of health care professionals for both Keen's and the Cascades, Braverman/HallKeen alleviated some of the risks associated with the recent economic downturn and mortgage crisis. The health care sector's relatively well-paid employees tend to be protected from recessions.

The Cascades is currently 75 percent through the construction phase and slated for a December 2008 grand opening. As of September 2008, 13 units are under contract. Phase II of the Cascades calls for an additional 84 units. At buildout, the Cascades will have 234 units total.

Champlain Mill. Though not a part of the city's original redevelopment plan, Champlain Mill is an important structure that defines the area and helped set the design standard for the overall master plan. Many of the structures in Winooski Falls were inspired by Champlain Mill's roof line or facade. Since 2004, Braverman/HallKeen had the building under option to develop and the partnership is now preparing the former mill for eventual office use by the Vermont Software Alliance.

The five-story, 156,000-square-foot (1,449-sq-m) structure was originally a woolen mill that later became home to an electronics manufacturer in the late 1950s. While it was being used as an electronics factory, a mercury spill occurred. During Braverman/HallKeen's option period, a complex, \$1.1 million environmental remediation of the property was undertaken. Over 410 samples were taken to locate mercury from the 58-year-old spill that was still lodged between the floorboards. Then the floor had to be structurally stabilized after removing the contaminated materials under negative pressure. The remediation occurred while some of the current tenants were in place.

Infrastructure and Parks. The city paid for the road construction, parks, hardscapes, brick pavers, gates, and the aforementioned traffic circle. At the time it was being planned, the circle was controversial; concerned neighbors feared it would spoil the small-town feel of their city. After construction, however, the traffic circle and the green space at its center are a success. The circle now plays an important role in moving traffic smoothly through the newly densified area.

The \$24 million in infrastructure costs were funded as a Federal Highway Administration project split among the federal government (80 percent), the state (10 percent), and the city (10 percent). As such, all infrastructure was built and completed in one phase. Having the infrastructure in place helped with marketing efforts for the residential units but forced crews to build around the improvements or risk damaging them during the construction process.

The city also used federal money to fund the \$2.4 million riverwalk that skirts the Winooski River and leads to the wilderness area immediately east of Keen’s Crossing and the Cascades.

EXPERIENCE GAINED

Winning the Environmental Protection Agency’s 2006 National Award for Smart Growth Achievement, Winooski Falls has gained distinction around across the country as a model for downtown revitalization. As a large-scale construction project in a city measuring only 1.2 square miles (3.1 sq km), Winooski Falls fills what was once a gaping hole (both physically and financially) in the city’s downtown without overwhelming it. The new buildings are intended to blend in with the old and bring new life to the community. The following tools and concepts helped the development team bring the project about:

- **Appropriate density and phasing.** Early in the negotiation process, Braverman and HallKeen argued for a reduction in density and an increase in the number of phases—two key issues that were critical in reducing both risk and cost. Also, by including multiple phases, densities could still be increased in the future.
- **Health care and university target markets.** The development team focused its marketing and programming to capture the health care and university target markets. Both groups are still viable buyers/renters during a recession.
- **Institutional participation.** Complex mixed-use projects that employ a myriad of financing tools allow for true mixed-income neighborhoods. Institutional equity partners are becoming aware of this trend in development and have begun to form urban infill-specific funds.
- **Wrap buildings.** The concept of wrapping or hiding a central parking structure with apartments or retail is a current trend. Often, these wrapped buildings are mandated by a regulatory agency and developers must carefully consider the floor plate layout of these challenging structures when selecting an appropriate use.
- **Backup plans.** The developers counted on an agreement with the University of Vermont to help fill Spinner Place. When that agreement fell through at the last minute, they were fortunate to have nearby Saint Michael’s College and Chamberlin College to help fill the void.
- **Model units.** Initially, the market for office space at Winooski Falls was flat. Prospective tenants were shown empty spaces that they could customize as they wanted. Once the development and sales office was moved from Champlain Mill into a finished space in Spinner Place, tenants were able to see how a finished office might look. As a result, leasing picked up.

PROJECT DATA			
LAND USE INFORMATION			
Site area (acres/hectares): 20/8 Percentage complete as of September 2008: 85 Gross density (units per acre/hectare): 26/64.3			
RESIDENTIAL INFORMATION			
Spinner Place University Housing			
Unit Type	Floor Area (Square Feet/ Square Meters)	Number of Units	Range of Initial Rental Prices
Two-bedroom, one-bathroom unit	610–759/57.0–70.5	15	\$750–\$760
Four-bedroom, two-bathroom unit	985–1,090/91.5–101.0	64	\$620–\$660
Three-bedroom, two-bathroom townhouse	1,027/95.5	1	\$660
Five-bedroom, two-bathroom townhouse	1,237/115.0	3	\$640
Eight-bedroom, four-bathroom townhouse	2,264/210.0	1	\$640

Number of units: 84

Keen's Crossing

Unit Type	Floor Area (Square Feet/Square Meters)	Number of Units	Range of Initial Rental Prices (Market Rate/Affordable)
One-bedroom, one-bathroom unit	871-969/81.0-90.0	48	\$1,075-\$1,175/\$634-\$766
Two-bedroom, two-bathroom unit	979-1,134/91.0-105.5	119	\$1,350-\$1,485/\$752-\$911
Three-bedroom, two-bathroom unit	1,209-1,227/112.0-114.0	21	\$1,700/\$860-\$1,043
Two-bedroom, two-bathroom townhouse	1,305/121.0	16	\$1,495/\$752-\$911
Two-bedroom, one-bathroom loft	873-1,230/81.0-114.0	9	\$1,475-\$1,700*

Number of units: 213
 * Available only at market rates.

The Cascades

Unit Type	Floor Area (Square Feet/Square Meters)	Number of Units	Range of Initial Sales Prices
One-bedroom unit	871-969/81.0-90.0	13	\$198,000-\$235,000
One-bedroom with den	952-969/88.5-90.0	11	\$260,000-\$345,000
Two-bedroom unit	1,065-1,144/99.0-106.0	33	\$272,000-\$375,000
Two-bedroom with den	1,271-1,521/118.0-141.0	9	\$365,000-\$580,000
Two-bedroom loft	1,639-1,760/152.0-163.5	4	\$615,000-\$700,000

Number of units in Phase I: 70
 Number of units at buildout: 234

OFFICE INFORMATION (Excluding Champlain Mill)

Area (gross square feet/square meters): 126,000/11,705
 Annual rents (per square foot/square meter): approximately \$13-\$20/\$139.93-\$215.27
 Average length of lease: 3-5 years
 Typical terms of lease: Triple net

RETAIL INFORMATION

Retail Program	Number of Stores	Total Gross Leasable Area (Square Feet/Square Meters)
General merchandise	9	20,000/1,858.0
Food service	4	15,000/1,393.5
Clothing and accessories	2	2,500/232.0
Gift/specialty	2	7,500/697.0
Personal services	2	5,000/464.5
Total	19	50,000/4,645.0

Annual rents (per square foot/square meter): approximately \$16-\$24/\$172.22-\$258.33
 Average length of lease: 3-5 years

DEVELOPMENT COST INFORMATION

Site Acquisition Cost: As part of the public/private partnership agreement, the city of Winooski retained ownership of the land

Infrastructure Costs (paid with public funds): \$54 million

Development Costs (paid by Braverman/HallKeen): \$112.2 million

Spinner Place University Housing: \$23.6 million
Keen's Crossing Mixed-Income Apartments: \$56 million
The Cascades, Phase I: \$19.5 million
Champlain Mill: \$14.1 million

DEVELOPMENT SCHEDULE

Spinner Place

Planning started: June 2003
Construction started: July 2004
Sales/leasing started: January 2006
Project completed: January 2006

Keen's Crossing

Planning started: January 2005
Construction started: February 2006
Leasing started: December 2006
Phase I completed: February 2007
Phase II completed: June 2007
Phase III completed: July 2007
Phase IV and project completion: November 2007

The Cascades

Planning started: June 2006
Sales started: April 2007
Construction started: summer 2007
Phase I completion: fall 2008

DRIVING DIRECTIONS

From Burlington International Airport: Exit the airport using Airport Drive. Turn left onto White Street. Continue on White Street for a little less than a mile (about 1.6 km), then take a slight right onto Route 2/Williston Road. After almost a mile on Route 2, make another slight right onto East Avenue. About a little more than half a mile (about 1 km) later, turn right onto Colchester Avenue/Ethan Allen Highway. Cross the Winooski River and the project is immediately on the right.

Driving time: Less than ten minutes in nonpeak traffic.

Derek Rice, report author
Anil Krishnamurthy, report author
Jason Scully, editor, *Development Case Studies*
David James Rose, copy editor
Joanne Nanez, online production manager

This Development Case Study is intended to serve as a resource for subscribers in improving the quality of future projects. Data contained herein were made available by the project's development team and constitute a report on, not an endorsement of, the project by ULI—the Urban Land Institute.

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Photo courtesy of the Braverman Company, LLC

Comprising a mix of apartments, condominiums, and retail and office space, Winooski Falls is a 20-acre (8.1-ha) infill project located along the Winooski River in downtown Winooski, Vermont. (Picture here are Champlain Mill in the foreground and Spinner Place in the background.)



Photo courtesy of the Braverman Company, LLC

Three sides of a six-story, 950-space parking structure are wrapped by Spinner Place's 84 units of student housing. Fronting the fourth side is the VSAC building, which features 85,000 square feet (7,896 sq m) of office space for over 340 employees.



Photo courtesy of the Braverman Company, LLC

The 70-unit first phase of the Cascades—Winooski Falls’s condominium project—is scheduled to open in December 2008. At buildout, the Cascades will have 234 dwellings.



Photo by author

Providing a mix of both affordable and market-rate apartments, Keen’s Crossing consists of 5,200 square feet (482 sq m) of ground-floor retail space, 213 underground parking spaces, and 230 dwellings in a variety configurations, including townhouses, lofts, and flats.



Photo by author

The result of a public/private partnership, Winooski Falls benefited from infrastructure improvements such as a new traffic circle (pictured here). The \$24 million infrastructure costs were split among the federal government (80 percent), the state (10 percent), and the city (10 percent).



Photo by author

Though not originally part of the city's redevelopment plan, the five-story, 156,000-square-foot (1,449-sq-m) Champlain Mill has undergone a bioremediation process to clean up a mercury spill and is, as of fall 2008, being prepared for future office use.



Winooski site plan.