[4 ECONOMIC DEVELOPMENT IMPACTS]

FINANCIAL/MARKET FEASIBILITY

The Hamilton Canal District represents an extraordinary opportunity to transform a blighted tract of land into a vibrant community with the economic potential to enhance the entire City of Lowell. With its location near public transit, a growing population and the cultural, recreational and historical elements that tend to draw creative businesses and individuals, the HCD is poised to compete with other cities and developments to attract necessary capital investment. Additionally, Lowell's reputation as a proven market with $183 million of private investment in Downtown and 2.6 million square feet of formerly vacant downtown buildings converted to new uses since 2000, has laid the groundwork for a successful future.

Authentic Urban Environment

Lowell's unique history has provided the backdrop for the community it has become, both physically and culturally. The urban fabric of the Downtown is dominated by statuesque mill buildings, historic canals, and the impressive Concord and Merrimack rivers that initially attracted industry to the City. These characteristics set apart Lowell's downtown from those of similarly sized cities and provide an authentic urban experience. From its beginnings as a destination for waves of European immigrants, today Lowell continues to draw individuals and families around the world.





Lowell's plethora of cultural resources, including museums, cultural facilities and art galleries/studios have the combined effect of giving Lowell a reputation as an arts haven. Organizations such as the American Textile History Museum, the Brush Art Gallery and Studios, the Western Avenue Studios, the Merrimack Repertory Theatre, The Revolving Museum and the performing arts groups of UMass Lowell and Middlesex Community College have contributed to the artistic aura of the community. A series of festivals such as the Lowell Folk Festival, the largest free folk festival in the country, have also added to the allure of the City as an arts mecca.







Lowell's downtown is peppered with a range of independent businesses and cafes that appeal to a diverse group of people-young and old. A mix of restaurants offer a global selection of foods, and art galleries/studios dot the historic cobblestone streets. The City also offers a full range of recreational activities. Sailing, fishing, waterskiing and other water sports are popular pursuits on the Merrimack and Concord Rivers. The Lowell-Dracut-Tyngsborough State Forest is located within the City, with 6 miles of trails for hiking, skiing, horseback riding, backpacking, and cycling and a 30-acre lake for skating and fishing. Atlantic Ocean beaches are less than an hour's drive and the White Mountains are a two-hour drive to the north in New Hampshire.

With a diverse population, street-level culture,

and access to active recreational activities, Lowell is an example of an authentic urban environment and is poised to draw members of what Richard Florida, author of The Rise of the Creative Class, terms "the creative class." Made up of scientists and engineers, university professors, artists, architects, writers, and professionals in knowledge intensive industries such as the high tech sector, financial services, legal and health care, the creative economy represents an engine for economic development. According to Florida, "The key to economic growth lies not just in the ability to attract the creative businesses and individuals, but to translate that underlying advantage into creative economic outcomes in the form of new ideas, new high-tech businesses and regional growth." Communities like Austin, TX and Minneapolis, MN that have genuine elements and foster diversity, have been most successful in leveraging those resources and attracting capital for investment.



Attracting and keeping such creative individuals

is a key component of the City's comprehensive master plan, and a priority of the Patrick Administration, which announced in 2008 the appointment of a first in the nation Creative Economy Director.

With a broad mix of uses, the thoughtful redevelopment of historic buildings, innovative, sustainable new construction, pedestrian oriented streetscapes and canal walks, and access to public transit, the Hamilton Canal District development recognizes the importance of creating an environment that has by definition a high "quality of place." The Hamilton Canal District recognizes Lowell's creative community as a key element to the development's success and the continued success of the City. With both the genuine historic and cultural elements, and the traditional retail and office components that are essential to a successful urban community, Lowell has laid the groundwork for a successful future.



A number of additional factors will contribute to the success of the Hamilton Canal District. While separate market studies will likely be conducted on a parcel-by-parcel basis for individual development parcels, the following elements are integral to the success of the project as a whole.

Population Growth

Population growth is a key factor in determining the siting of development projects. According to a 2005 market study conducted by ZHA, Inc. and Zimmerman/Volk Associates, Lowell is part of the of the Boston-Worcester-Lawrence, MA-NH-ME-CT Core Based Statistical Area (the Boston CMSA). According to Census 2000, the Boston CMSA ranks as the country's 7th largest MSA in population. Sales, Marketing and Management's 2004 Survey of Buying Power ranks the Boston-Cambridge-Quincy, MA-NY CMSA 9th in total effective buying income. According to the bureau of Labor Statistics as of May 2005, the Boston MSA ranks 7th in total jobs among the nation's metro areas. The Boston MSA gained population between 1990-2000 and 2000-2004, and grew at a faster rate than the state as a whole. Within the Boston MSA, the majority of growth has happened in the suburbs, with the greatest rate of population growth occurring in the areas surrounding the Interstate 495 Corridor.

Location: Proximity to Transit

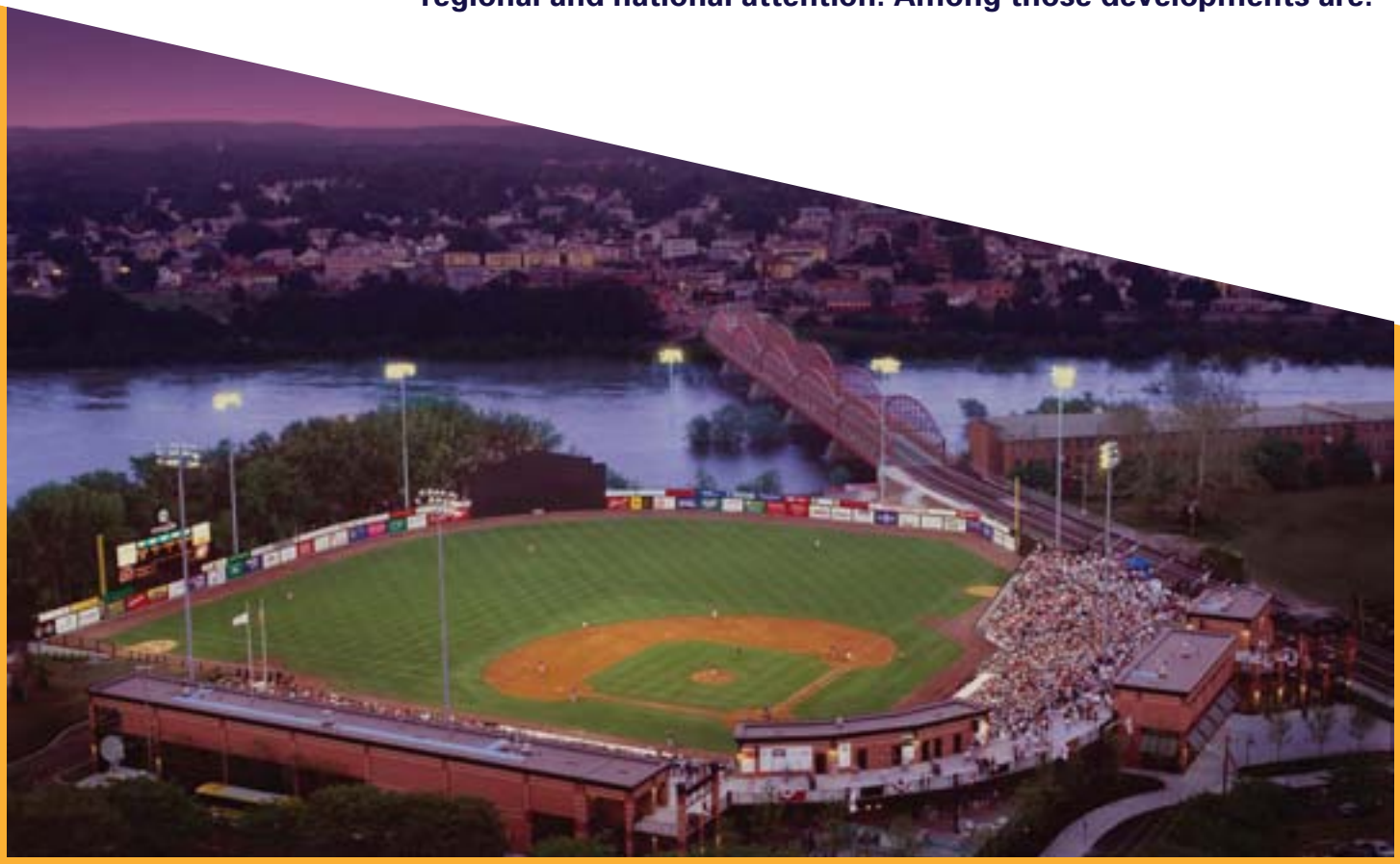
Proximity to transit is a key factor in determining development potential. The Hamilton Canal District is easily accessible to Boston via car and public transportation. Highlights include:



- Proximity to the Gallagher Transportation Terminal-access to MBTA Commuter Rail to Boston and LRTA bus service
- Access to Boston (33 miles) by car via Route 3, I-495 and I-93
- Access to two major airports: Boston's Logan International Airport (25 miles) and Manchester, NH airport (32 miles)
- Potential for the expansion of the existing trolley system to facilitate connections to the Gallagher Terminal and other neighborhoods

Success of the Downtown Redevelopment in Lowell

The Hamilton Canal District follows a series of successful redevelopments in the City of Lowell that continue to draw regional and national attention. Among those developments are:



- **Lowell National Historical Park -** Established in 1978 and operated by the National Park Service, the Park draws hundreds of thousands of visitors a year to its thoughtful exhibits, Folk Festival and Summer Music Series.

- **Tsongas Arena -** Since 1998, the Tsongas Arena has been a major cultural and entertainment asset in the heart of Downtown Lowell. The 7,800-seat arena is home to the Lowell Devils of the American Hockey League and the NCAA Division I UMass-Lowell River Hawks hockey team. The Tsongas Arena also hosts concerts, trade shows, and other functions throughout the year.

- **LeLacheur Park -** Since 1998, the 5,000-seat LeLacheur Park has attracted visitors throughout the region to the minor league baseball games of the Lowell Spinners and the UMass Lowell Riverhawks baseball teams.

- The successful adaptive reuse of the historic mills surrounding the Hamilton Canal District including: Canal Place I,II and III, the Cotton House Lofts, Boott Cotton Mills waterfront lofts, and Loft 27. The residential redevelopment has attracted residents from Boston and the surrounding areas.

- The redevelopment of a series of Riverwalks and Canalwalks, providing engaging open space and recreational outlets.



ECONOMIC IMPACT/ JOB CREATION

A primary goal for the full build-out of the Hamilton Canal District development is the potential for job creation. It is anticipated that the employment opportunities will be both temporary/construction related and permanent as a result of the mix of commercial/office/research & development, retail and residential uses. Construction related jobs will be created as the individual development parcels are constructed. The estimates of job creation goals on the following page are based upon industry standards and the input of the project's professional consultants. The actual outcome of job creation will be based upon market conditions and the execution of the individual phases of the Master Plan.

CONSTRUCTION JOBS

It is anticipated that for every 100,000 square feet of development, approximately 80-88 full time construction jobs will be created.

PERMANENT JOBS

The development of up to 425,000 square feet of commercial/office/research and development is estimated to create up to 1,700 jobs. These jobs are anticipated to be employees of the building tenants and the supporting operations and maintenance staff necessary for those businesses (4 jobs estimated for every 1000 SF of commercial development).

The development of up to 55,000 square feet of retail is estimated to produce up to 110 new jobs, depending on the number of individual retail tenants in the Hamilton Canal District (2 jobs estimated for every 1000 SF of retail development).

The development of up to 725 housing units is anticipated to create up to 75 new jobs. These jobs are anticipated to be related to the sale/leasing of the units, and the ongoing operations and management of the residential units (5 jobs estimated for every 100 units created).

Below is an estimated job creation schedule based on the phases described in the Project Phasing section of the Master Plan. Since the proposed phasing schedule will be impacted by market/economic conditions and the ultimate uses of the phases are flexible under the Form Based Code, the estimated job creation schedule is also dependent upon those factors.

PROJECT JOB CREATION GOALS

Phase	Proposed Parcels to be Developed	Estimated Construction Jobs Created	Estimated Permanent Jobs Created
Phase I	Parcels 6, 7, and 10	From 230 to 265	Up to 215
Phase 2	Parcels 8 and 9	From 190 to 210	Up to 10
Phase 3	Parcel 1	From 110 to 120	Up to 375
Phase 4	Parcels 2, 4 and 5	From 350 to 385	Up to 165
Phase 5	14, 16 and 17	From 430 to 475	Up to 500
Phase 6	11 and 15	From 205 to 225	Up to 535
TOTAL BUILD OUT		**From 1515 to 1680**	**From 400 to 1800**

STRATEGIES FOR NEIGHBORING PROPERTIES

There are a number of properties that surround the Hamilton Canal District that are in various stages of the development process. The development of these projects will enhance the proposed build-out and add to the vitality of the Downtown.

Lowell Trial Court

The City of Lowell is working with the Massachusetts Division of Capital Asset Management (DCAM) for the disposition of the land at the intersection of Jackson, Middlesex and King Street for the development of a Lowell Trial Court. The building will be a comprehensive justice center serving the Superior Court, District Court, Juvenile Court, Housing Court, and Probate & Family Court. The building is proposed to include sixteen new courtrooms, secure parking and a law library. DCAM has been an active participant in the Hamilton Canal District Vision Sessions.

National Park Service Parking Lot Development

Discussions are underway with the Master Developer, the City and the National Park Service about the potential disposition of the approximately 2.2 acre surface parking lot along Dutton Street. The lots frame the primary gateway into the Hamilton Canal District from Dutton Street and would allow for the appropriate floor plates to support larger office/research & development uses. Should a conveyance of the National Park Service parking lot be unsuccessful, the proposed combined commercial/research & development and retail square footage in the Master Plan would decrease to 175,000 GSF and the number of residential units would decrease to a minimum of 500.

Jackson Street Canal Walkway

The National Park Service has completed designs for a canal walkway along Jackson Street from the east end of the Appleton Mills Building on the North side of the Hamilton Canal west to Dutton Street. This walkway would activate the Hamilton Canal and provide an attractive streetscape along the southern edge of the Hamilton Canal District. The proposed canal walk will enhance the pedestrian connection to the Gallagher Terminal and provide the much needed connectivity to the Lower Highlands and Acre neighborhoods. As part of this proposed canal walk the railroad trestle bridge spanning the Hamilton Canal would be converted into a pedestrian walkway. A strategy for extending the Jackson Street canal walkway east to Central Street needs to be finalized and the walkway designs need to be integrated with the plans for the Architectural Heritage Foundation development, the Phase I Hamilton Canal District development and the traffic improvements for the Hamilton Canal District.

Development of AHF/Banc of America CDC Properties

The proposed Hamilton Canal Lofts project will deliver a two-phased mixed use development to the City of Lowell's Jackson-Appleton-Middlesex Urban Revitalization and Development Area. The project will be developed by a joint venture between the Architectural Heritage Foundation and the Banc of America CDC and will rehabilitate two buildings, separated by the Hamilton Canal, that were formerly part of the Hamilton Manufacturing Company's textile mill complex. These elegant brick buildings are connected by a series of historic bridges that will be restored as part of the project, providing efficient pathways for the residents and unobstructed views of the canal.



Expansion of the Existing Trolley System

The National Park Service has been studying the potential expansion of the existing trolley system for a number of years. This proposed expansion would be a significant public benefit to the Hamilton Canal District and the City of Lowell. By connecting the Gallagher Terminal with the Hamilton Canal District and the University of Massachusetts campus, providing reliable headways and modern equipment, Lowell can leverage its public transportation to attract residents, businesses and students. It is anticipated that the Lowell Plan and the National Park Service will move the existing feasibility study forward to determine the necessary strategy for financing, design and construction.



Pedestrian Bridge Across Lower Pawtucket Canal

The Vision Sessions produced a number of concepts that were incorporated into the Master Plan for the Hamilton Canal District. One of the concepts that was not incorporated into the Master Plan was the desire to create a bridge crossing on the Lower Pawtucket Canal that would connect the Loft 27 parking lot with the walkway on the north side of the Lower Pawtucket Canal. This concept should be further explored by the City and the relevant landowners to fully determine its feasibility.

Additional Properties

There are also a number of additional properties on Middlesex Street and Jackson Street that are slated for redevelopment. These improvements will continue to enhance the neighborhood and reinforce the physical and economic connections between the Downtown and the Hamilton Canal District. The success of the HCD project will strengthen the market and add to the viability of these adjacent projects.