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Bart Pacekonis, Chair
Town of South Windsor
Planning & Zoning Commission
Town Hall
1540 Sullivan Avenue
South Windsor, CT 06074

RE: 25 Talbot Lane – Impact on Property Value of Adjacent and Proximate Properties

Dear Chairman Pacekonis:

During the public hearing on the proposed Warehouse/Distribution Center, many concerns were raised regarding the impact of the industrial use on the property values of adjacent and proximate residential properties. As you are aware, such concerns are common in the land use approval process. In fact, one of the foundational concepts of zoning is that “such regulations shall be made with reasonable consideration...to the character of the district...with a view to conserving the value of buildings” (Zoning Enabling Act, 1922 and CGS Section 8-2). The Commission not only needs to be conscious that the statutes allow consideration of “the value of buildings” or “property values” *only* when adopting or amending regulations or deciding special exception applications but should be aware that the concept of *a view to conserving the value of buildings* needs to be contextualized to the time when it was written and the problems that zoning was designed to solve. The 1920s context was the harsh conditions of the industrial city and the lack of regulatory provisions to deal with incompatible uses and the negative consequences of proximity. In addition to the *character of the district* and *conserving the value of buildings*, zoning was intended to protect us from *fire, panic, and other dangers*, conditions that no longer threaten us in the ways they did in the 1920s industrial city. Simply stated, zoning (along with other policies and regulations) has successfully solved the problem of the industrial city and has created stability and predictability in real property markets.

Today, the way in which we need to conceptualize *the character of the district* and *conserving the value of buildings* has changed. That is, the dissimilarity in uses has been greatly reduced. In addition, the negative impacts on adjacent and proximate property have mostly been reduced to the most undesirable land uses. For example, uses such as airports, landfills, refineries, and superfund sites. In fact, their impact on residential and other proximate uses have been extensively studied and documented as having negative impacts on property values (Bell, 1998, 2001; Findlay and Phillips, 1991; Cartee, 1989; Hurd, 2002; Simons, 1997).

However, such concerns and claims of the negative impact created by other dissimilar uses have persisted in the land use approval process. However, the academic and industry research on the impact of dissimilar uses (commercial, industrial, and residential) has consistently found either positive impacts, no negative impacts, or inconclusive findings on impact (Pollakowski,



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et. al, 2005; Hoffman, 2003; Eskic, 2021; Wiley, 2015; Loyer, 2010; Corliga, et al., 2006; Johnson, et al., 2009).

Specific to industrial development, a researcher at Georgia State University conducted a comprehensive analysis of 1.5 million residential property sales, both proximate and distanced to new commercial development (for comparison) between 2006 and 2014 throughout Metropolitan Atlanta (Wiley, 2015). In addition, the study made great attempts to account for similarities in properties, such as the number of bedrooms, bathrooms, and other characteristics (property characteristics and amenities that influence value) between the proximate and distanced properties. Furthermore, the study evaluated three categories of commercial development: industrial, office, and retail. Wiley's (2015) findings specific to industrial development are interesting and relevant to this application. Basically, Wiley found that properties "in close proximity to industrial development sites" may experience "a localized contraction in house price...during the predevelopment period {...} yet the existing trend [in property value] is largely unaffected in the period that follows an industrial development completion" (Wiley, 2015: p. 3-4).

The existing residential property value trend in the neighborhoods proximate to the existing Industrial Zone and the proposed development site is property value appreciation. To demonstrate this, a paired sales analysis was conducted of properties Edgewood Drive and Judy Lane. These paired sales analysis focused sales of properties before and after the 2019 renovations to the Carla's Pasta facility, a food manufacturer that has historically operated three daily shifts, six days a week and received a variance to increase its building height from 40 to 60 feet. Located on the roof of Carla's Pasta are condensers and chillers for the refrigerated/freezer portions of the building. The following are the findings of the paired sales analysis:

Paired Sales		Previous Sale		Recent Sale	
Address	Date	Price	Date	Price	Days on Market
34 Edgewood Drive	12-15-16	\$222,000	12-23-20	\$251,000	17
106 Edgewood Drive	12-15-16	\$222,000	09-10-21	\$305,000	2
121 Edgewood Drive	10-05-17	\$276,000	02-24-21	\$350,000	5
135 Edgewood Drive	10-06-16	\$164,200	12-11-20	\$342,500	35
165 Judy Lane	15-26-16	\$173,299	04-01-21	\$330,000	3

Source: Connecticut MLS Data, 2021

Notes:

106 Edgewood Drive was listed for sale at \$269,900 and went under contract in two days at \$35,100 over the asking price or \$305,000.

165 Judy Lane was listed for sale at \$295,000 and went under contract in three days at \$35,000 over the asking price or \$330,000.

58 Edgewood Drive was listed for sale on 11-04-21 for \$349,900 and was under contract in three days.



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The paired sales analysis clearly shows that residential property values on the streets in the adjacent residential neighborhood are increasing—trending up in value—and that the recent renovations and expansion of the Carla’s Pasta manufacturing facility had no negative impact on residential property values of proximate residential properties. As important, the paired sales analysis demonstrates that this residential neighborhood is experiencing the same hyper increases in property values as the overall local, regional, state, and national housing market, further confirming that dissimilar proximate uses do not negatively impact residential property values.

As noted above and most important, the foundational concept of zoning and the language of “such regulations shall be made with reasonable consideration...to the character of the district...with a view to conserving the value of buildings” (Zoning Enabling Act, 1922) is clear in that is aimed at zone changes or the creation of a zone/regulation. The language, as noted above, clearly states, “such regulations shall be made with reasonable consideration...to the character of the district...with a view to conserving the value of building.” This why the Connecticut Supreme Court in 1979 was clear in its findings that the “designation of a particular use of property as a permitted use establishes a conclusive presumption that such use does not adversely affect the district and precludes further inquiry into its effect on traffic, municipal services, property values, or the general harmony of the district.” The time to consider the potential impact of industrial uses and development on adjacent and proximately residential properties was when this Industrial Zone was created, not at the time of a site plan application—an as-of-right use—that does not afford the Commission to consider issues beyond the use, density, and site development standards that are clearly stated in the Zoning Regulations.

I thank you for your time and consideration.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Donald J. Poland".

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Planning Consultant



Supportive Material

Sources

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