



21

COMMUNITY
MITIGATION
FUND

APPENDIX C – SPECIFIC IMPACT GRANT APPLICATION

BD-21-1068-1068C-1068L-56499

Please complete each section of this Application

1. **PROJECT INFORMATION**

a. NAME OF MUNICIPALITY/GOVERNMENT ENTITY/DISTRICT

The City of Springfield, MA

b. PROJECT NAME (LIMIT 10 WORDS)

The Implementation Blueprint 2021: Main Street/Convention Center District Implementation

c. BRIEF PROJECT DESCRIPTION (LIMIT 50 WORDS)

From the 2020 efforts which established the Main Street/Convention District Master Development Plan, the City will advance the “implementation” of the strategic opportunities, priority recommendations, and related due diligence to launch specific enhancement efforts, acquisition/control of properties, and potential solicitation processes within the district.

d. CONTACT PERSON(S)/TITLE (Persons with responsibility for this grant)

Ms. Cathy Buono, Director of Administration and Finance, Community Development, City of Springfield, MA

e. PHONE # AND EMAIL ADDRESS OF CONTACT PERSON(S)

413-787-6082
cbuono@springfieldcityhall.com

f. MAILING ADDRESS OF CONTACT PERSON(S)

Office of Community Development
1600 East Columbus Avenue
Springfield, MA 01103

2. IMPACT DESCRIPTION/CONNECTION TO GAMING FACILITY

a) Please describe in detail the impact that is attributed to the operation of a gaming facility.

The City is filing under the 2021 Specific Impact Grant category to address the ongoing need to coordinate and advance the implementation of the City's Master Development Plan and strategies related to the continuing unforeseen adverse impacts from MGM. The Specific Impact Grant Guidelines call out funding for communities that have experienced significant and adverse unanticipated impacts from the casino including "any negative impact on local, retail, entertainment, and service establishments." As the underlying premise of the 2020 application and award, the property conditions around the casino continue to experience significant adverse impact due to inflated valuation, speculation, resulting in deterioration and blight. The conditions, impacts, needs and justification described in the City of Springfield's 2020 Specific Mitigation Grant Application remain much the same today and are the basis for the City's 2021 Specific Mitigation Grant request (See 2020 Grant application excerpts in Attachment A). **Specifically, the MGM Springfield "economic engine" meant to stimulate much needed catalytic development outside the Casino area has in fact inadvertently stymied it through market inflation, area speculation, hyper real estate market expectations, inactivity, disinvestment and growing blight.** The casino area stagnation continues as evidenced in the absence of any significant investment, property transactions, market corrections, new businesses /tenancies openings, and ongoing building decline/disinvestment. Worse, the COVID 19 pandemic over the last year has exacerbated these impacts, both through the obvious decrease in patrons and hours of operation at the casino but also the elimination of critical programming and the very activation of MGM's campus and surroundings that provided the only real vibrancy in the area (entertainment plaza, ice rink, marketplace, concert events, etc.) Absent this programming, now both the MGM campus and downtown area outside it are dead, and even more unattractive to development.

Through the City's recent due diligence investigation of buildings in foreclosure, the City has found a number of significant code and building condition issues that point to deferred maintenance and degradation of the structures, enclosures, and systems to a point where viable reuse is challenging and questionable. Additionally, in some cases the degradation poses a threat to safety and demolition is likely the only option, including the 24 Park Street building. In this specific case, the neglect has lead to the collapse of some portions of the building placing a burden on the City to press immediate resolution to preserve public safety as well as eliminate blight which is adding to the down market. Unfortunately, this once attractive warehouse structure whose reuse would have contributed to the historic character of the area, experienced enough neglect and decay during this market stagnation and uncertainty that it cannot be saved. Once slated to be a Hilton Hotel, 24 Park Street's condition has similarities with other prime properties in the Overlay District which have essentially "emptied out" and not been fully engaged with the market.

However, the City is responding through the advancement of the Implementation Blueprint Priority Phase One efforts begun earlier in 2020. As articulated in prior MGC Mitigation Grant applications, the turnaround of the languishing market around MGM Springfield requires a sustained, multi-year effort and the proactive strategic advancement of critical initiatives rooted in the Implementation Blueprint to succeed. As a direct result of the 2020 MGC grant, the City has advanced a number of important development tools that will both lead and drive important investment in the district including:

- **Master Development Plan**

a comprehensive City vision for the newly formed *Main Street & Convention Center District* focused around downtown's two major economic anchors, MGM Springfield and MassMutual Center which builds on the investment by MGM, and seeks to uncover and promote key projects and initiatives that reestablish a vibrant, mixed use downtown attractive to residents, businesses and investors; the plan has been presented publicly to a number of business, neighborhood, and stakeholder groups and very well received; the City is in the final stages of approval of the plan and adoption by the City Council anticipated in February 2020; (See excerpts in Attachment B)

- **Zoning Overlay District**

the new *Main Street & Convention Center Overlay District* encompassing much of the immediate area down Main Street around MGM, intended to encourage and expedite development with complementary uses to MGM and MMC that enliven and grow the district, market and attractiveness of the area; further the zoning will regulate uses that could be detrimental to the cohesiveness of the area; the Overlay Zoning document has gone through the public notice process, Springfield Planning Board, public presentations and is in the final refinement stages (with this input); the Zoning Overlay document will go to the City Council hearing in February with expected approval in early March 2020 (see Overlay Document in Attachment C)

- **Federal, State & Local Incentives/Grants/Loans:**

the City team continues to assess and monitor a full range of Federal, State and local incentives that will be necessary to improve viability of needed public infrastructure enhancements, development investment and tenant attraction/retention; incentives will be pursued across all phases of development including planning (current phase), predevelopment/infrastructure and public enhancement, vertical development (private development) and occupancy (businesses, tenants/residents) (see Incentives Summary in Attachment D); the City through its HUD Section 108 Loan Guarantee and the Community Development Fund is actively pursuing funding to assist with critical property acquisition/control and disposition (see HUD application in Attachment E)

The City's public outreach and engagement process for the plan, zoning and incentive use has been well received and endorsed by key agencies, businesses, community groups and property owners/stakeholders including MGM Springfield, Massachusetts Convention Center Authority (MCCA), Springfield Regional Chamber, Springfield Business Improvement District (BID), the Armoury-Quadrangle Civic Association (AQCA), The Related Companies, and the Chart Organization LLC (major property owner along Main Street). (See Endorsements in Attachment F)

Additionally, in response to the lack of market movement/correction in the District, and resulting foreclosure of three significant buildings (113 State, 1155 Main, 21 Stockbridge), the City team conducted an assessment of these buildings to better understand the constraints to development, potentials for acquisition, and viability for repositioning them to the development market. The City's due diligence included detailed Facilities Conditions Reports of each (architecture, engineering, structural, etc.) for conditions, code compliance, and magnitude costs to bring the buildings back to market, as well as preliminary market and economic assessment to determine feasibility, pro forma projections and corresponding financial "gaps" for most viable alternatives. The City's efforts on these properties have begun to yield positive results with the recent lowering of the asking price by approximately 40%. Though still above market value, the reduction is hopefully a harbinger of future valuations that finally address and correct the inflation caused by MGM's overpaying for essential real estate (which at the time was nearly 240% over market value). As further evidence, the City is commissioning appraisals to refine true market values in support of potential purchase offerings. The master planning effort has identified other critical properties which will require a similar level of assessment to determine and drive development investment in the area. A component of the 2021 MGC grant request, the City seeks to advance the implementation of these recommendations through essential due diligence efforts for other priority and/or newly available properties which in turn will assist in quantifying risks, providing alternatives and ultimately improving "certainty" and viability for the City, Developer and investment community.

In light of the continued development/investment inactivity and decline in the area attributable to the market impact resulting from MGM Springfield's development, the City needs to continue to drive the turnaround through implementation of the priority efforts begun with the MGC 2020 Specific Mitigation Grant and Implementation Blueprint. As evident again this year, left to the private market alone, the critical turnaround in the area will not happen given the scale of impediments to development and resulting unviability. The completion of the City's Master Development Plan Strategy package provides the critical framework and development tools necessary to begin the implementation of the key recommendations and strategies to fruition. The 2020 efforts have provided detailed assessment, new opportunities and clear directions that continue to refine the Implementation Blueprint, allowing it to evolve and respond to changing conditions as anticipated. The City seeks the MGC 2021 Specific Mitigation Grant to continue that evolution and

advancement of the critical planning and strategies to bring about the desired catalytic impact and “transformation” anticipated with the casino.

b) Please provide documentation, specificity or evidence that gives support for the determination that the operation of the gaming facility caused or is causing the impact (i.e. surveys, data, reports)

As described above and originally articulated in the MGC 2020 grant application, stagnation and decline in the casino area continue due in large part to MGM Springfield which inadvertently inflated property values through the overpayment of certain real estate acquisitions which resulted in area wide development speculation. Many of these same conditions from 2020 remain as evidenced by:

- lack of new business or tenant openings along the City’s most attractive corridors, particularly prime properties (former restaurants, bars, retail, offices) along Main Street, directly across from the MGM casino (since opening)
- continued absence of any significant reinvestment, maintenance/upkeep, or improvements to property within the area; the City continues to monitor and address code violations and public safety threats in the area, including 24 Park Street which due to continued neglect and decay, has the City to seek immediate demolition to cure; (see Attachment G code violations/demo)
- lack of property sales/transactions and/or market value corrections; area property values continue to be artificially high due MGM’s inflating the market through their purchase (upwards of 240% over price) even after years of a seeming down real estate market. By way of example, three parcels referenced earlier as the “foreclosed blocks” (113 State Street, 1155 Main Street and 21 Stockbridge), have gone through bankruptcy, foreclosure, repossession, failed auction, and are now another year back on the market though still at substantially higher prices than market value. Even after the City’s thorough due diligence shared with the owner/lenders helped drive a nearly 40% price reduction, the properties remain above market value for viable reuse and renovation (see Attachment H1 & H2 City Due Diligence).
- The October 15, 2020 SEIGMA Patron Surveys report that of those casino patrons who spent money on non-gambling activities including food/beverage, entertainment or activities, and retail (just over 70%), a majority (collectively 80%), and retail did so within the casino complex itself. A small number of patrons reported spending off site within Springfield on the same non-gambling activities. The lack of proximate alternative food and retail options within the surrounding area, particularly across from those within the MGM district, is clearly a contributing factor to the small number of patrons venturing and spending off site. This is further bolstered by the fact that Red Rose Pizzeria, one of the few adjacent food options has experienced increased demand and in response actually expanded their restaurant since MGM’s opening. While the demand is there, the lack of options due to the state of real estate market has resulted in growing insularity and “circling the wagons” attitude of MGM patrons. Similar to this, the City’s topline report from January 2020 on the convention center market cited a similar lack of options, activity and businesses to draw one out of the complex.

c) How do you anticipate your proposed remedy will address the identified impact?

With the success of the 2020 Implementation Blueprint efforts and establishment of the Main Street & Convention Center District plan, the City's 2021 proposal seeks to leverage these development tools to advance the implementation of the plan and strategy including additional priority property pursuits/collaborations, related supporting due diligence, district enhancements, detailed market and economic analysis, and solicitation efforts to drive the market and corrections and attract developer, investor, business and residential interest to the area. Left to the market alone, this turnaround will not happen.

In direct response to the unforeseen real estate impacts from MGM Springfield, these tools and advancement sought through the 2021 grant will continue a multi-faceted, multi-year comprehensive approach by the City to provide a clear City's vision, new district definition and enhancements, area assets and potentials and range of assistance that seeks to mitigate the negative effects, provide better "certainty" for the development/investment community, expedite the process, and overall reduce risk (both real and perceived) which collectively has kept development away thus far. As evidence of remedy from these efforts, the positive impact from the City's due diligence on the "foreclosed blocks" in substantiating unrealistic values, helped drive a reduction in price which will be important to improving project economics and viability. The City believes these next implementation efforts are important to advanced additional property pursuits, due diligence and continue to improve market viability.

Further, the City is continuing its own recent transformative efforts in 2020 and 2021 to bolster the downtown environment including public reinvestment with the \$4M renovation of Pynchon Park (an important linkage between the new district and the Quadrangle museum campus), and \$4M in predevelopment assistance with the 13-31 Elm Street renovation, a key historic residential reuse development at the heart of the district, Court Square. These projects join a long list of strategic downtown projects accomplished over the last few years – including the award winning Union Station redevelopment, new commuter rail service, the Downtown Dining District, Stearns Square, Duryea Way, Fresh Paint mural festival, Downtown Wayfinding program, Valley Bike and Riverfront Park/9-11 Memorial - which together with MGM's \$950M investment have added greatly to the downtown appeal. The City has also been supportive in improving and growing the downtown housing stock, through incentives not only 13-31 Elm Street but other projects such as Overland Lofts, Silverbrick Lofts, Silverbrick Square, and the ambitious \$40 million renovation of the former Chestnut Towers to Skyview Downtown. Leveraging these assets and investments together with a comprehensive unifying vision for the district, complimentary zoning, range of incentives/assistance and a proactive City leading the charge, will greatly improve the awareness, attractiveness, and viability of critical development within the district. Again, left to the private market alone, it is clear that this development has not and will not happen without City assistance, leadership and collaboration through this important continuation of the Implementation Blueprint.

3. PROPOSED USE OF SPECIFIC IMPACT MITIGATION FUNDS. (Please attach additional sheets/supplemental materials if necessary.)

a) Please identify the amount of funding requested.

The City of Springfield is seeking \$400,000.

b) Please identify below the manner in which the funds are proposed to be used. Please provide detailed scope, budget and timetable for the use of funds.

As defined above and articulated in the 2018 Implementation Blueprint document, the success of the City's strategy involves a multi-faceted, multi-year effort to continually assess, define, and launch redevelopment to address pressing needs and respond to timely opportunities. Through the 2020 MGC grant, the City has made substantial progress over the last year creating a development roadmap with the master development plan which identifies improvements, project potentials, directions and strategies to strengthen the downtown market, enhance the district appeal, and begin to reposition properties and opportunities for investment. For 2021 this work will focus on implementation through the City's multidisciplinary team who will advance these recommendations, project potentials, enhancements, due diligence and development strategies to attract developers, investors, businesses and residents alike. The City will continue outreach and engagement with Civic leadership, businesses, stakeholders, community and regional agencies to garner important input, advocacy, and support towards finally realizing much needed economic development within the newly defined Main Street and Convention Center District around MGM Springfield.

The Main Street and Convention Center District Master Development Plan establishes a clear framework for a revitalized cohesive downtown district and near term priority efforts to advance into implementation. These include the advancement of public realm enhancements, key property pursuit, due diligence and supporting studies to help further prepare projects for City and/or public offering and better position key properties to improve the overall market appeal surrounding the casino. As articulated below and in the team scope in Attachment I, the grant funding will be allocated across three concurrent efforts focused on advancing and implementing viable first phase projects to help "jumpstart" and lead development activity:

Implementation of Phase One Priority Master Development Plan***A. Implementation Due Diligence and Strategic Advancement***

Detailed project advancement, supporting studies and specific incentives strategies: finalization of detailed planning and due diligence to advance key priority properties, district unification and enhancements, market and economic justification, and related development strategies to strengthen market appeal, district definition, and stimulate catalytic investment opportunities; this scope will advance specific development opportunities and market viability within the identified sub zones of the plan including: A) the Main Street Corridor and related properties/parcels adjacent to the casino (continued Foreclosed Blocks engagement, 24 Park Street, 1127 Main, and infill parcels) B) Court Square area (including the integration of 31 Elm Street redevelopment (MGM's residential contribution), ground floor activation, linkages to the casino and surrounding underutilized and/or available buildings/parcels (Shean Building, 1242 Main)), C) Convention Center interface, overlap and collaboration with MassMutual Center/MCCA for potential reuse and/or expansion into adjacent languishing buildings and properties; and D) Willow Street blocks (to promote integration, unification and connection to the casino district, and address continued deterioration, neglect and underutilization of prime buildings and land adjacent to MGM)

Fee Budget Range: \$200,000 - \$250,000

B. Execution

With the Main Street and Convention Center District plan and overlay in place as a solid foundation and guide, the City team is keenly focused on implementation – by advancing key recommendations to promote, lead and launch specific projects that will provide the catalytic spark for investment and development. These efforts may include but are not limited to:

- Property control/acquisition and/or collaboration efforts including critical property pursuits, landlord outreach/interface, due diligence, and negotiation
 - Targeted Market and Economic Impact analysis to test district plan, program and refine market approach to guide solicitation efforts toward qualified developers/investors experienced in the desired complementary development
 - Developer/Investor Solicitation process: developer identification, targeting outreach, preferred process & document (RFI, SOI, RFQ/RFP, PPP, etc.), selection, negotiation, agreement
 - City/consultant team review/assessment, recommendations and approvals of development as projects advance for conformity to the Main Street and Convention Center District plan and Overlay objectives, particularly viable, contributing and complimentary uses that activate the areas around the casino.
- Fee Budget Range: \$100,000 - 125,000

C. Implementation Coordination & Program Management: overall coordination, direction, advancement, and collaboration of the Implementation Blueprint's efforts including the multidisciplinary team and related interface with area agency/institutions, key stakeholders, and community necessary to continue the Phase One Priority Implementation Blueprint efforts in the Main Street and Convention Center District; the attached detailed work plan illustrates the ongoing program management and coordination required to effectively lead the team and effort (Attachment J)

Budget: \$100,000 - 125,000

Additionally, over the last year the City has committed various City funds/contributions and other sources towards the priority revitalization efforts in the Main Street and Convention Center District, including \$4,000,000 for 31 Elm Street residential redevelopment, \$4,000,000 for the Pyncheon Park rehabilitation, \$150,000 matching funds from OPED towards the Implementation Blueprint. The City commits to continue its \$150,000 match and additional district effort funding in 2021 to advance this critical effort into implementation.

From the 2020 incentives research, the City is also pursuing a range of other funding sources to supplement and/or facilitate this plan and revitalization efforts through additional grants, incentives, and/or loan guarantees across the full development process – including planning, predevelopment/infrastructure, vertical development (private investment), and occupancy (tenant, resident benefits). The City is actively pursuing use of \$5M of the Springfield's CDBG allocation through the HUD Section 108 Loan Guarantee program as one possible source for acquisition of critical priority properties within the District. Similarly, the City is pursuing possible CARES act funds to help address the devastating impacts from the pandemic on an already difficult market caused by MGM Springfield.

c) Please provide documentation (e.g. - invoices, proposals, estimates, etc.) adequate for the Commission to ensure that the funds will be used for the cost of mitigating the impact from the operation of a gaming establishment.

The request for \$400,000 grant is based on projected budget fee for the scope articulated above and in the proposal in Attachment I. The final scope and range of services will be refined throughout the process in response to the project advancement, opportunities and real estate offerings in the District. All funds received through the 2021 Specific Mitigation Grant will be used solely for the engagement of the professional team services necessary to complete the scope to implement the City's strategic plan towards rectifying the investment inactivity around MGM Springfield.

d) Please describe how the mitigation request will address the impact indicated.

From the announcement of the casino and its opening in 2018 through today, the prime redevelopment areas immediately around the casino have failed to respond to the incredible opportunity for new, complimentary “spin off” economic development that would leverage ideal proximity to the MGM Springfield anchor and patrons. The unanticipated decline in the area is due largely to the market escalation in value, speculation, and wait-and-see attitude, and the stagnation that resulted. In response, the City has proactively pursued creation of a comprehensive development strategy and “tools” necessary to address constraints, reverse trends, and entice investment. As a multi-year effort, the City seeks to continue the strategic implementation of the plan to increase the awareness, attractiveness and viability of important vacant parcels and/or buildings which have languished since MGM Springfield’s opening; to proactively drive redevelopment and critical public improvements to improve district identity and reenergize the experience; and to continue to mitigate constraints to development and therefore the risks which has thus far kept reinvestment out of the market.

e) How will you provide the data for reporting? How will you measure the effectiveness of the proposed project in mitigating impacts?

As with prior grants, the City will continue to share progress with the MGC on a quarterly basis as requested to document important milestones, reports/products and evolving strategies that will be necessary to address the district development issues. The City will continue to provide summaries of CCS and sub-consultant team’s efforts by month to track this progress. Additionally, the City can provide summary briefs and key deliverables for the key milestones which will improve the City’s ability to reverse the trends (eg. Master Development Plan, Zoning Overlay, incentives, acquisitions, solicitation/RFP’s, etc).

The overall effectiveness of the implementation blueprint priority phase will be aided by arming the City with the right tools, strategies to drive positive impact to the district. Already from the 2020 effort, the City’s has helped adjust down the inflated real estate values through their pursuit and due diligence on the foreclosed blocks. The City will continue these efforts on other critical properties in the district to help further this market correction. Ultimately, the effectiveness will be measured by the City’s ability to stimulate interest and sustained, viable, and transformative development in the area.

4. RELEVANT EXCERPTS FROM HOST OR SURROUNDING COMMUNITY AGREEMENTS**a) Please describe and include excerpts from any relevant sections of any Host or Surrounding Community Agreement.**

The Host Community Agreement between the City of Springfield and MGM specifically calls out the Implementation Blueprint as follows from paragraph 4.10, page 24:

4.10 Land Use Developer and the City agree to (i) cooperate with each other to rezone the Project Site to take into account all elements of the Project; and (ii) participate in a district redevelopment strategic plan to

provide an implementation blueprint to stimulate and direct the broader economic development associated with the Project.

Springfield's and MGM's foresight in the HCA to include this unique and innovative approach to seek to expand the impact, energy and economic activities through the Implementation Blueprint directly aligns with the desired goals outlined in the MGC's "Reinvesting the Gaming Economic Development Fund, Mass Gaming Commission, January 2018." Given the continued stagnation within the district around the casino, the Implementation Blueprint and particularly these Phase One Priority efforts are more urgent and important now to stimulate and facilitate development. With ongoing engagement and endorsement from MGM, the City now proactively leads the advancement of the Implementation Blueprint efforts over the next few years to ensure execution and much needed development to the area around MGM Springfield.

b) Please explain how this impact was either anticipated or not anticipated in that Agreement.

As cited before, there was much anticipation that the MGM Springfield project would produce substantial economic spin-off. This was an underlying objective and primary premise behind the City's structuring of the Host Community Agreement (HCA) which mandated the casino not be an island but a contextually responsive, outward focused and integrated anchor in downtown. Further the HCA called out a number of commitments for the underwriting of events/shows in existing venues, specific new-to-market uses, open, public spaces, and unique programming that would enliven downtown and lay the groundwork for important economic growth beyond the confines of the casino itself.

However, no one anticipated the detrimental impacts and stagnation to the surrounding real estate caused by MGM Springfield who inadvertently drove inflated valuations, area speculation, and subsequent disinvestment that continues today. The MGM Springfield project and HCA with the City still possesses the right structure, commitments and urban "ingredients" to become the economic engine desired. Through the MGC grant and continued advancement of projects, strategic implementation and ongoing commitments from MGM, the City has the best opportunity to reverse these trends and stimulate interest, investment and transformation.

It is important to emphasize now and in a post-COVID environment that the success of this plan relies heavily on MGM Springfield continuing its commitments to activate the area through special programming, entertainment events, and operation of its complete facility (casino, hotel, retail, food & beverage). The effect of COVID and temporary cessation of this critical programming and operations has eliminated the only real economic activity and vibrancy in the area. Any permanent reductions will only further stifle if not kill the surrounding real estate market and recovery needed.

5. INTERNAL CONTROLS/ADMINISTRATION OF FUNDS

a) Please provide detail regarding the controls that will be used to ensure that funds will only be used to address the impact.

The City of Springfield will hold all awarded funds for this effort in an account specifically dedicated to the execution of the Implementation Blueprint and Phase One Priority efforts. Funding from this account will be managed and administered by the Development Services Division of the City of Springfield. The Development Services Division shall authorize and approve all expenditures to this account and monitor against the approved scope, process, and milestones. Development Services Division will track expenditures on a monthly basis and can provide written summaries and backup upon request. The prime consultant is currently under an approved professional services contract with the City and has been the strategic resource to the City and MGM throughout the casino development process which will provide a seamless and efficient deployment of the

funds received.

The Development Services Division currently administers the following grants on behalf of the City of Springfield:

CDBG Entitlement, HOME Entitlement, ESG Entitlement, HOPWA Entitlement, Continuum of Care (CoC) – HUD, CDBG-DR, CDBG-NDR, LEAD Grant – HUD, HMIS – Capacity Grant – HUD, MassWorks Grants – Educare Center, Six Corners, Pynchon Plaza, City of Springfield – General Funds - 2 Departments, City of Springfield – Bond Funds – Project Specific, HUD Section 108 Loan Funds, EOHHS – Homeless Youth Grant, EPA Assessment Grant, Community Preservation Fund – First time homebuyer program, 2020 MGC Community Mitigation Fund – Specific Mitigation Grant

b) Will any non-governmental entity receive funds? If so, please describe. If non-governmental entities will receive any funds, please describe what reporting will be required and how the applicant will remedy any misuse of funds.

No, all funds will be received and utilized by the City of Springfield, MA

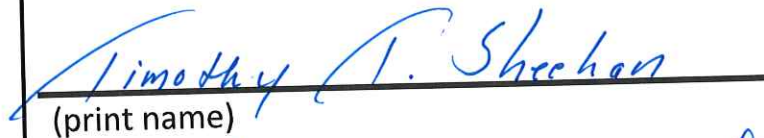
6. **CERTIFICATION BY MUNICIPALITY/GOVERNMENTAL ENTITY**

On behalf of the aforementioned municipality/governmental entity I hereby certify that the funds that are requested in this application will be used solely for the purposes articulated in this Application.

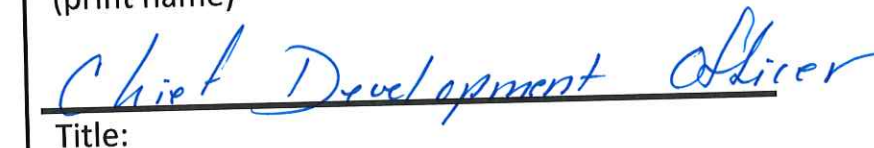


Date: 2/1/21

Signature of Responsible Municipal
Official/Governmental Entity



(print name)



Title:

ATTACHMENTS

- Attachment A MGC 2020 Application Excerpt
- Attachment B Master Development Plan Excerpts
- Attachment C Main Street and Convention Center Overlay District Document
- Attachment D Incentives Assessment & Strategy
- Attachment E HUD Section 108 Loan Guarantee Application
- Attachment F Master Development Plan/Overlay Endorsement Letters
- Attachment G City Code Violations/Demolition Tracking
- Attachment H City Due Diligence Foreclosed Blocks
 - 1) Facilities Conditions Reports & Magnitude Costs
 - 2) Market and Economic Assessment
- Attachment I CCS & Sub-Consultant Team Summary Scope/Budget
- Attachment J Implementation Blueprint Priority Phase One Work Plan

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ATTACHMENT A 2020 MGC Specific Impact Grant Excerpts

2020 SPECIFIC IMPACT GRANT APPLICATION

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1. IMPACT DESCRIPTION

Please describe in detail the impact that is attributed to the operation of a gaming facility. Please provide support for the determination that the operation of the gaming facility caused or is causing the impact.

The opening of MGM Springfield in August 2018 culminated MGM's \$950M investment in Springfield. The announcement brought high expectations of additional economic development and investment in downtown Springfield and the surrounding areas. Eighteen months later, MGM's investment has greatly improved the blocks in which it resides, bringing more than 10,000 daily visitors to its campus. However not much has happened beyond the casino doors. The project has yet to provide any meaningful spill-over redevelopment activity or the complementary/supporting uses off site. This is due in large part to the unforeseen investor speculation in the real estate surrounding the casino. This speculation and the associated unrealistic valuations can be attributed in part to MGM's site acquisition.

MGM's decision to "overpay" for key real estate essential to the project created a ripple effect which is now distorting the real estate market immediately surrounding the casino and raising investor expectations in those properties. This segment of the local real estate market has now built in the potential for casino expansion and future acquisition by MGM. Property assessments on parcels purchased by MGM rose on average a staggering 240% in just one year from 2014 to 2015 with some parcels approaching double that (Attachment A). The resulting volatility and speculation in the market has created a "wait and see" attitude with building owners and in some cases to property disinvestment, abandonment or removal altogether from the market. Also, in many cases, property owners do not have the economic strength or development savvy to undertake significant redevelopment to realize an upside, which has stalled redevelopment.

The Massachusetts Gaming Commission's SEIGMA Real Estate Impacts Study from July 3, 2019 concedes that it is difficult to determine how much commercial property remains off the market and therefore not reflected in what appears to be dropping vacancy rates. The study offers that the fall in the commercial vacancy rates is attributable to the substantial amount of new commercial space created and occupied by the casino project itself. When factored out of the study, the actual vacancy rate remains high. The report further states that volatility in commercial net absorption over the course of the study period in Springfield was high. This number does not even account for properties that have been abandoned or those that the owner has not put on the market. In this context, the study concedes that Springfield's overall 12.9% commercial vacancy is actually "relatively high". There is also little evidence that the casino has positively impacted Springfield's commercial lease rates such to accommodate the increased acquisition costs.

To illustrate the impact, one of the City's largest and most respected law firms who was located directly across from the casino in the "Colonial Block" relocated out of the casino district to the Basketball Hall of Fame because of property maintenance and cost related issues. Area property disinvestment is highlighted by the rising City building violations on prime parcels directly across the street from the casino where both occupied and unoccupied buildings/parcels are experiencing ongoing neglect and disrepair of essential utilities (heat, running water, electric), basic maintenance and upkeep (general cleanliness, litter, graffiti) or worse building / structural dilapidation (falling facades, and unsafe structures). In these specific buildings, continued vacancies and degradation have led to bankruptcy, foreclosure and auction. Yet even in this seemingly down real estate market around the casino where escalated property values should correct themselves, real estate prices remain unnaturally high, still rivaling the values established years earlier by MGM's acquisitions. Attachment B highlights in photographs the abundance of vacancies in the immediate vicinity of the MGM property including a sampling of the rising building/code violations as well as the recent auction notice with above market price of \$5M for buildings that have a taxable value of only \$3.5M and a true economic value that is marginal or inverted.

SEIGMA study cites that similar speculation has also come to the Springfield's multifamily housing market where

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2020 SPECIFIC IMPACT GRANT APPLICATION

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from 2010 to 2014 real rents were in decline but immediately following the announcement of the MGM Springfield license, median rents rose quickly by \$360 or nearly 33%. Since the opening, rents have continued to rise albeit more modestly. Key informants to the study cited that outside investors have come into Springfield and bought a lot of the multifamily housing, raised rents but are now sitting on vacant properties waiting to see if the rents will come.

The MGM "economic engine" meant to stimulate much needed and anticipated catalytic development outside the casino area has in fact inadvertently stymied it, through inflation, inactivity and unrealistic expectations. Having delivered on their substantial commitment of a \$950M transformative casino district, MGM is not likely nor expected to invest more on expansion. The catalytic investment and spill over potential must be championed by the City, civic and regional leadership who have a closing window of two to four years to truly leverage the investment, momentum, and market provided by MGM Springfield. In 2018 and early 2019, the City, in collaboration with MGM, jointly advanced "The Implementation Blueprint, An Economic Development Strategy for the Renaissance of a Great American Downtown: Springfield, MA," to serve as a guide and roadmap for economic development during these critical first years of operation when the local, regional and national spotlight and interest is at its highest. This plan, shared with the MGC last year, calls for the evolution and advancement of its core economic initiatives in order to directly respond to growing issues, needs and opportunities each year. In light of the ongoing stagnation around the casino and closing window to truly capitalize on the MGM project, the City is highly concerned and motivated to put in place plans, strategies and incentives to quickly reverse these trends. The City is seeking funding to address these critical priorities and to mitigate the unanticipated negative impacts around MGM Springfield in order to stimulate near term investment before the opportunities and exposure wanes.

2. PROPOSED USE OF SPECIFIC IMPACT MITIGATION FUNDS. (Please attach additional sheets/supplemental materials if necessary.)

a) Please identify the amount of funding requested.

The City of Springfield is seeking \$500,000

b) Please identify below the manner in which the funds are proposed to be used. Please provide detailed scope, budget and timetable for the use of funds.

The City is filing under a "Specific Impact Grant" to address the timely need for both critical planning and implementation assistance related to the unforeseen adverse impacts noted above. The Specific Impact Grant Guidelines call out funding for communities that have experienced significant and adverse "unanticipated impacts" from the casino including "any negative impact on local, retail, entertainment, and service establishments." The City believes the property conditions in Springfield around the casino have had significant adverse impact many of which were once restaurants, bars and entertainment but are now languishing due to inflated valuation and expectations. Grant funding will be used to establish specific plans, implementation strategies and incentives (both economic and regulatory) to address these redevelopment constraints and stimulate catalytic private investment opportunities. Specifically, the City's request for \$500,000 will fund two areas of need arising from these unanticipated impacts: A) Implementation Blueprint Planning and Strategic Advancement (\$250,000) and B) Property Stabilization Fund (\$250,000). Additionally, the City has committed \$4,000,000 towards revitalization efforts in the Casino Impact Zone as further evidence to the pressing need and commitment to these critical initiatives. This mitigation grant request is for 2020 funding to augment these efforts and the City anticipates seeking additional requests in the coming years to continue the implementation strategies and grow the stabilization fund.

2021 SPECIFIC IMPACT GRANT APPLICATION: City of Springfield, MA
BD-21-1068-1068C-1068L-56499
ATTACHMENT B Master Development Plan Excerpts



THE IMPLEMENTATION BLUEPRINT

**An Economic Development Strategy for the Main Street/Convention District
in Downtown Springfield**

PHASE ONE IMPLEMENTATION STRATEGY

January 2021

I. OVERVIEW & ASSESSMENT



Proactive City Approach and Focus

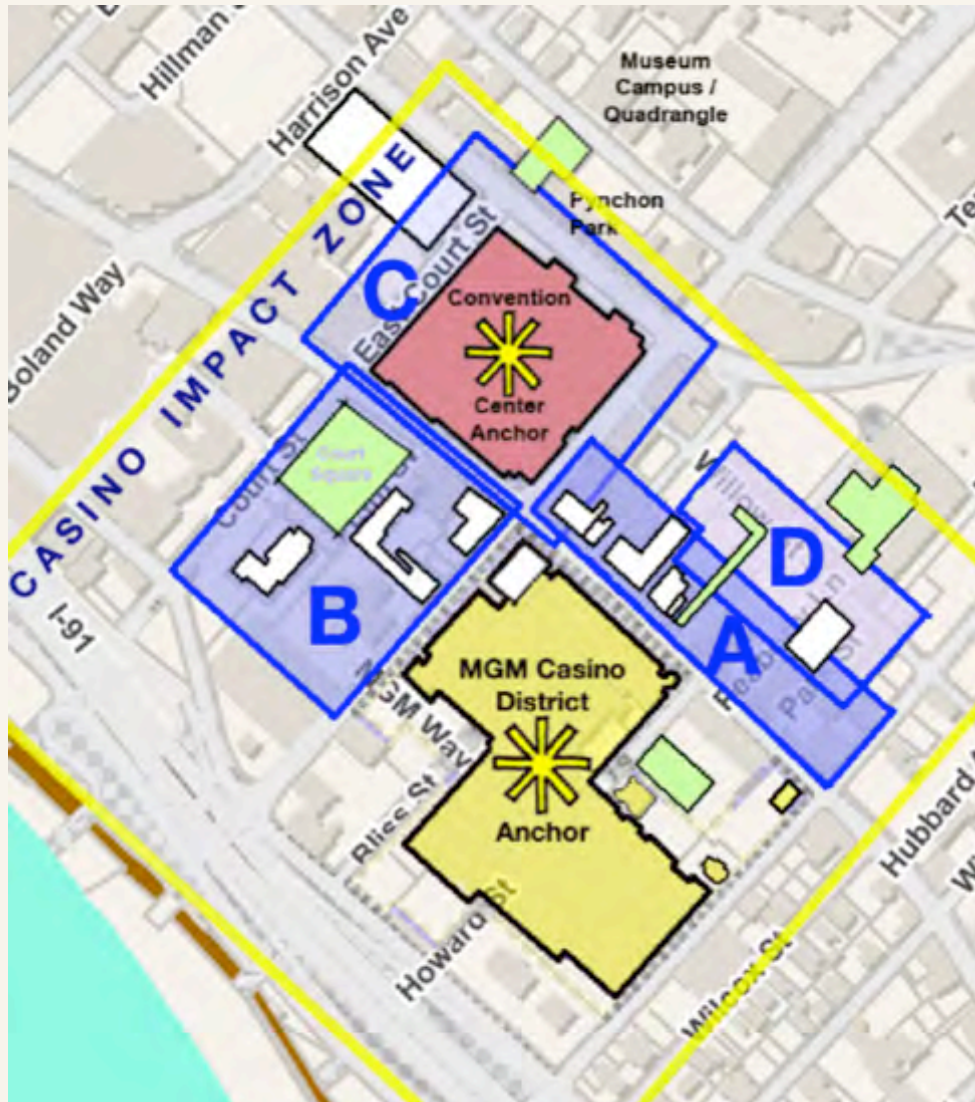
Building from the Implementation Blueprint initiatives, the City is focusing its current efforts on the areas of critical need, namely the languishing properties surrounding the convention and casino district and ripe with potential.

Development needs direction and assistance. To stimulate, guide and promote critical investment, the City is crafting a multi-faceted

“Master Development Strategy Package”:

- **Main St / Convention District Development Framework Plan**
to articulate a City vision, goals and promote opportunities and enhancements for the area
- **Zoning Overlay**
to encourage & ensure compatible, complementary development is facilitated and a priority
- **Development Incentives & Assistance**
to “close the gap” through range of economic aid and related assistance

II. MASTER DEVELOPMENT PLAN FRAMEWORK



Phase One Implementation Initiatives

A. Main Street Corridor

- Primary focus on Main Street properties not contributing to the ancillary development in and around the casino

B. Court Square Redevelopment

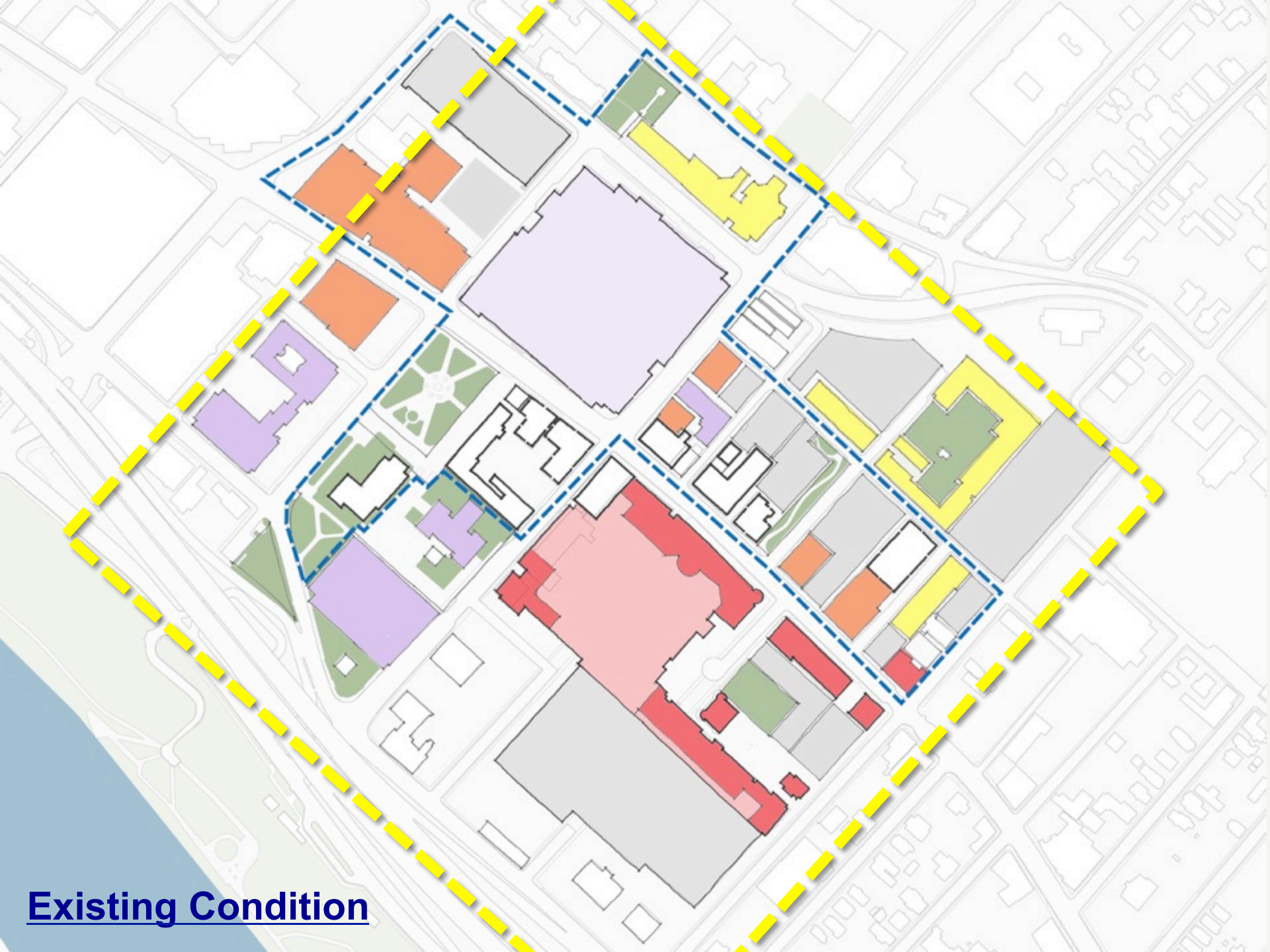
- Reactivation of the central arrival space to downtown through anticipated development, public realm enhancements and potential reuse of City assets

C. Mass Mutual Convention Complex

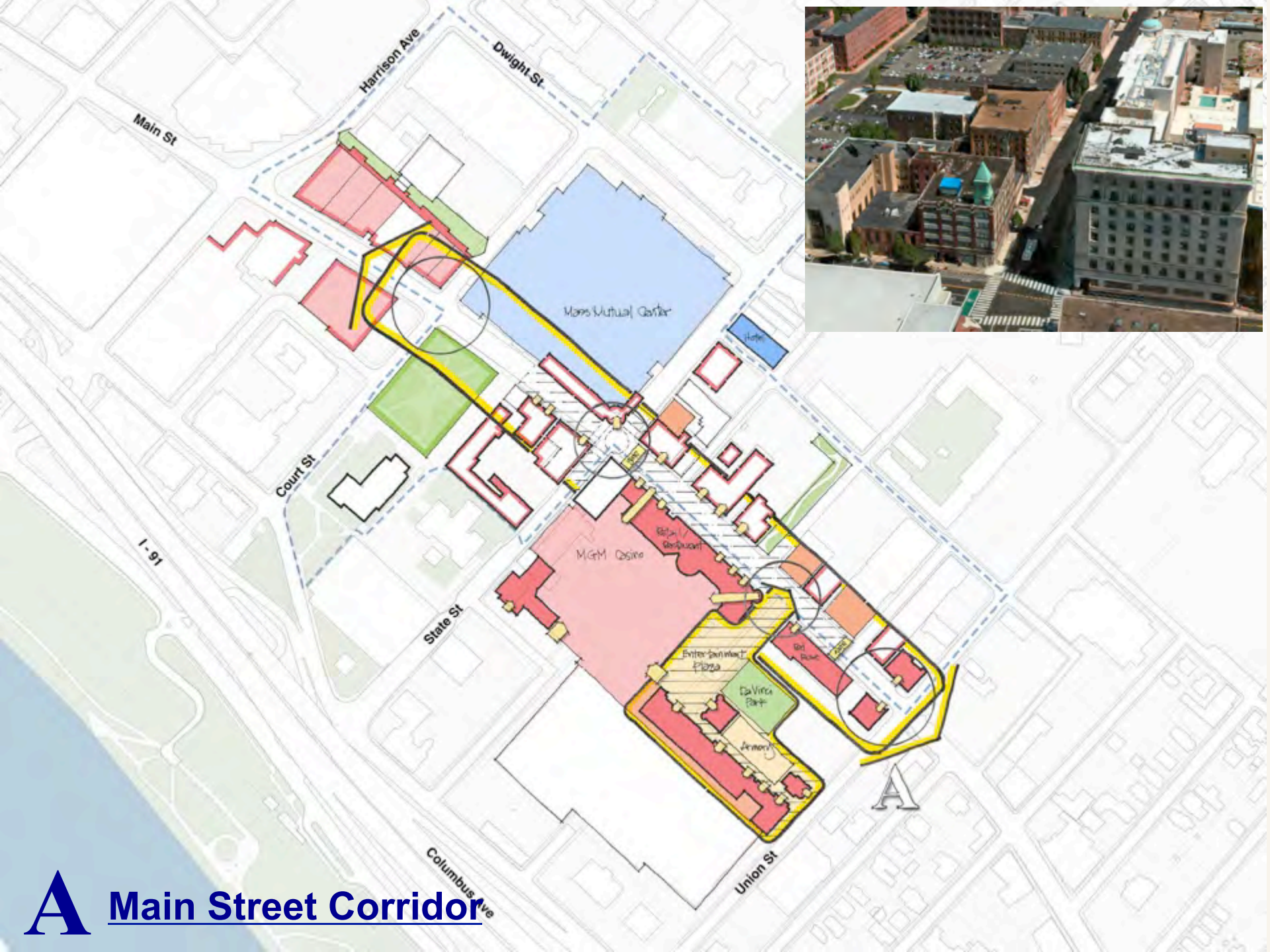
- Repositioning and potential enhancement of MassMutual Center complex to address deficiencies through expanded facilities and competitive programming

D. Willow Street Area Redevelopment

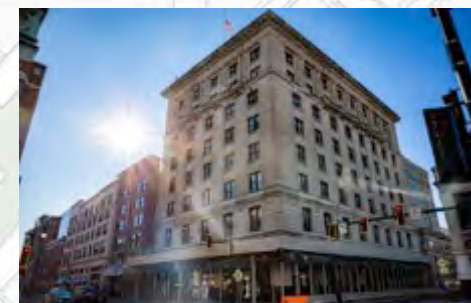
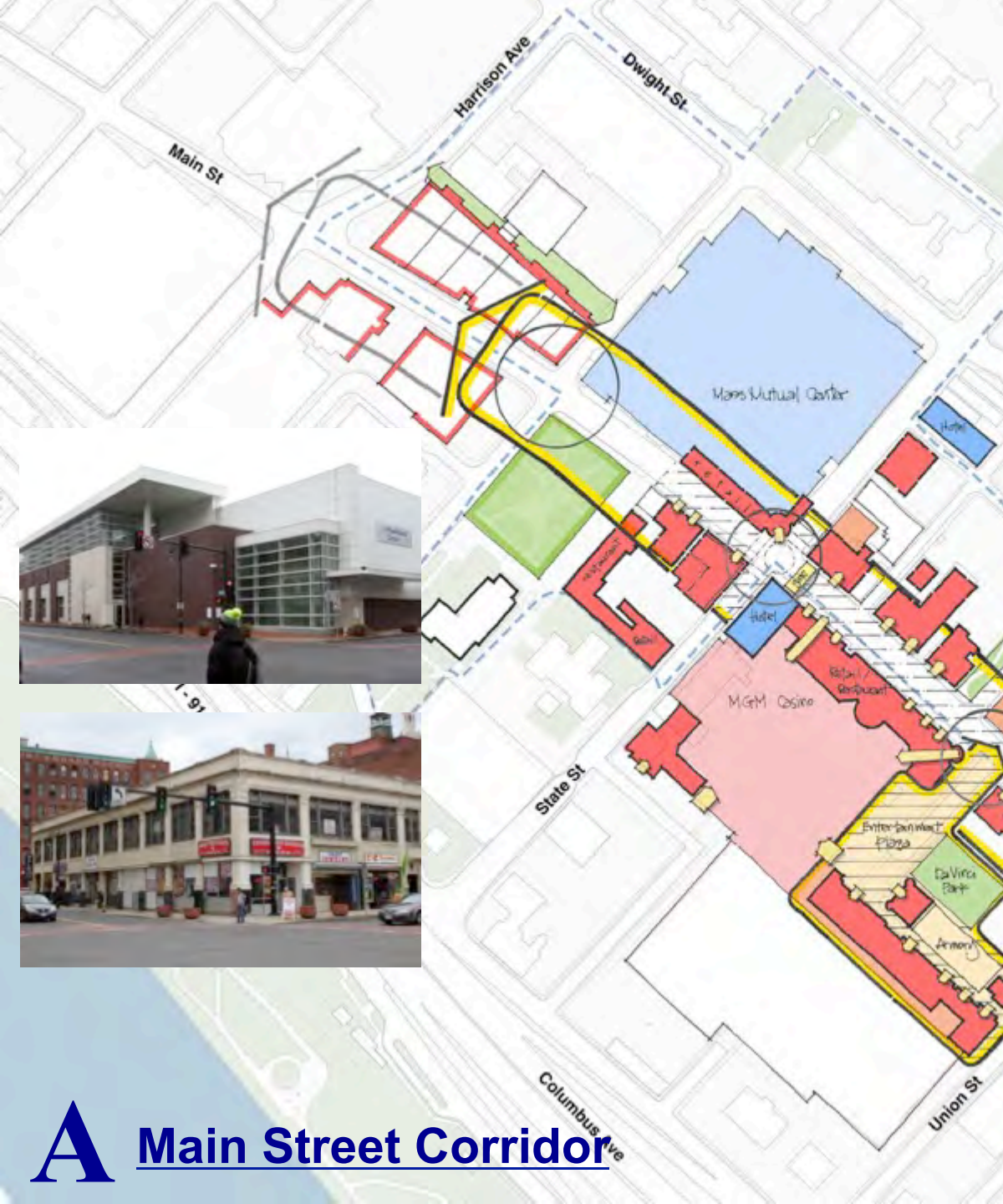
- Reconnecting to Main Street and longer term potentials



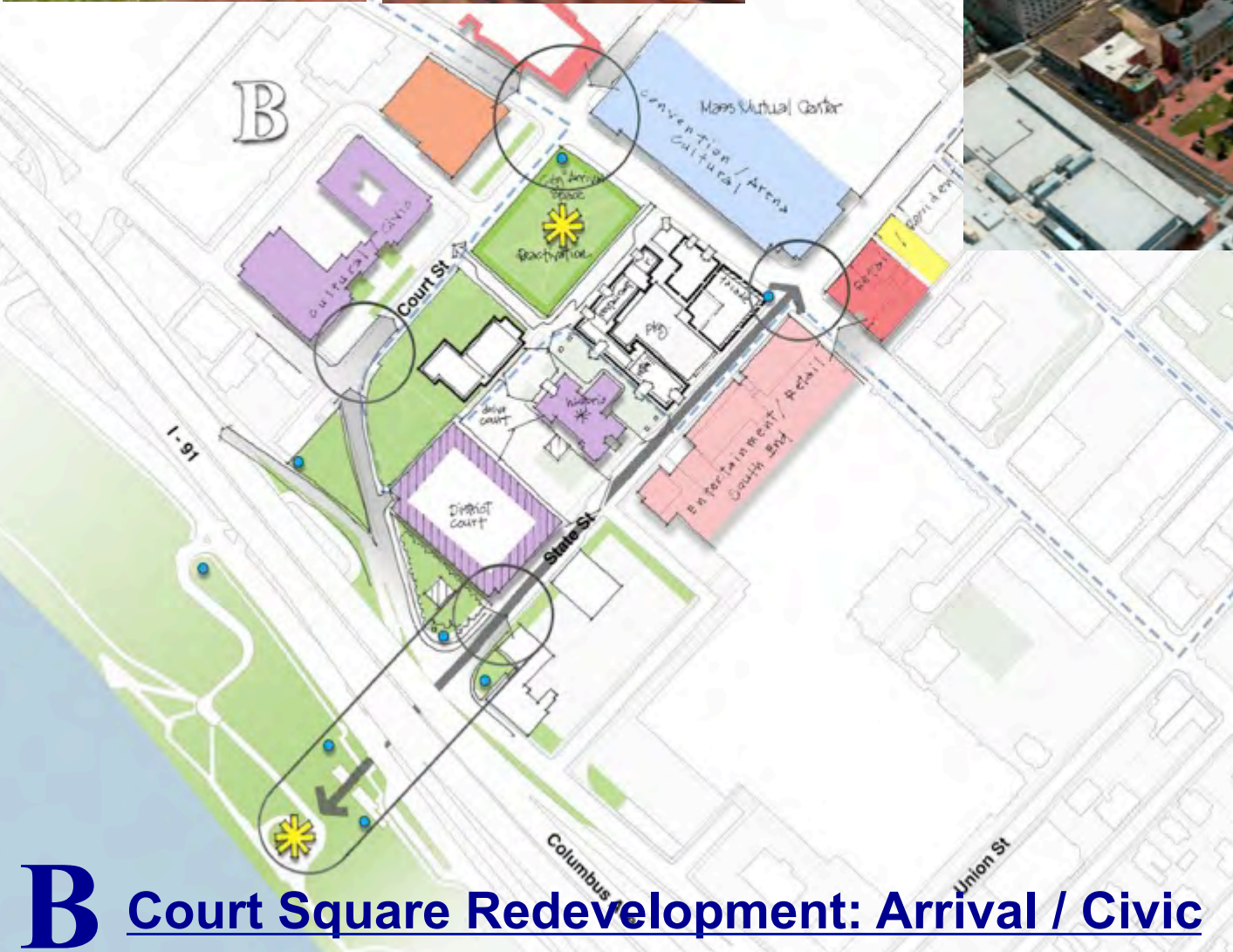
Existing Condition



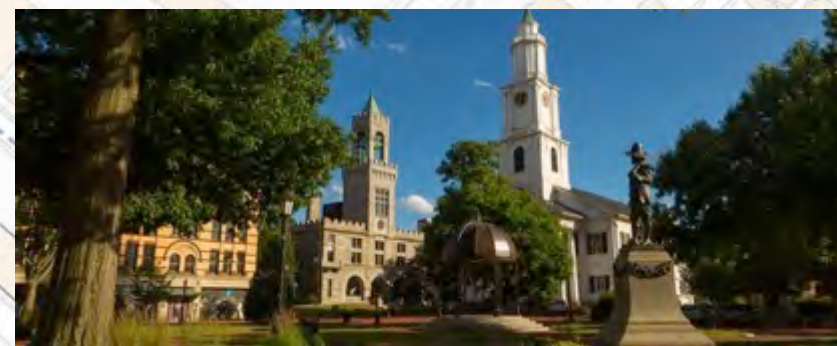
Main Street Corridor



A Main Street Corridor



B Court Square Redevelopment: Arrival / Civic



B Court Square Redevelopment



C



C Convention Center Complex



D Future Willow Street Area Redevelopment





DISTRICT DEFINITION: ESTABLISHING THE ENVIRONMENT



DISTRICT DEFINITION: Enhancements - Gateway, Edges, Entries, Portals, Linkages



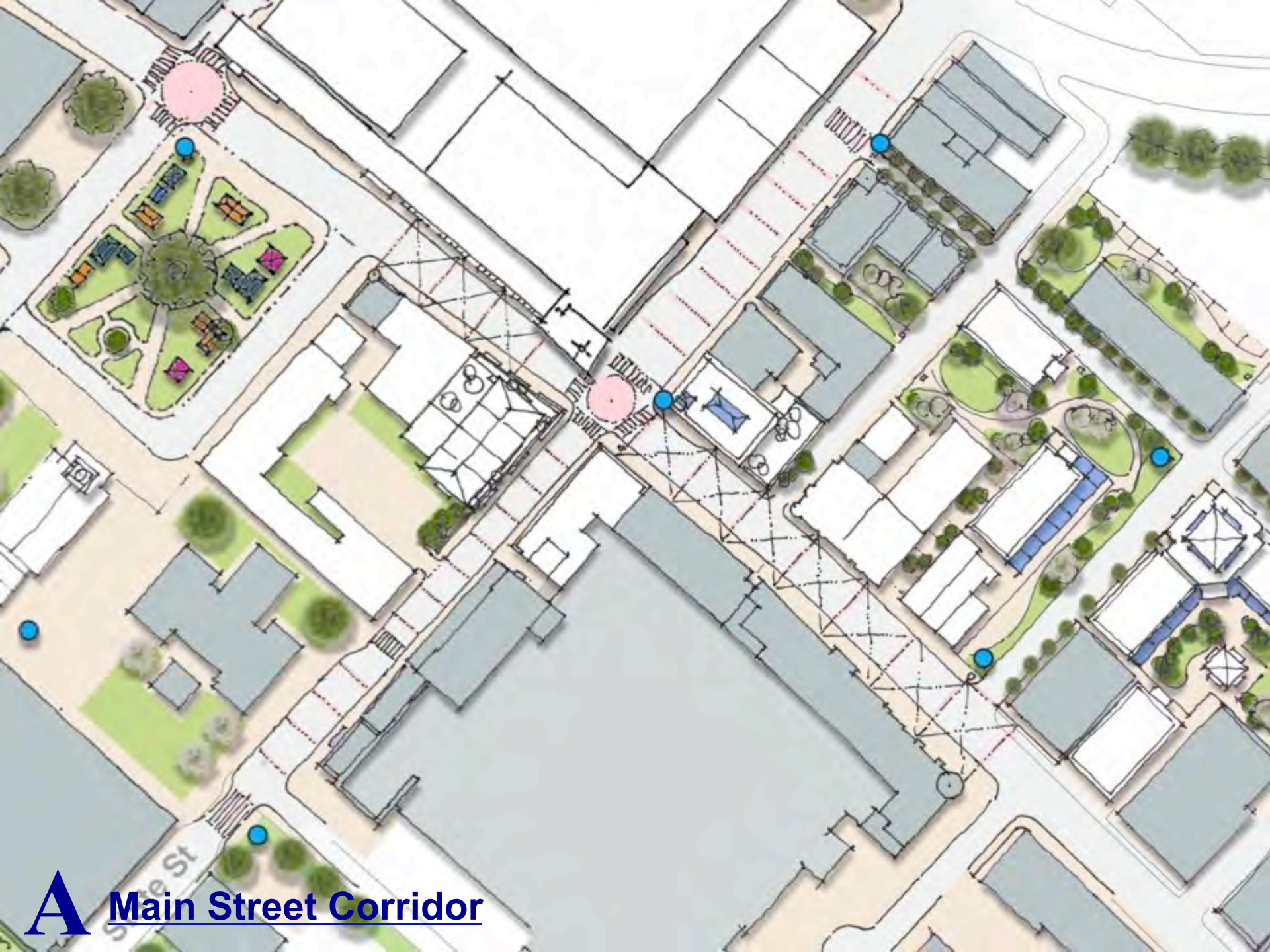


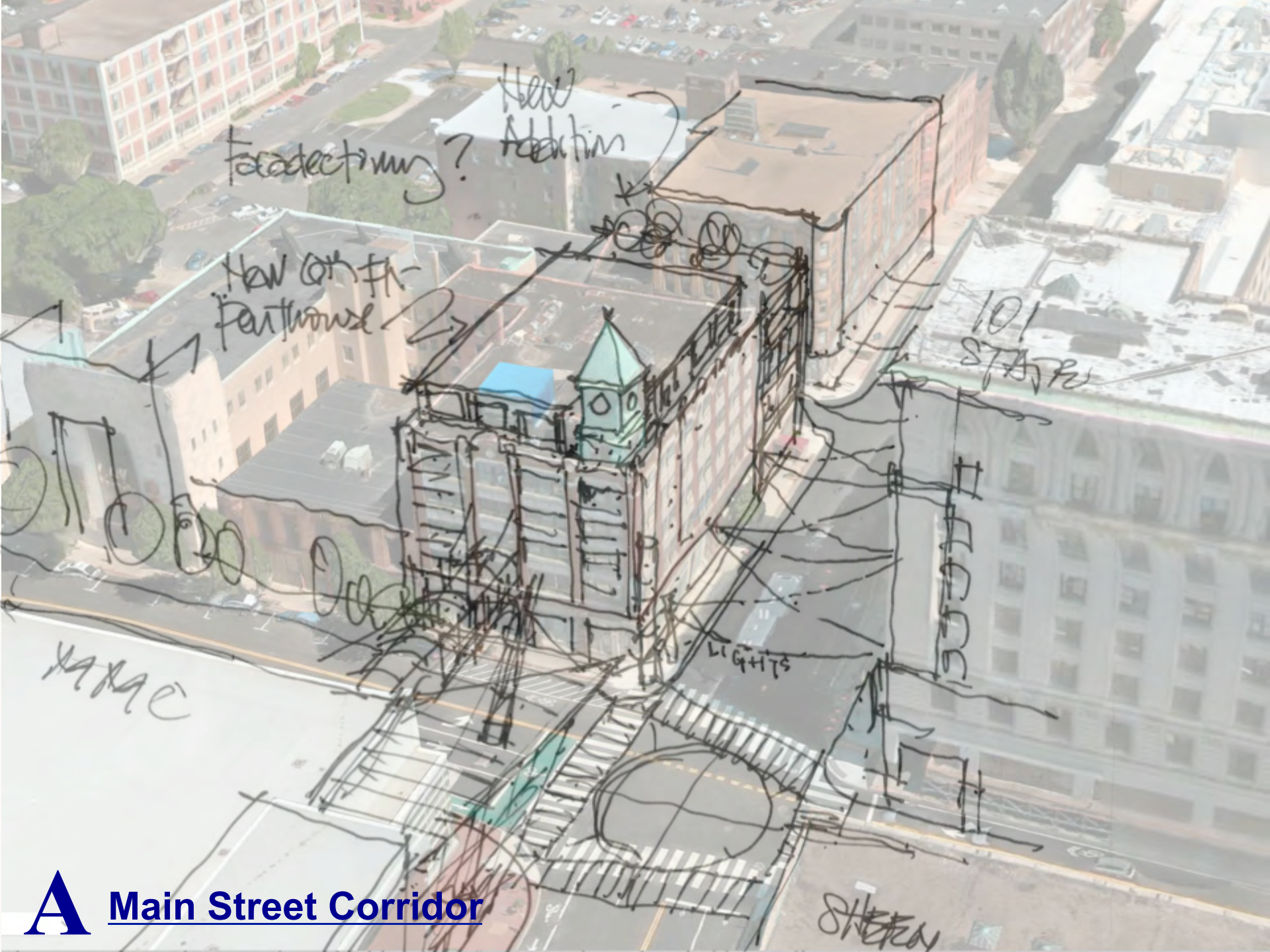


Main Street Corridor



A Main Street Corridor





New Addition
Facade drawing?

New Office Fairhouse

101 State

LIGHTS

SHED



Main Street Corridor



A Main Street Corridor



A Main Street Corridor

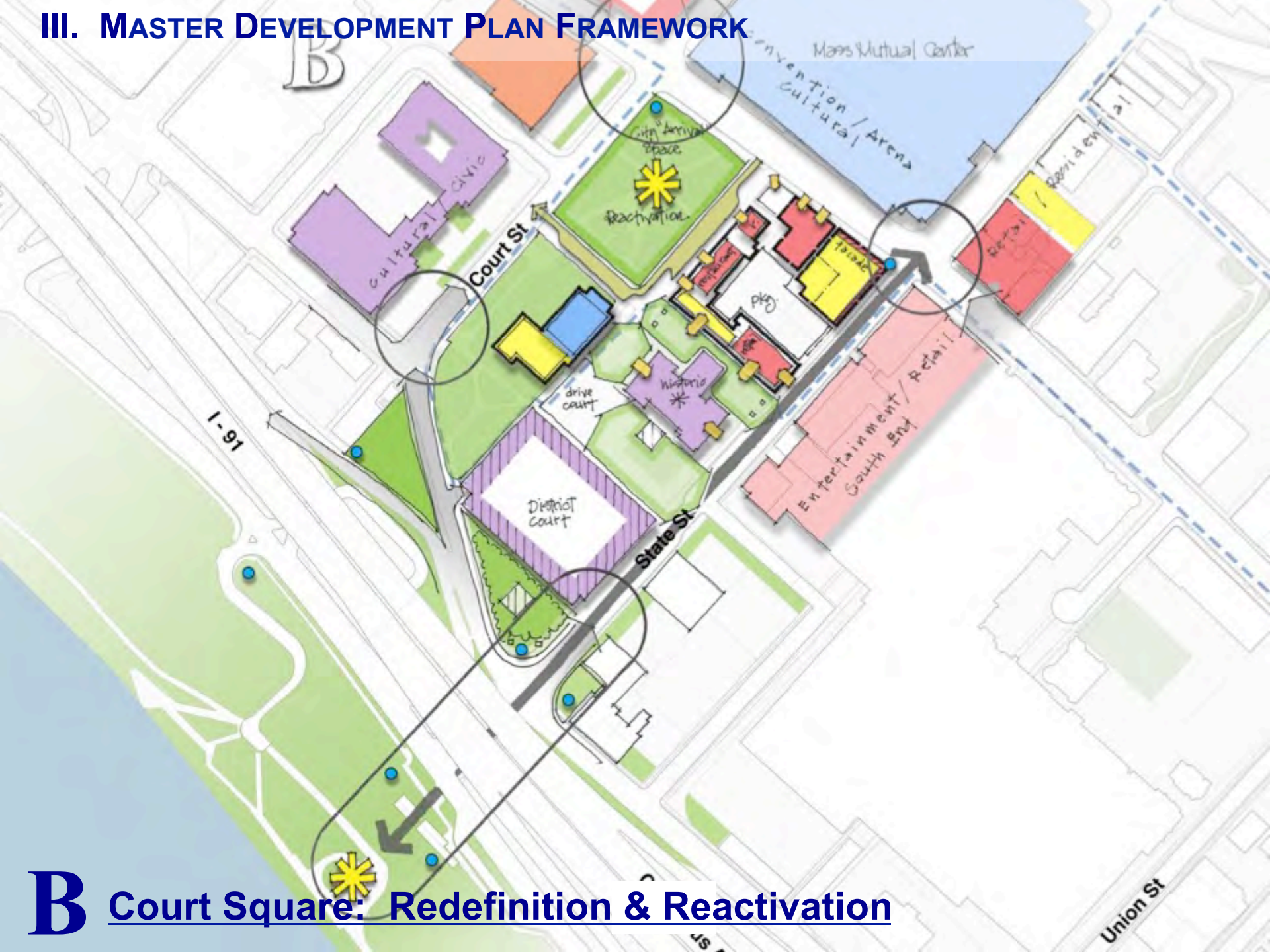


100 150 feet



B Court Square: Arrival / Destination / Event / Canvas

III. MASTER DEVELOPMENT PLAN FRAMEWORK



B Court Square: Redefinition & Reactivation



B Court Square: Corner Stone Attraction



B Court Square: Corner Stone Attraction



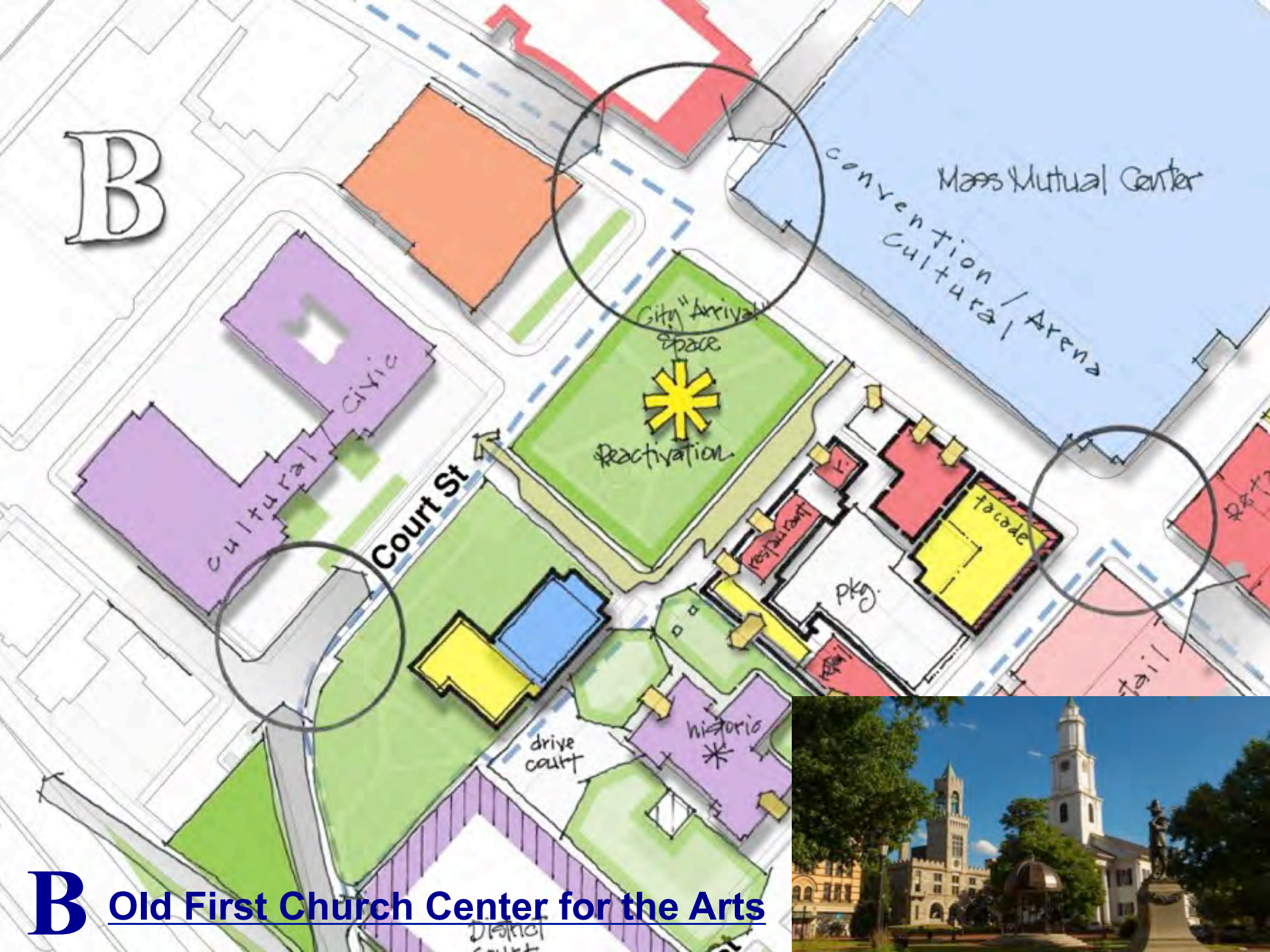
B

Court Square As Arrival / Event / Art



B Court Square As Arrival / Event / Art

B



B Old First Church Center for the Arts





B Old First Church Center for the Arts



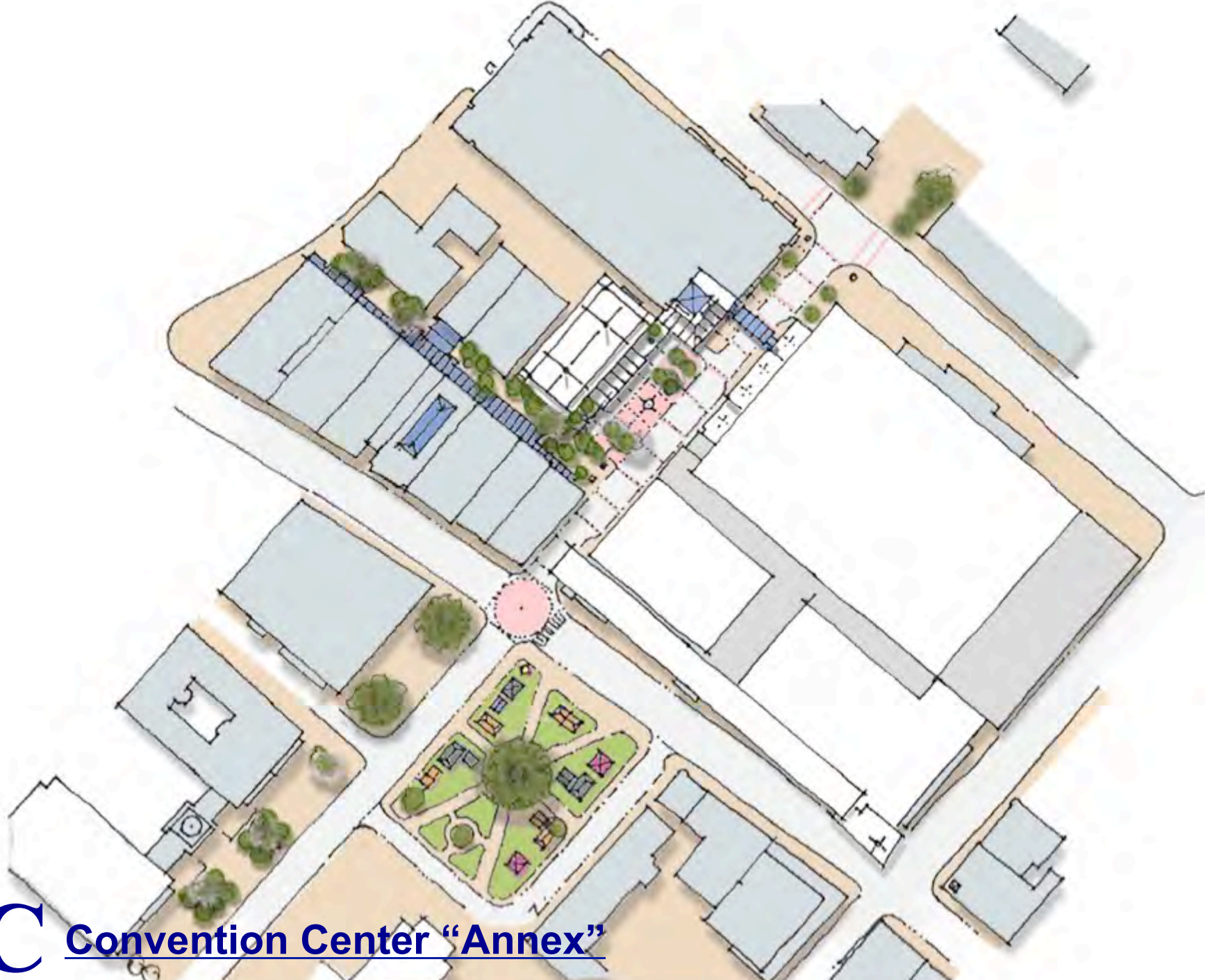
B Old First Church Center for the Arts



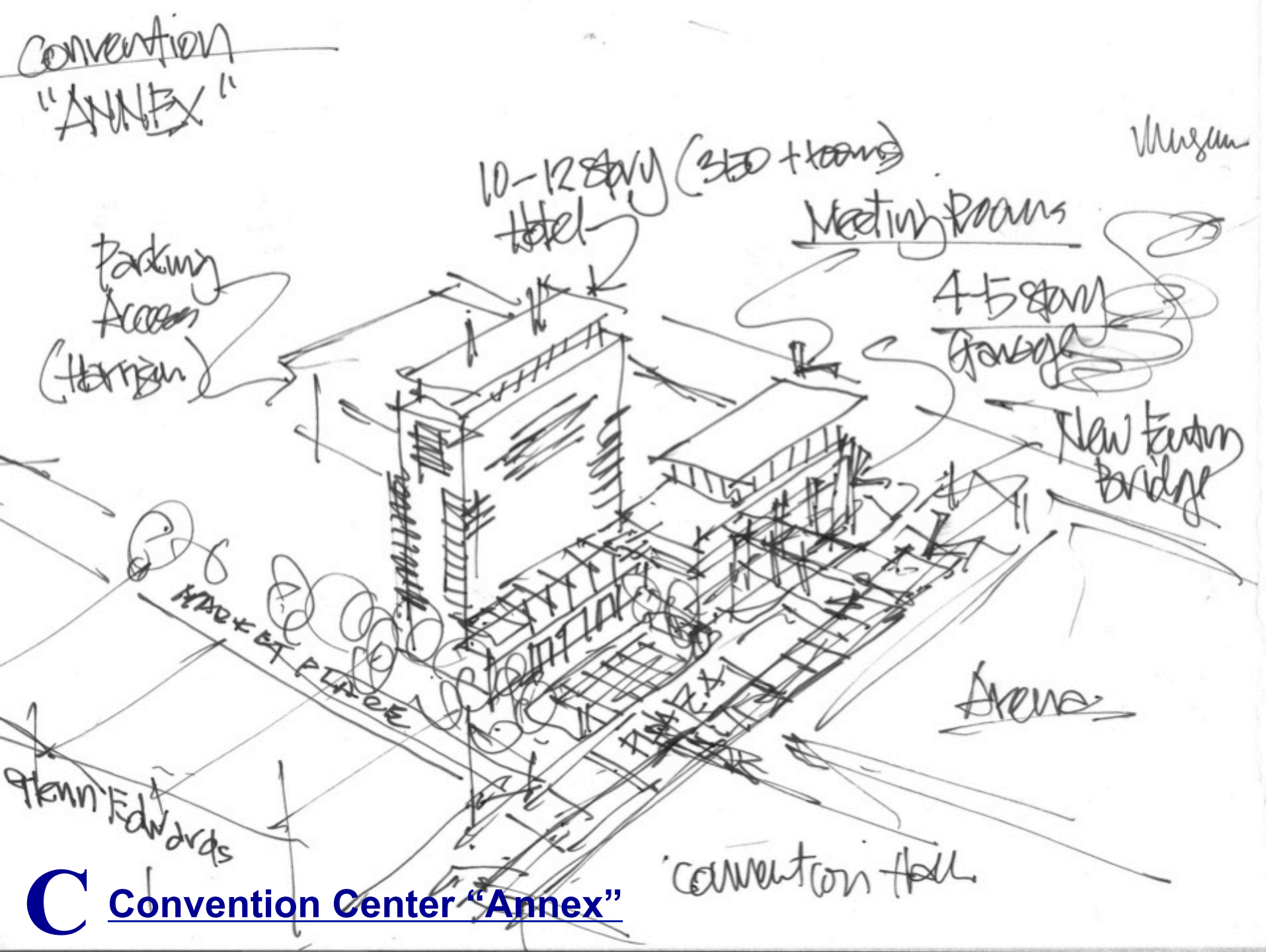
Convention Center Complex

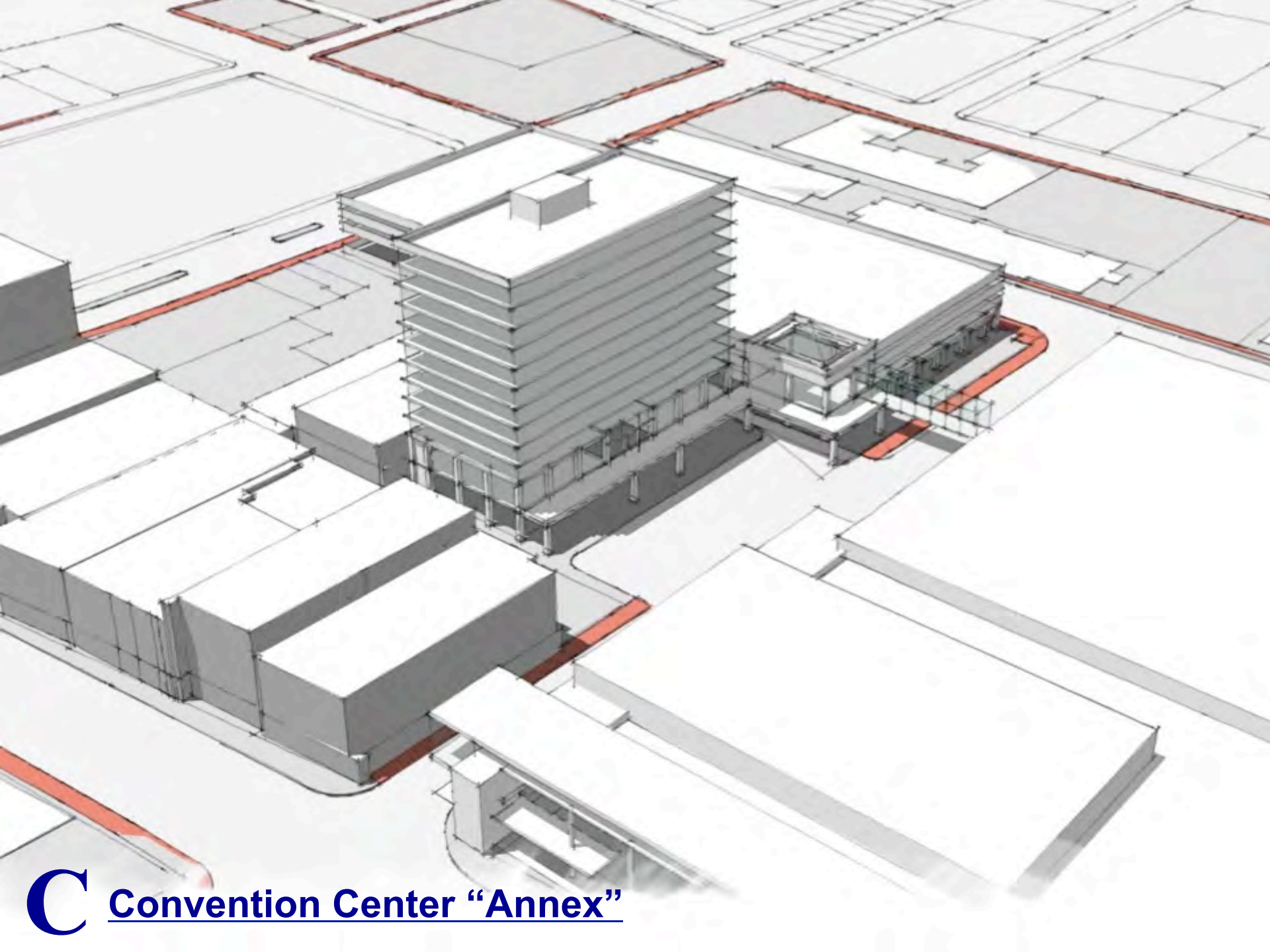


Convention Center Complex

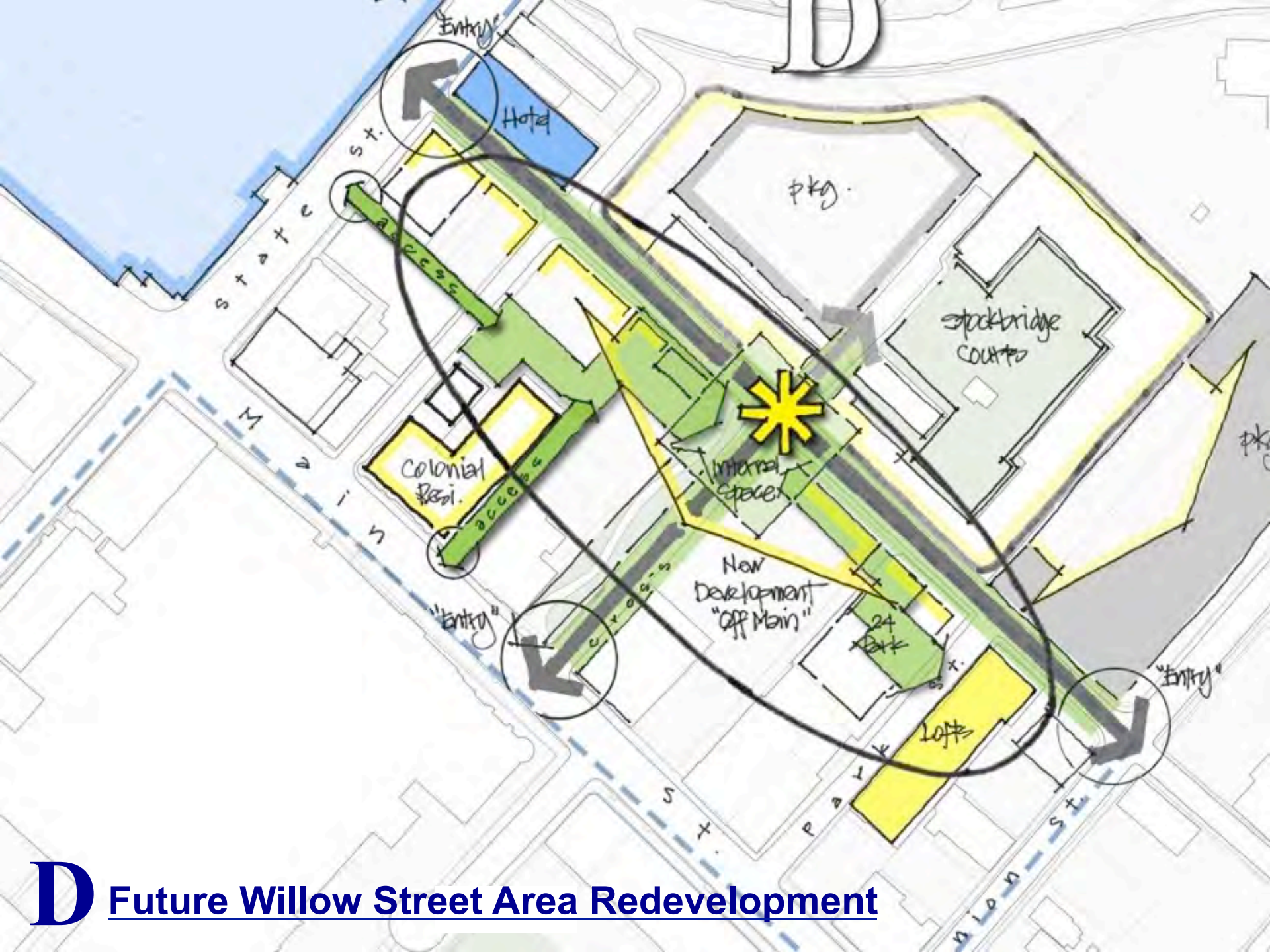


C Convention Center “Annex”





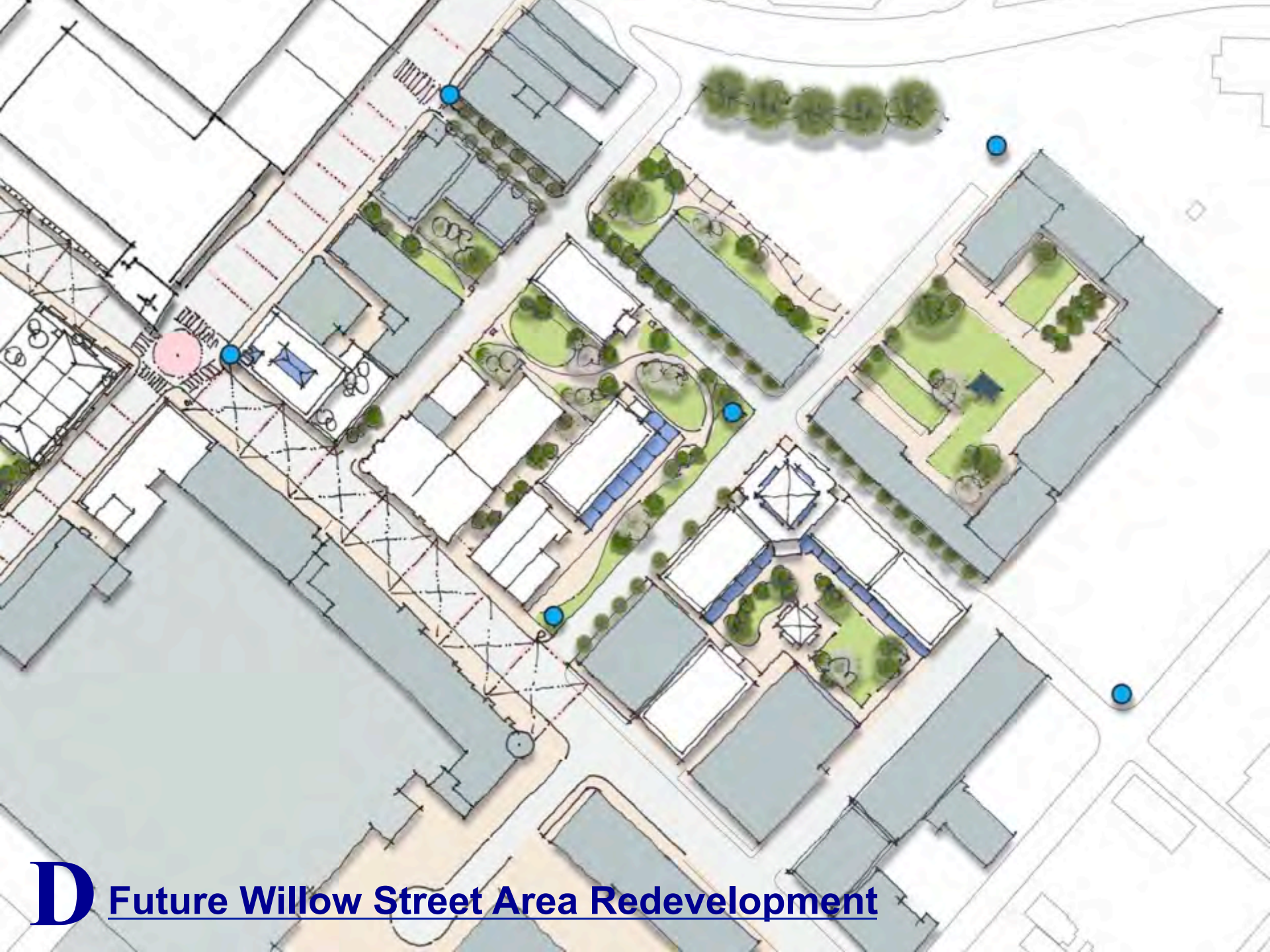
C Convention Center “Annex”



D Future Willow Street Area Redevelopment

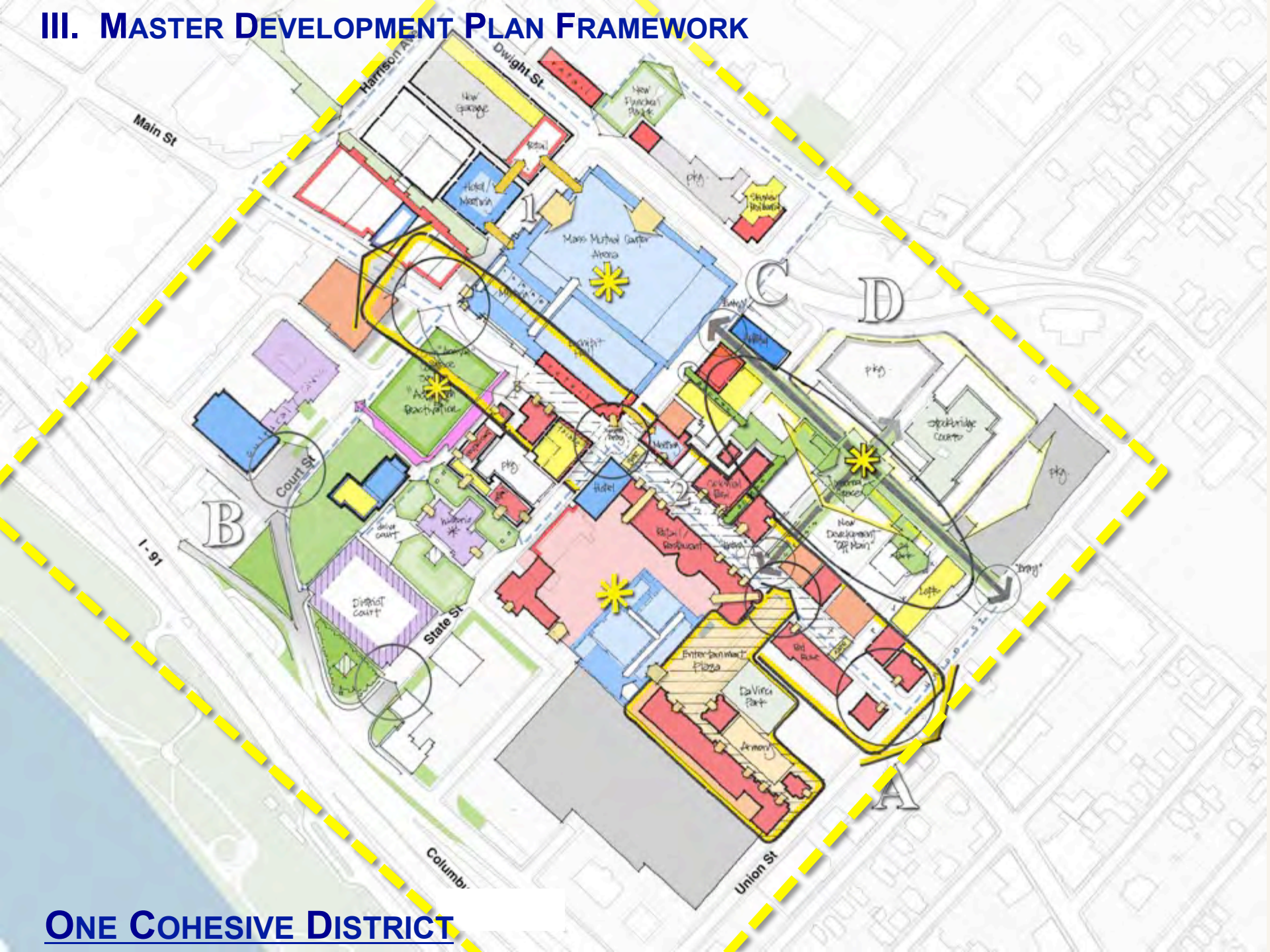






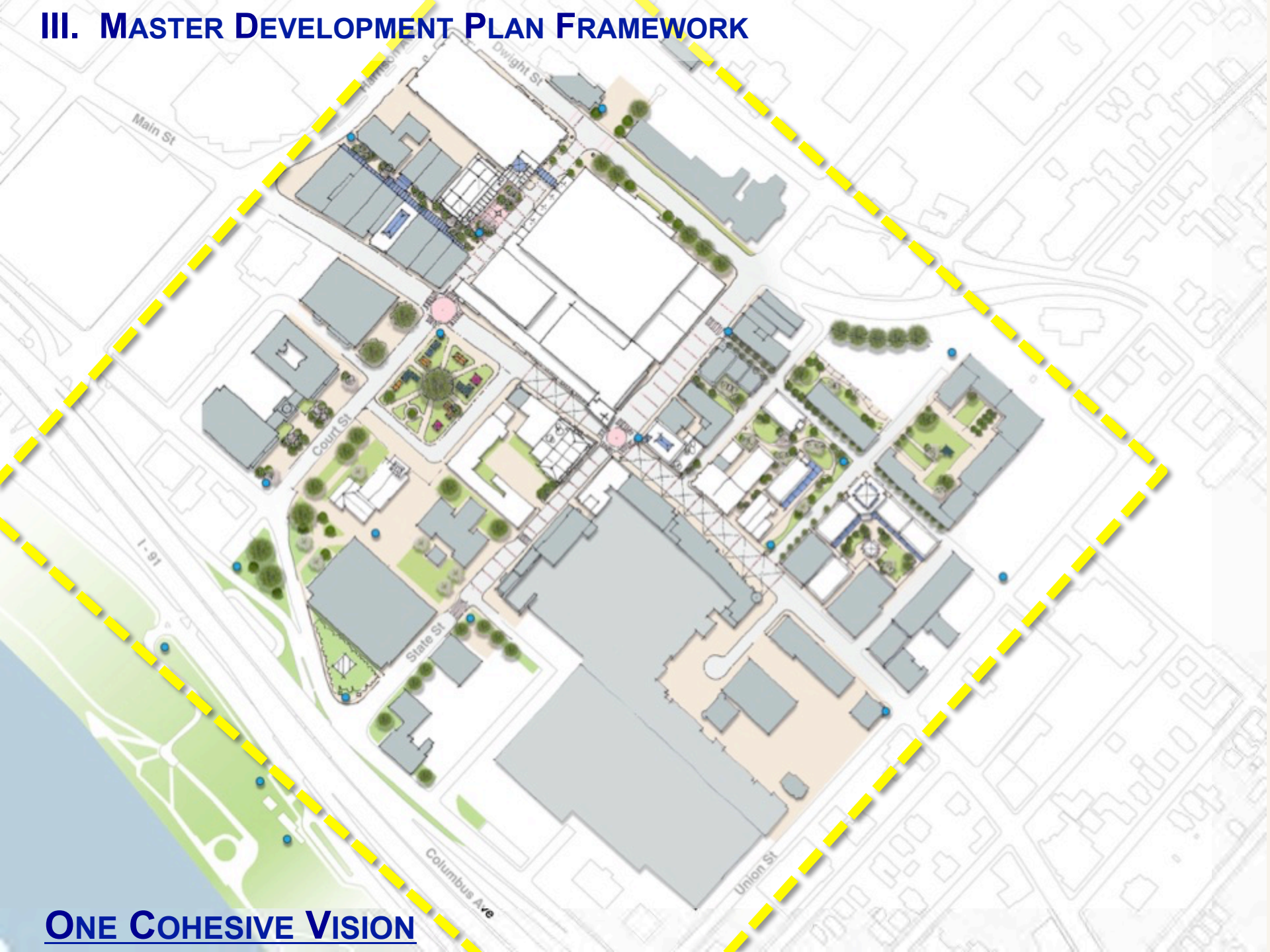
D Future Willow Street Area Redevelopment

III. MASTER DEVELOPMENT PLAN FRAMEWORK



ONE COHESIVE DISTRICT

III. MASTER DEVELOPMENT PLAN FRAMEWORK



ONE COHESIVE VISION

II. MASTER DEVELOPMENT PLAN FRAMEWORK



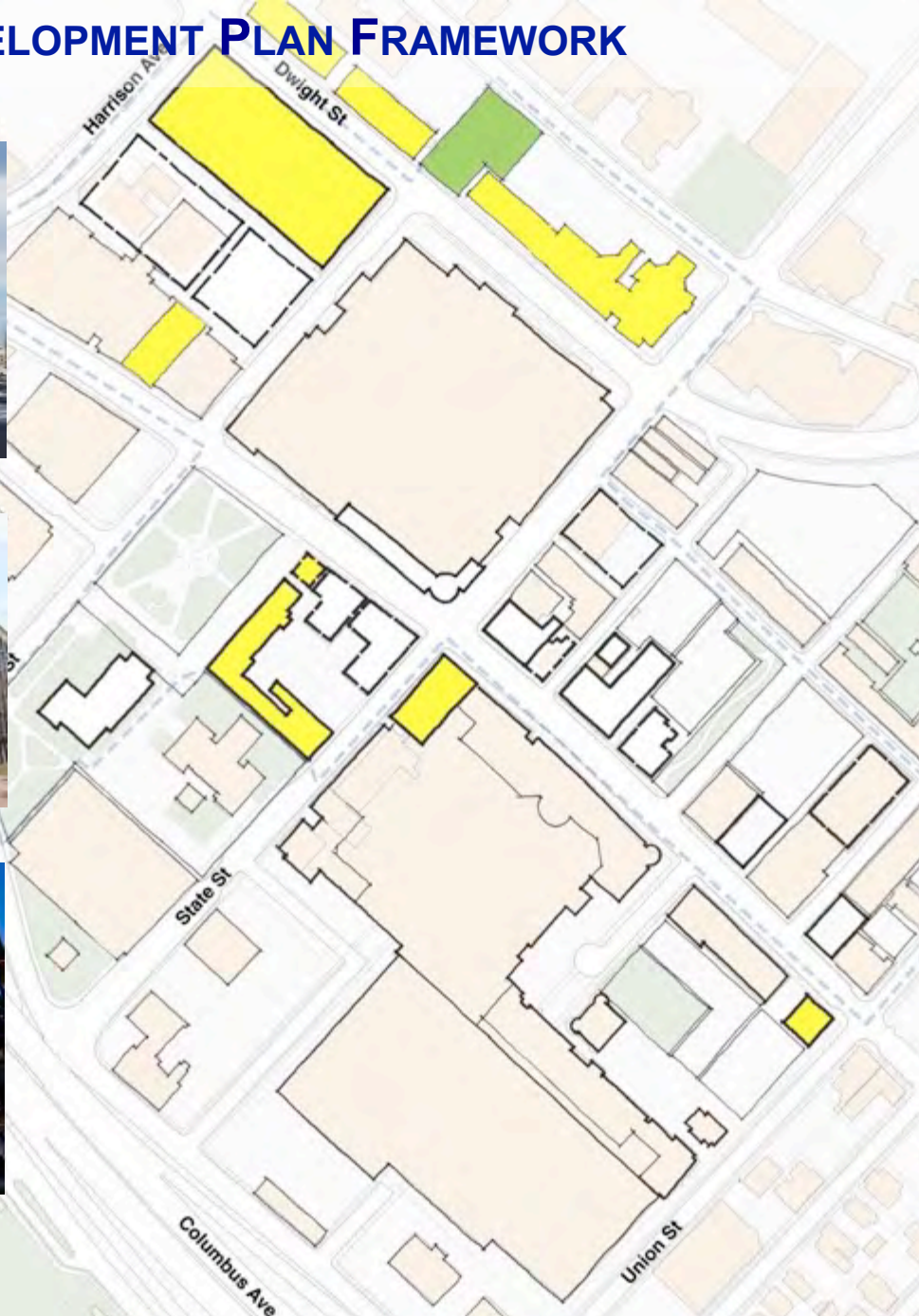
Civic Center Garage Site



13-31 Elm Street



101 State Street



Pynchon Park Renovation



Chestnut Tower Improvements



Wahlburgers

SEQUENCE: Current Potentials under Consideration, Assessment or Advancement

II. MASTER DEVELOPMENT PLAN FRAMEWORK

Step 1a

- Foreclosure Blocks Acquisition & Developer Solicitation(s)
- Other Main St Property Assessment
- Old First Church Reuse Study

Step 1b

- Convention Center South Entry/Main Street Activation
- Old First Church Solicitation
- Other Main St Property Advancement

Concurrent District Efforts & Enhancements

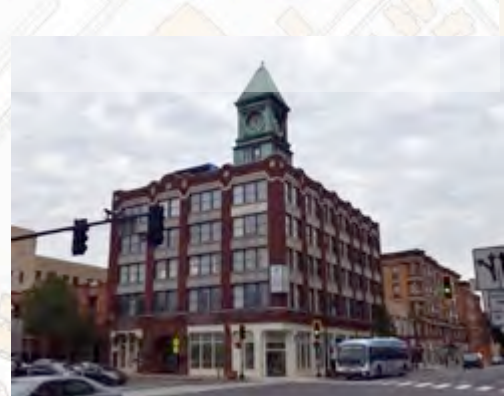
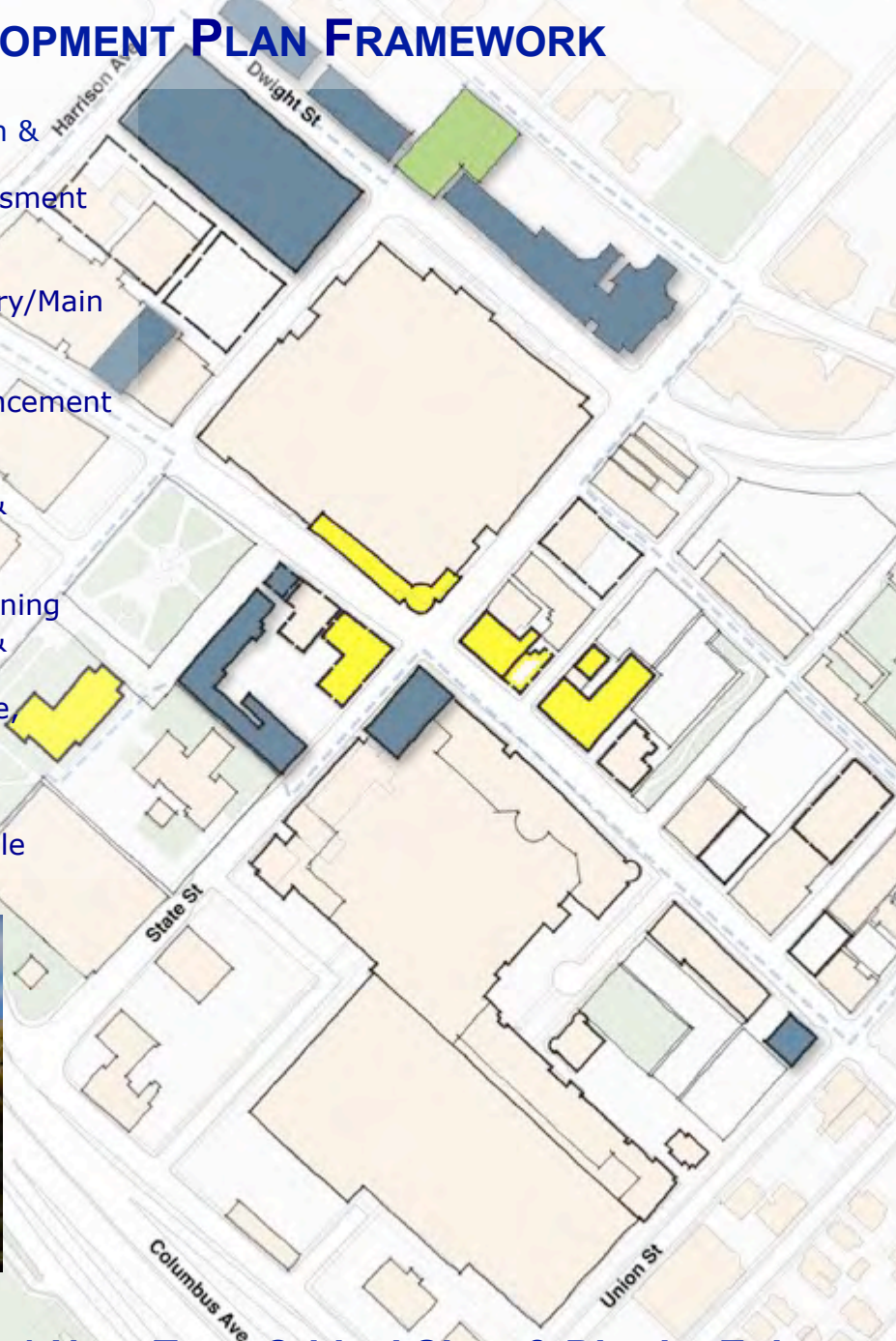
- Convention Center Planning & Repositioning
- Court Square & District-wide Streetscape / Landscape Planning
- District Parking Assessment & Planning
- Initial Streetscape, Landscape Linkages Implementation

Other Efforts

- Additional Critical Site Control/Acquisition as available



Old First Church



113 State "Clock Tower Bldg"



1155 Main "the Colonial Building"



Other Main Street Opportunities

SEQUENCE: Step 1 Near Term Critical Sites & District Enhancements (Years 1 – 3)

II. MASTER DEVELOPMENT PLAN FRAMEWORK

Step 2a

- Potential Additional Main Street Redevelopment (1242 Main, Patel, Other Infill)

Step 2b

- Potential Convention Hotel & Meeting Expansion

District Enhancements

- Additional Streetscape, Landscape, Linkages

Other Efforts

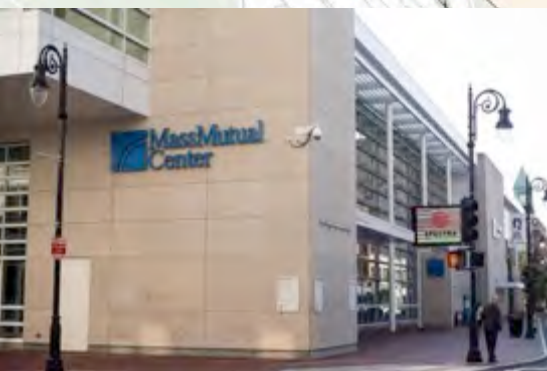
- Additional Site Control/Acquisition As Available



1242 Main Street



1111-1127 Main Street



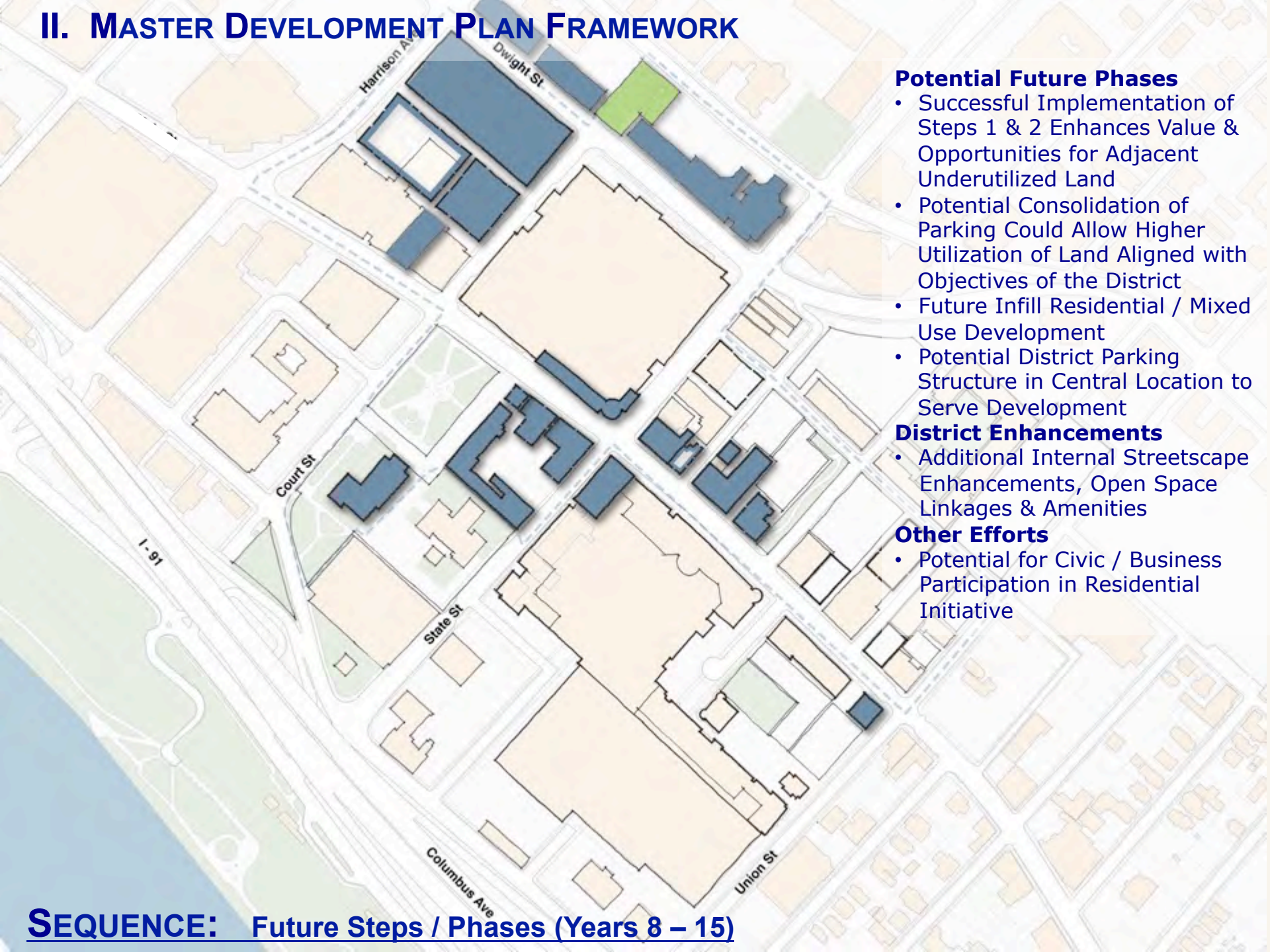
MCCA Main Street Edge and Access



24 Park Street

SEQUENCE: Step 2 Main Street Continued & Convention Enhancements (Years 3 – 8)

II. MASTER DEVELOPMENT PLAN FRAMEWORK



Potential Future Phases

- Successful Implementation of Steps 1 & 2 Enhances Value & Opportunities for Adjacent Underutilized Land
- Potential Consolidation of Parking Could Allow Higher Utilization of Land Aligned with Objectives of the District
- Future Infill Residential / Mixed Use Development
- Potential District Parking Structure in Central Location to Serve Development

District Enhancements

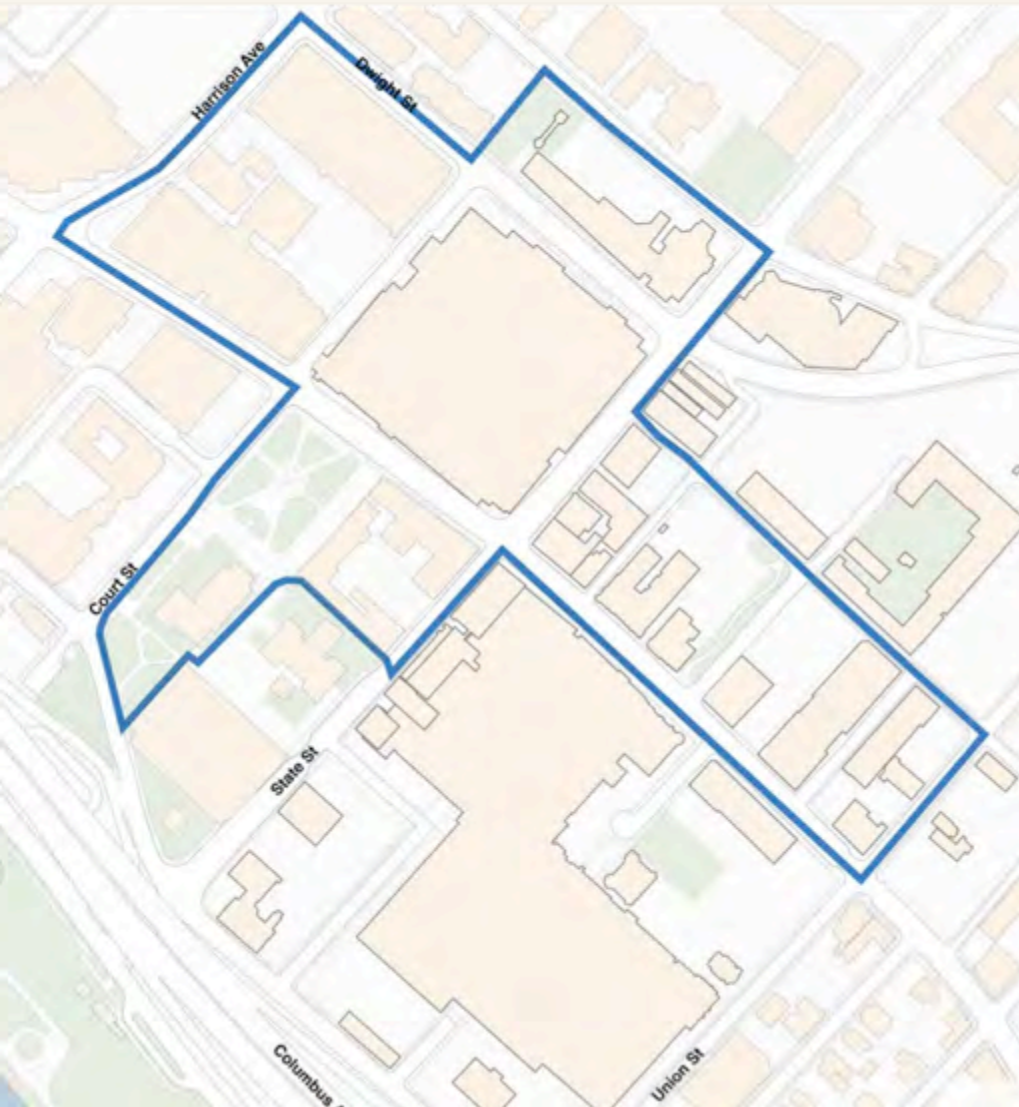
- Additional Internal Streetscape Enhancements, Open Space Linkages & Amenities

Other Efforts

- Potential for Civic / Business Participation in Residential Initiative

SEQUENCE: Future Steps / Phases (Years 8 – 15)

III. THE MAIN STREET & CONVENTION OVERLAY ZONING



Intent

The proposed Overlay District Zoning is intended to:

- Encourage and facilitate near-term redevelopment of priority sites that surround the casino and the Casino Overlay District
- Further enhance this special destination area with housing, hotel, office, retail, restaurants and entertainment
- Establish regulatory controls that guide and encourage complementary and compatible uses consistent with the adjacent casino entertainment district and the surrounding downtown
- Promote both adaptive reuse options where feasible and contextually responsive infill redevelopment, streetscape, and district environment
- Establish a process to facilitate “encouraged uses” and City oversight/control for non-compliant uses
- Provide certainty to the development community for compatible projects

Main Street & Convention Overlay District

IV. DEVELOPMENT TOOLS / INCENTIVES / GRANTS



Needs / Assistance

- City assessment of current development opportunities suggests inviablity without significant economic assistance
- Exploring a range of economic tools including Federal, State and Local grants, loans and other incentives programs to bring to the district
- Considering options across entire development process from:
 - the continuing strategic planning, control and implementation efforts;
 - to infrastructure/public realm enhancements that improve overall value and attract development/investment;
 - to owner/developer/investor assistance to augment and leverage private investment (“vertical development”)
 - to tenant / end user programs and aid



V. NEXT STEPS



- Finalize/Refine Plan w/input for City Council 2/8
- Advance Key Property Pursuit, Due Diligence & Partnerships (Foreclosed Blocks, Shean, 24 Park, 1242 Main, MMC South Entry, other)
- Pursue Detailed Study/Planning of needs/opportunities identified in master development plan
 - District Infrastructure/Enhancement Plan
 - Court Square Reactivation Plan
 - Old First Church Creative Reuse
 - District Parking Assessment & Plan
 - Convention Facility & Operations Plan
 - Detailed Market Study
- Continue Incentives, Grants, Funding Pursuits (Federal, State, Local)
- Advance Solicitation Strategies, Developer Identification & Outreach, and RFQ/RFP Processes
- **IMPLEMENT**



THE IMPLEMENTATION BLUEPRINT



MASTER DEVELOPMENT FRAMEWORK PLAN

Phase One Priority Initiatives

JANUARY 2021

Prepared by The Chicago Consultants Studio, Inc. on behalf of the City of Springfield MA

2021 SPECIFIC IMPACT GRANT APPLICATION: City of Springfield, MA
BD-21-1068-1068C-1068L-56499
ATTACHMENT C Main Street and Convention Center Overlay District

SECTION 8.7 MAIN STREET & CONVENTION OVERLAY DISTRICT

Section 8.7.10 Purpose

Advancing the stability and vitality of Springfield's MAIN STREET & CONVENTION OVERLAY DISTRICT is vitally important to the economic welfare of downtown Springfield and the larger Metro Center as a whole. In order to ensure the stability and viability of the real estate assets in this area and encourage immediate redevelopment and investment to most effectively leverage the recently completed casino project, it is essential that the areas around the casino district convey the solid urban design principals that are similarly advanced by the MAIN STREET & CONVENTION OVERLAY DISTRICT and master development plan which seeks to activate Main Street through contextual, complementary and pedestrian friendly development. The MAIN STREET & CONVENTION OVERLAY DISTRICT is intended to encourage and facilitate near-term redevelopment of priority sites that surround the casino and the Casino Overlay District. The purpose of this overlay is to further enhance this special destination area with housing, hotel, office, retail, restaurants and entertainment. Through the approved Implementation Blueprint required in the City of Springfield's Host Community Agreement with Blue Tarp redevelopment, LLC, the City has proactively crafted an economic development plan for this area that identifies priority parcels, a City "vision" plan, implementation zoning and a range of incentives and assistance to promote the desired redevelopment. The overlay zoning is necessary to establish regulatory controls that incentivize, streamline and encourage complementary and compatible uses consistent with the entertainment district established by the adjacent Casino Overlay District and the historic downtown. It is desired that given the number of historic structures located in this area, the historic character shall be maintained where economically feasible through adaptive reuse options and/or contextual responsive architecture.

Section 8.7.20 Location

The MAIN STREET & CONVENTION OVERLAY DISTRICT is indicated on the official Springfield ZONING MAP. This section contains general standards and design guidelines that apply to all locations where the MAIN STREET & CONVENTION OVERLAY DISTRICT has been mapped. Except as provided for elsewhere in this Section 8.7, the dimensional and uses requirements of the underlying Zoning Districts shall also apply to locations within the MAIN STREET & CONVENTION OVERLAY DISTRICT.

Section 8.7.30 Overlay Objectives

8.7.31 In an effort to guide redevelopment and articulate the City's desires in the MAIN STREET & CONVENTION OVERLAY DISTRICT, the City has established the following overarching objectives in response to its vision and needs:

- A. Foster and facilitate much needed ***near-term development*** through a guiding vision, corresponding zoning controls, design criteria, and range of incentives and related assistance;
- B. Improve the ***physical appearance and cohesive identity of the area, particularly South Main Street***, as an attractive commercial corridor;
- C. Create a ***vibrant, mixed-use district with activated ground floors*** to reenergize the areas around casino and convention center;
- D. Leverage ***the historic character of existing buildings and architectural character*** to promote reuse and urban/architectural consistency in the area where economically feasible;
- E. Attract ***high quality retail, hotels, restaurants, and entertainment tenants*** to complement and extend the range of commercial offerings in the area and increase daytime/nighttime vitality;
- F. Increase the range of ***new residential offerings*** to stimulate the livability, appeal, and a vibrancy of the area that attracts new residents to downtown;
- G. Promote a ***higher utilization*** of vacant parcels and abundant parking lots through redevelopment and consolidation of parking to further restore and activate gaps in the urban fabric; and
- H. Enhance and/or augment the convention and business meeting industry with ***needed supplementary spaces, services and/or supporting uses*** that allow Springfield to compete and excel with superior offerings and facilities.

Section 8.7.40 Use Regulations

Within the MAIN STREET & CONVENTION OVERLAY DISTRICT, the City strongly encourages activation of the area through new retail, restaurant, entertainment and hotel uses that build on and complement the success of the casino district, as well cater to and attract new residential population. The City Office of Planning & Economic Development (OPED) will review, assess, expedite and advance projects that meet these criteria.

8.7.41 ENCOURAGED USES: The following uses shall be strongly encouraged for redevelopment within the MAIN STREET & CONVENTION OVERLAY DISTRICT and permitted with a Tier 1 Administrative Site Plan Review. The City may utilize third party planning and development consultants for review. Payment of review costs, if required, shall be as prescribed in Article 12, Section 12.1.30.

- A. Ground floor retail uses which directly support tourism/visitor, entertainment, convention and area new residential land uses;

- B. Restaurants, taverns, entertainment, places of amusement and specialty attraction venues (e.g. galleries, live theaters, etc.) as well as new hotels that increase and diversify the district offerings;
- C. New multi-family residential uses (less than 100 units or 150,000 SF for mixed-use) above activated ground floors to attract a new market of owners and renters not served in the area;
- D. Additional uses that support and/or augment convention/meeting/event uses such as break out space, meeting rooms, and/or office.
- E. Office uses above the ground floor.
- F. Mixed-use projects where thirty (30) percent or more of the ground floor area is dedicated to retail, restaurant or entertainment component located at and visible from the front of the space facing the street per Section 8.7.57 (e.g. distillery/micro-brewery with bar/dining, optometrist office with eye glass sales floor, boutique food manufacturers with café/sales floor (bakery, chocolatier, etc.))

8.7.42 SPECIAL PERMITTED USES: the following will require a Tier 3 Special Permit and will be subject to the criteria of Section 12.4 and Section 8.7.6:

- A. All projects with allowable uses per the underlying zoning but not conforming to the ENCOURAGED USES shall require a Tier 3 Special Permit, administered a review by the City Council and may also require a third party planning and development consultants the cost of which shall be as prescribed in Article 12, Section 12.1.30.. Specific uses include:
- B. Support or service retail (e.g. self-service laundry, motor vehicle repair/service and related uses);
- C. Ground floor uses whose hours of operation do not promote the night time vitality of the district or are not generally consistent with the casino district restaurant and retail, to be determined by the OPED.

8.7.43 PROHIBITED USES: in addition to the applicable requirements and PROHIBITED USES of the underlying Zoning Districts, the following shall apply:

- A. New non-project related or standalone surface parking lots are prohibited along Main Street and elsewhere throughout the District unless publically owned or deemed essential as part of or supporting the desired land use in

8.7.41 and subject to standards in 8.7.50; Parking is encouraged to be incorporated within the structure or in adjacent central parking garages.

8.7.44 **PARKING GARAGES:** Any new freestanding, publicly-owned parking garage within the MAIN STREET & CONVENTION OVERLAY DISTRICT shall be subject to third party review and Tier 2 review regardless of square footage area. Ground floor areas of Parking Garages fronting major district streets shall be activated with ENCOURAGED USES.

8.7.45 **DEMOLITION:** within the MAIN STREET & CONVENTION OVERLAY DISTRICT, the City encourages the renovation and reuse of older or blighted historic structures where economically feasible; as such, the partial or full demolition of any HISTORIC RESOURCE PROPERTIES at the time of this ordinance approval, shall be subject to the following:

- A. No BUILDING PERMIT, with the exception of emergency demolitions or a court ordered demolition (as determined by the Building Commissioner), shall be granted for the demolition of any HISTORIC RESOURCE PROPERTY(S) regulated by this section until a Tier 2 Site Plan Review. The Site Plan Review shall follow the procedures outlined in Article 12, Section 12.3 except the reviewing body shall be the City Council and not the Planning Board. Applications meeting all the submission requirements outlined in Section D below, as determined by the Office of Planning & Economic Development, shall move forward to City Council for a Site Plan Review.
- B. In issuing its determination as to whether or not to grant Site Plan Review approval, the City Council shall consider all the submissions requirements as well as the recommendation of the Office of Planning & Economic Development, with specific analysis of the impact of such demolition on the urban character, historic significance, built environment, vehicular and pedestrian access of the area as a whole as well as the proposed redevelopment plans including economic viability. Approval of the City Council shall be contingent on meeting all the submission requirements as listed below, as determined by OPED, and only if the applicant proves that renovation/reuse is not economically viable (via pro-forma), and that such demolition is deemed necessary and appropriate to eliminate ongoing blight and distress in the area caused by continued decline of any HISTORIC RESOURCE PROPERTY(S) with no economically viable reuse. Any new development in its place shall be generally consistent with the character of the surrounding area and contextual responsive to its architecture;

- C. Buildings over one hundred (100) years old shall also be subject to City Ordinance, Chapter 218 (Preservation of Historically Significant Buildings);
- D. In addition to the submission requirements outline in Article 12, approval of a Site Plan Review under this section must also include the following submission requirements:
 - 1. Development of a financial pro-forma analysis and due diligence reports proving reuse unviability including but not limited to:
 - a. Building conditions assessment (architectural, structural, building systems, code compliance, etc.)
 - b. Historical assessment
 - c. Assessment of reuse scenarios and market viability
 - d. Magnitude costs for reuse and redevelopment scenarios
 - e. Comparative economic analysis and financial proformas of reuse and redevelopment scenarios, illustrating redevelopment as only viable option
 - 2. Full set of detailed conceptual drawings for new building(s) that address issues such as height, bulk, massing and preliminary material details including but not limited to:
 - a. Conceptual floor plans showing general size/areas, layout of use(s), primary entry/egress points, and general circulation;
 - b. Conceptual elevations showing floor heights, fenestration particularly ground floor storefront glass, entry/doorways, loading/service, and conceptual architectural character / articulation and materials suggestions; primary street elevations must show adjacent buildings for contextual comparison and cohesiveness;
 - c. Conceptual renderings, photo montage, computer model views or other graphic method illustrating current condition and proposed new building for height, three dimensional bulk/massing, relationship/response

to adjacent buildings and preservation and enhancement of street frontage.

3. Summary of preliminary program use(s), anticipated mix of tenants including how they contribute to the district goals and character;
 - a. Preliminary program matrix summarizing uses, sizes and distribution of uses by floor;
 - b. Written summary of target uses and tenant types including how uses contribute to ground floor activation, street life, and district cohesiveness.
4. Proposed Sources and Uses plan including;
 - a. Preliminary sources and uses schedule;
 - b. Summary explanation of sources and uses including any subsidies if required and plan to secure
 - c. Identification of any initial interest from or relationships with lending sources/institutions for funding viability

Section 8.7.50 General Design Standards

In order to protect the stability, viability and continuity of this area it is imperative that this overlay promote solid urban design principals that seek to activate major streets through contextual, complementary and pedestrian friendly development. As such, the following general design standards shall apply to all uses and/or structures, new or renovated, located within the Main Street & Convention Overlay District:

8.7.51 Building Orientation

New or renovated structures shall orient primary use(s) toward major streets through location of main entrances and storefront glass/visibility along FRONT LOT LINE:

A. Main Entrance:

1. At least one (1) primary entrance of the PRINCIPAL STRUCTURE shall face the FRONT LOT LINE and remain accessible to the public during all hours of operation. When there is more than one (1) FRONT LOT LINE, the

entrance may face either the FRONT LOT LINE or diagonally towards the corner.

2. Buildings situated on corner lots are encouraged to take advantage of their prominent locations with angled or rounded corner entrances either on or close to the corner as possible. Buildings located on corner lots shall be built out to both fronting property lines.
3. The front doors of new buildings shall reflect the scale, placement, and proportions of traditional downtown buildings; recessed entrances are encouraged.
4. Doors and entryways of buildings shall be compatible with the overall style and character of the façade.

B. Ground Floor Treatment:

1. Facades facing a STREET shall reactivate existing transparent storefronts where feasible or in new construction promote visibility into a majority of the business through the use of glass storefronts or transparent material along primary frontages. Ground floor windows can be used for displays; however business owners shall allow full and unobstructed views into their businesses. Completely obstructing windows from the interior of a building with shelving, display cases, signage or other objects is not permitted; instead low or pass through displays should be designed.
2. No reflective sheeting, glass block or other window blocking techniques shall be permitted.
3. The use of exterior roll-down or folding security gates on primary facades is prohibited.
4. The use of awnings, canopies, blade banners and accent lighting generally consistent with Main Street and the Casino Overlay district is encouraged.
5. Window signage and graphics will be allowed but must ensure open visibility and activation per requirements of Section 8.7.55.

8.7.52 Building Setback

- A. New BUILDINGS shall be setback equal to the adjacent structure(s) but in no case shall be more than ten (10) feet from the FRONT LOT LINE, except that a deeper setback of not more than twenty five (25) feet for no more than fifty

(50) percent of the total building frontage may be allowed for a forecourt or courtyard for pedestrian use when a paved terrace and/or outdoor seating is provided. Parking is not permitted in any forecourt or courtyard.

8.7.53 Building Massing

- A. New development within the MAIN STREET & CONVENTION OVERLAY DISTRICT Overlay district should be contextually responsive to the heights of adjacent buildings and overall frontage within three hundred (300) feet of any new structure. There is a need to provide a visual transition between varying heights to contribute to a pleasant overall rhythm of the commercial frontage and avoid extreme differences in heights between buildings.
- B. New BUILDINGS located within the MAIN STREET & CONVENTION OVERLAY DISTRICT shall be designed for consistency in overall massing and alignment with adjacent building base/ground floors, and upper floors, dominant datum, cornice and roof lines where possible.

8.7.54 Parking

To discourage parking as a default or primary use particularly along major streets that diminishes the corridor continuity and street vitality:

- A. All OFF-STREET PARKING areas shall be located within, behind or to the side of the PRINCIPAL STRUCTURE located on the LOT.
- B. Parking shall not be located closer to the FRONT LOT LINE than the front BUILDING LINE of the PRINCIPAL STRUCTURE and be partially screened from any STREET through landscaping, knee walls and/or ornamental fencing.
- C. Parking requirements for Residential Uses shall be one (1) space per dwelling unit, and zero (0) spaces for Residential Uses within fifteen hundred (1,500) feet of publicly available parking structures.
- D. Parking restrictions in the MAIN STREET & CONVENTION OVERLAY DISTRICT can be waived by Special Permit from the City Council.

8.7.55 Signage

Any and all signage located in the MAIN STREET & CONVENTION OVERLAY DISTRICT shall require an Administrative Site Plan Review (Tier 1). New Signage will be assessed as to how it responds to and enhances the overall retail and entertainment district character with particular emphasis on how it

contextually matches with signage and character established by the adjacent casino district on the Street on which it resides. As part of the sign approval process a detailed sign plan must be submitted which includes:

- A. Descriptions, dimensions and overall size(s) of all proposed signs;
- B. Building elevations indicating location of all proposed signage, including any directional signage;
- C. Materials of all proposed signage;
- D. Type(s) of illumination;
- E. Signage shall also be required to:
 - 1. Generally be in similar character and size to surrounding signage located within the Casino Overlay District and particularly responsive to the signage of the immediate surrounding casino properties (e.g. along Main Street);
 - 2. Be complementary to the character, size and architectural elements of the building(s) as well as surrounding buildings;
 - 3. Allow any individual retail storefront uses at least the maximum signage allowed by Article 9 to showcase and advertise their individual business and operations, in addition to any specialty signage and lighting elements which are generally consistent with the casino district;
 - 4. Signs specifically located on HISTORIC RESOURCE PROPERTIES shall be in keeping with the character, size and architectural elements of the building;
 - 5. Window signage in the form of graphics, text, logos, taglines, screening, and/or other forms of information within the glass area is permitted but shall not occupy more than twenty five (25) percent of the glass area with the remaining glass area unobstructed to allow visibility into the space;

8.7.56 Prohibited Signage

- A. Wall mounted internally illuminated cabinet/box signs as primary signage; in keeping the district character, individual channel “lettersets” are encouraged;
- B. Internally illuminated and/or backlit awning/canopies.
- C. Awning/canopies made from material other than durable cloth or other approved natural looking material;
- D. Non tenant logo, name, or branded accessory signs behind the glass
- E. Tenant promotional signage within the public right-of-way.

8.7.57 Additional Standards

- A. If the proposed project includes a mix of uses, such as retail, restaurant, service, light manufacturing (e.g. distillery, bakery, chocolatier), general office space, private offices, reception areas, employee work areas, or residential community spaces, any proposed active retail merchandise area, bar/tasting areas, or restaurant dining shall be concentrated and located in an area clearly visible from STREET.
- B. Such retail, dining, and/or entertainment spaces, within mixed use projects, shall maintain typical and customary hours of operation, generally consistent with the casino district.

Table 8-2 Dimensional and Intensity Regulations	
	Main Street & Convention Overlay
Lot Area, minimum square feet	No Regulation
Lot Frontage , minimum (feet)	No Regulation
Lot Width , minimum (feet)	No Regulation
Front Yard (feet)	
Minimum	0
Maximum	10
Side Yard, minimum (feet)	0
Rear Yard, minimum (feet)	0
Building Height	
Feet, maximum	400
Building Coverage, maximum	100%
Maximum Residential Density (Dwelling Units Per Acre)	150
Parking	
Residential	1 space per dwelling unit, unless within 1,500 feet of a public parking structure
All other uses	Per the requirements outlined in Article 7

Section 8.7.60 Special Permit Review Standards

In addition to the Special Permit Review Criteria outlined in Article 12, special permits within the MAIN STREET & CONVENTION OVERLAY DISTRICT shall also be subject to the following review criteria:

- 8.7.61** The proposed use at the proposed location will encourage, facilitate and enhance the continuity, concentration and character of the MAIN STREET & CONVENTION area in a manner consistent with objectives outlined in Section 8.7.31 and other regulations and standards of the overlay.

- 8.7.62 The proposed use does not adversely affect neighboring properties, uses and desired character of the MAIN STREET & CONVENTION OVERLAY DISTRICT and is not detrimental to other uses on the same block/corridor.
- 8.7.63 The block frontage on which the proposed use resides already includes at least eight (80) percent majority of ENCOURAGED USES thereby achieving the desired objective of the MAIN STREET & CONVENTION OVERLAY DISTRICT
- 8.7.64 The location of the proposed use along a block frontage shall provide for a minimum interruption in the existing and potential continuity and concentration of the retail uses along the block's frontage.
- 8.7.65 The proposed use at the proposed location will provide for display windows, facades, signage and lighting similar in nature and compatible with that provided by retail uses.
- 8.7.66 Full or partial demolition of any HISTORIC RESOURCE PROPERTY(S) shall be granted only if determined as per Section 8.7.45 that such demolition is deemed necessary and appropriate to eliminate ongoing blight and distress in the MAIN STREET & CONVENTION OVERLAY DISTRICT area caused by continued decline of HISTORIC RESOURCE PROPERTY(S) with no economically viable reuse; and that any new development in its place shall be generally consistent with the character of the surrounding area and contextual responsive to its architecture;

Section 8.7.70 Overlay Permit Process and Requirements

- A. All projects within the MAIN STREET & CONVENTION OVERLAY DISTRICT shall require an initial review of the City and potentially a third party planning and development consultant to determine conformance to the district objectives, regulations and standards. Payment of review costs, if required, shall be as prescribed in Article 12, Section 12.1.30.
- B. In addition to the submission requirement's outline in Article 12, applicants seeking approval of projects within the MAIN STREET & CONVENTION OVERLAY DISTRICT shall also include requirements outlined in Section 8.7.45.D, items 2 through 4.
- C. All projects meeting the MAIN STREET & CONVENTION OVERLAY DISTRICT objectives and with Encouraged Uses will receive expedited review through a Tier 1 Administrative Site Plan review process, and for projects over

\$250,000 in value, through assistance of a third party planning and development consultant selected by the City's Office of Planning & Economic Development (OPED,) whose cost shall be as prescribed in Article 12, Section 12.1.30.

- D. All projects requiring a Tier 3 Special Permit will be reviewed by the City OPED prior to the submission to the City Council. Such reviews will require a third party planning and development consultant selected by the city OPED, whose cost shall be as prescribed in Article 12, Section 12.1.30.
- E. Projects with allowable uses other than Encouraged Uses shall require Tier 3 Special Permit Process per Section 8.7.42 and Article 12.
- F. Approved Projects within the MAIN STREET & CONVENTION OVERLAY DISTRICT advancing to Building Permit shall simultaneously submit final Project Documents to OPED for compliance review to approved conceptual package; through the course of design advancement and before submittal for Building Permit, any material change(s) to the approved conceptual design in scope, size, massing, program, and/or ground floor use configuration must be documented by the applicant's Architect/Engineer team and resubmitted to OPED for approval, not to be unreasonably withheld.
- G. Permit Filing: Permit Fees for applicants who file for building permits within six (6) months from the date of approval of an ENCOURAGED USE or SPECIAL PERMITTED USE project shall be waived.

2021 SPECIFIC IMPACT GRANT APPLICATION: City of Springfield, MA
BD-21-1068-1068C-1068L-56499
ATTACHMENT D Incentives Assessment

MEMORANDUM (DRAFT)

TO: Tim Brangle
The Chicago Consultants Studio, Inc.

FROM: Craig Seymour
RKG Associates, Inc.

DATE: December 14, 2020

SUBJECT: Downtown Springfield Implementation Blueprint Priority Phase
Incentives Assessment & Strategy

Introduction

RKG Associates, Inc. (RKG) was engaged by Chicago Consultants Studio (CCS) under its contract with the City of Springfield, MA to help advance the near-term priority phase of the City's Implementation Blueprint initiative. As part of CCS' and the City's master development strategy, RKG will evaluate potential redevelopment incentives and related strategies that can be used to attract private investment and leverage public spending in Springfield's downtown casino/convention center district.

The information presented here builds on previous work by Westmass Area Development Corporation¹ (Westmass) by providing a framework for implementation of redevelopment activities in light of immediate opportunities facing the city. The remainder of this memo organizes and focuses the information regarding various financial incentives on the logical sequence of the development process for the district, various parcels in the downtown core and the practical application of incentives across those needs. These include the current Planning stage, followed by Infrastructure (or Horizontal Development), Vertical Development, and Occupancy. The various incentives cited in the Westmass report are generally applicable only within a particular development stage, allowing for an analysis of incentive programs as they may apply within each stage and over a development timescale ranging from the immediate (Planning stage) to the longer term of 5-10 years in the future (Occupancy stage). There will no doubt be overlap between stages as specific projects may be planned and carried out at different times over the next several years and incentives may apply at different points in time.

The various stages include:

¹ City of Springfield, Downtown Development Incentives and Resources (Draft)

- 1) **Planning** phase, incentive programs are available to the City (directly or through its Redevelopment Authority) for pre-development activities needed to attract private investment capital on a district-wide basis or for individual projects.
- 2) **Infrastructure** phase, incentives focus on construction of public and/or private roads, utilities, public realm/streetscape/parks, and other projects that indirectly support redevelopment.
- 3) **Vertical Development** phase, incentives are aimed primarily to leverage private development capital in specific projects.
- 4) **Occupancy** phase, incentives directly benefit tenants or end users.

Other incentives may apply to individual tenants, or to public or private supporting services, and vary in what assistance they provide. These may include state or federal actions that are not specific to downtown Springfield (such as changes in tax regulations or transit funding), or which apply to a broader class of individuals or entities that are represented in the downtown core but are not exclusive to that location (for example local, state or federal MBE requirements for construction projects). Once identified and defined, these other incentives may be applicable to one or more specific stages.

The **Implementation Blueprint** has established an overall priority zone focused on the area of critical need immediately surrounding the Mass Mutual convention center and MGM Springfield anchors.² Within in this zone, the City/CCS have identified four separate but overlapping Downtown Development Focus Areas for redevelopment, which include:

- A. **The Main Street Corridor**
This includes a variety of underutilized buildings and parcels fronting Main Street, including three properties in foreclosure that the City is evaluating for possible control/acquisition. A physical evaluation and financial feasibility analysis of each building has been completed³.
- B. **Court Square Redevelopment**
Projects in this area include redevelopment of 13-31 Elm St into market rate residential and the possible reuse of Old First Church and related public realm improvements to reactive this important downtown civic space.
- C. **Mass Mutual Convention Center Complex**
This effort includes a variety of projects to solve for the convention center's deficiencies including a replacement parking structure to serve the center, potential additional meeting space as well as future convention hotel and/or related lodging immediately adjacent to and directly serving the center itself.
- D. **Willow Street Redevelopment**
This area a block east of Main Street includes near term streetscape/landscape enhancements to improve aesthetics and connectivity, a potential future central

² Implementation Blueprint Priority Plan Excerpts (January 2020)

³ Caolo & Bieniek Associates, Inc. et al; Oct. 7, 2020 Revised

parking structure to serve the area development and corresponding higher utilization of existing surface parking lots for future residential/mixed use development.

This memo provides an assessment of the overall district and potential incentives that would benefit and enhance the whole, followed by more detailed exploration for the identified individual zones, and finally specific incentives to address the near-term efforts around specific projects, beginning with the foreclosed blocks. As there is clear overlap and similarities between the various districts and projects, RKG proposes advancing a range of strategies that can be implemented in parallel.

Planning Phase Incentives

District Wide / Subzones A, B, C, D

As the City continues its proactive due diligence and pre-development efforts in the Main Street and Convention Overlay District, there are a number of funding mechanisms and programs that could be leveraged to assist their immediate planning, assessment, infrastructure and control/acquisition efforts as well as put in place ongoing sources of funds that can be throughout the life of the redevelopment, anticipated to cover the next 15 to 20 years.

These may include:

- Continued Funding provided by the Massachusetts Gaming Commission (MGC) - through the Mitigation Grant program; the 2021 Grant program was recently announced and offers a range of grants that could be utilized; these include Specific Impact Mitigation Grants of up to \$500,000 to address negative impacts from the casino, which could be pursued again to continue to fund the City's stabilization, redevelopment, and implementation efforts; Community Planning Grants of up to \$100,000; Transportation Planning Grants of up to \$200,000 or even Transportation Construction Grant of up to \$1,000,000 which could potentially fund future specific district infrastructure, utility, and corridor improvements.
 - *Using these funds on a short-term basis to help fill the financing "gap" on the redevelopment of one of the Foreclosure properties, may qualify as "specific impact mitigation", especially if it can be set up as an unsecured loan which can be reinvested in future downtown projects.*
- Community Development Fund, as established in the Host Community Agreement to assist the City with advancing the redevelopment efforts of the Implementation Blueprint and Main Street/Convention Center Overlay District with annual payments of \$2.5 million; the fund currently has approximately \$_____ dollars which can be applied across a range of goals and objectives stipulated in the HCA

Exhibit F. Of the seven uses for these funds stipulated in the agreement, the last “betterment of City and its residents” is the most applicable to the downtown redevelopment strategy.

- Federal funding from the Department of Housing and Urban Development (HUD) or the Economic Development Administration (EDA), such as from the EAA Cares Act or other programs. The EAA Cares Act offers various funding mechanisms for communities and businesses impacted by the Covid-a9 pandemic and may be applicable. RKG agrees with the City’s ongoing outreach to the EDA and pursuit of these funds.
- State provided funding from programs such as District Improvement Financing (DIF) which once established can be a source for predevelopment efforts including planning, infrastructure, acquisition, relocation, and other development-related expenses. The amount of funding is directly related to the potential increased tax valuation generated by new development once a district is formed. Over the life of the DIF, which is up to 30 years in MA, these districts can generate substantial incremental revenues which can be utilized in the Infrastructure phase for debt service on City-issued bonds for use in a variety of projects. By way of example, in downtown Quincy MA, the DIF now generates over \$2 million annually which is being used to support over \$60 million in bonded debt, and has been key to funding the planning and construction of public infrastructure improvements, include a new parking garage
- Smart Growth (Chapter 40R) program funding may be available to provide upfront funding up to \$600,000 to the City for specific projects (see next section for more detail).
- Massachusetts Convention Center Authority (MCCA) for facilities or tourism planning. Given the importance of the Mass Mutual Center and Arena as a major anchor and economic engine for the District, as well as their current needs, there may be funding available through this state agency, particularly for development concepts that help expand the MMC’s ability to better meet market needs, such as additional break-out meeting space and supporting hotel accommodations.

Strategic Recommendation:

With the City’s pressing need to evaluate the foreclosure properties to catalyze redevelopment in Main Street Corridor, the following incentive programs should be considered as immediate targets for evaluation and implementation.

- HUD Section 108 Loan Guarantee – an application to HUD by the Springfield Redevelopment Authority⁴ is in-process with the objective of providing \$5 million in seed money for control/acquisition of critical properties within the district. The monies will be treated as a long-term loan to the City and will be repaid from resale of the

⁴ It is assumed that the Springfield Redevelopment Authority is authorized under M.G.L. 121A-B and HUD to serve as the City’s investment arm and that it’s area of jurisdiction includes the Downtown District.

assets or from other sources. RKG concurs that this is an excellent starting point to secure important languishing properties, facilitate redevelopment of downtown and to catalyze more private investment.

- *The City should use this funding to acquire control of the foreclosure properties on Main Street, and instituting a developer solicitation process to find a qualified private partner.*
- District Improvement Financing (DIF) – A DIF program should be immediately instituted for an area that minimally encompasses and likely exceeds the current proposed overlay district. Mass General Laws Chapter 40Q allows a municipality to set up a program in which new incremental property taxes within a defined redevelopment district can be earmarked for funding public infrastructure improvements or other investments needed to support and catalyze new growth. The estimated future incremental taxes are typically used to support debt service thereby allowing larger up-front investments. DIF revenues do not impact current General Fund property tax revenues (the baseline). All or a portion of the incremental DIF revenues can be used for property acquisition and improvements, public infrastructure including parking facilities and for administrative costs related to the DIF District. The creation and operation of a DIF program is approved and undertaken solely by the municipality (through the City Council) and does not require approval or review by state agencies under a 2015 amendment to the 40Q regulations.
 - *Setting up the DIF requires a Plan that defines the District where taxes will be collected from and where they will be invested in, anticipated uses of the DIF funds, and a financial forecast of incremental tax revenues, approved by the City Council after at least one public hearing. The DIF District and Plan can be changed as needed following the same process.*
 - *A quick analysis of the 2 blocks bounded by Main, State, Willow and Park streets indicates the total current assessed value of the 12 parcels is \$9,573,500. If these could be assembled into a single “super block” and redeveloped with 400,000 SF of new mixed-use at an average of \$150 psf, the incremental assessed value would be approximately \$50 million and generate nearly \$2 million in DIF revenues, which could support \$25 million in bonded debt. As the plan and program potentials advances, RKG can refine these projection to help support and validate the need and pursuit of the DIF district.*
- Smart Growth Program (Chapter 40R) – this state sanctioned program allows a municipality to identify a development district and create overlay zoning to permit higher density, mixed use development, often in concert with public transit services. When approved by the state (DHCD), the municipality is eligible for incentive payments of up to \$600,000 (depending on the number of additional units permitted over and above what is allowed by the underlying zoning) and \$3,000 per new housing unit developed. The 40R funds can only be used for capital projects within the

district. In addition, priority treatment is provided for other state incentives. The 40R District can coincide with or be a subset of a DIF District or other overlay or development districts. 40R includes a 20% affordability requirement for any new housing created. The applicability of 40R to the downtown development district should be evaluated to determine when and if funding is still available from the state and if the downtown area qualifies.

- *The Springfield zoning ordinance indicates that in Area A (and much of the remaining downtown zone) are primarily Business B and Business C, both of which allow for dense residential development. Therefore, the benefit of establishing a 40R district may preclude significant incentive payments, but might still include the \$3,000 per unit payments for new housing with at least 20% affordability.*
- MGM Host Community Agreement (Community Development Fund) and Mass. Gaming Tax Economic Development Fund — The City should immediately investigate the availability and applicability of these potential funding sources to help enable the redevelopment of the Main Street Block and/or enhance the attractiveness of downtown Springfield to investors and developers. This might include direct investment along with the HUD and DIF funds, or funding for infrastructure improvements, once identified (see next section).
- EDA Cares Act – the federal Economic Development Administration recently announced funding through the [Coronavirus Aid, Relief, and Economic Security Act](#) for community-based planning and technical assistance. Because of the pandemic's impact on urban living and working patterns, this funding could support on-going revitalization efforts in the downtown District, including on-going strategic planning work and possible augmentation of the HUD Section 108 loan for acquisition and development of specific projects.
 - *As mentioned above, RKG agrees with the City's ongoing outreach to the EDA and pursuit of these EAA Cares Act funds for the ongoing planning efforts around recovery and revitalization.*

2. Infrastructure Phase Incentives

The various programs pursued and established in the Planning phase (DIF, EDA, MGC, MCCA and 40R programs) can carry over to also provide funding for specific public projects identified in the planning phase. The City can begin to activate and enhance the Downtown District by making key public improvements (including demolition) and, in conjunction with the HUD 108 funds, acquire certain properties to facilitate redevelopment. These projects can be done by the City serving as the developer itself, or by partnering with one or more private developers to leverage private equity and debt funding. Once specific projects and needs are identified, this can be augmented by MassWorks grants including - for supporting infrastructure such as local street access,

lighting and traffic control, pocket parks and greenspace, and the construction of public parking facilities

As the master development plan advances and district wide public improvement projects are identified, these programs can be utilized to improve the underlying infrastructure, access, and public amenities which in turn can help attract development partners and investment. Based on the City's planning to date, specific improvements are likely to include:

- Area wide streetscape / landscape enhancements to better identify and delineate the downtown district, build on the character and quality of the MGM Springfield campus into the surrounding area, and create a unique destination development district;
- Public infrastructure including utility upgrades and utility enhancements not completed under the MGM project but necessary to support envisioned higher density mixed-use development that will help attract investment in specific projects by sharing the cost of infrastructure that benefits both the project and the City in general.
- Public parking, in the form of one or more centrally located public structures to allow consolidated, proximate parking to the redevelopment areas, as well as potentially free up underutilized land currently serving as individual surface lots.
- Public amenity / park improvements including Court Square reactivation or the inclusion of smaller "pocket parks" in the zone.

Timing of the infrastructure requirements and potential funding sources is critical so that construction can be started and completed prior to the vertical development of individual redevelopment projects. For example, if MassWorks is seen as a potential funding source for a particular infrastructure project, this must be planned well in advance as these grants must be applied for and competed for on an annual funding basis.

Another potential incentive not described in the Westmass report is the Infrastructure Investment Incentive program, or I-Cubed, which provides grants from the state for public infrastructure investments leading to or supporting new job and new sales tax growth. A specific user (or users) must be identified, and only certain types of employment qualifies towards the amount of funding available. Fund levels are based on the forecast number of *net new jobs* and *net new sales taxes* that are not displace from other locations in the Commonwealth.

Strategic Recommendations:

- *Identify specific infrastructure projects that will benefit/support redevelopment in the downtown district, estimate order-of-magnitude costs and timing, develop a funding strategy, and begin reach-out to funding sources.*

3. Vertical Development

Once specific projects and a qualified development entity are identified, a range of other potential incentives can be used to assist the revitalization/redevelopment process. These are listed and explained in the Westmass report and are focused on individual projects. However, it should be pointed out that some of these programs involve property tax abatements or reductions for individual properties that may reduce the amount of incremental revenues available through DIF, should that program be implemented to fund planning phase needs (such as shared parking facilities or property acquisitions). In summary these include:

- HDIP (Housing Development Incentive Program) provides local and state tax abatements;
- TDI Equity (MassDevelopment) provides financing and assistance for individual projects;
- TIF (Tax Increment Financing) – locally approved tax property tax abatements;
- Chapter 121A – provides for tax payment contracts (that may differ from traditional ad valorem tax payments) for projects within the City’s Urban Renewal area;
- EDA Revolving Loan Funds –funding for individual projects funneled through the City;
- CDBG - funds can be used for individual projects or various assistance programs;
- Opportunity Zone – feasible projects within designated areas may attract low-cost equity capital;
- Historic Tax Credits – apply to certain improvements on qualified buildings, provides substitute equity capital to the developer;
- Low Income Housing Tax Credits – reduces developer’s equity costs for projects that include 20% affordable housing.

While these various programs and sources differ in how (and if) they can be applied to a specific project, they can be summarized as follows:

- Tax Credits (OZ, HTC, LIHTC)– these programs provide the developer, or more likely investors in a project, the ability to lower their tax liability by purchasing credits through investment in a qualified project. Because of this benefit, investors are willing to fund up-front development costs with equity, thus making more capital available to the developer and/or lowering the cost of that capital. These savings in turn can be used to improve the financial feasibility of a project. Over half of the new Main St/Convention Center overlay district lies within an

opportunity zone. This includes the Metro Center area of downtown with a southern border at MGM Way/Stockbridge Street and encompasses the important Convention Center, Court Square and State and Main Street corner area of the plan.

- Tax Benefits (HDIP, TIF, 121A) – these programs reduce (or postpone) tax payments on property, thereby saving money to the developer and improving the financial feasibility of a project.
- Grants and Loans – these programs substitute federal, state or local dollars for private investment in a project, thereby lowering costs and increasing returns.

Strategic Recommendations:

As potential development projects are brought forward by the private sector, a range of incentives can be tailored to specific uses including the likely and desired increases in retail/restaurant, lodging, and residential product. Projects such as the foreclosed blocks are contemplating new reuse scenarios that would likely pair residential over retail.

Specific to the foreclosed blocks and the “funding gap” identified in the CBA and Appleton assessments, RKG suggests that the City assist interested developer pursue the use of HDIP, Historic Tax Credits, Opportunity Zone and other funding sources which in combination will improve viability of the project. These sources are very project specific but in general help to reduce project costs to the developer by enhancing access to private equity investment or providing additional financial leverage. These cost savings, especially when combined with other funding sources or services, can often make an otherwise infeasible project financially viable.

- *As other district wide and sub zone projects are defined and the planning, programming and economics advance for each, RKG can assess and prepare specific strategies to leverage the available grants and sources detailed herein to improve viability, mitigate risks, and attract development / investment.*

4. Occupancy Incentives

There are other incentive programs available to owners, developers, tenants and other users of space within redeveloped buildings in the Downtown District which are also described in the Westmass report. These are applicable once a building is stabilized and occupied. These incentives are typically later phase and smaller dollar amounts which are important to Developers to improve future marketability and tenant draw, as well as for retail and office tenants of buildings, but are less significant to the initial project viability. The City should serve as the central coordinator for information pertaining to available programs, and work with Developer/investors to facilitate federal, state, and local incentives to future tenants.

Strategic Recommendations:

The City should maintain a “resource room” that has complete and up-to-date information on any incentive programs applicable to end users, along with contacts, requirements and other needed information that applicants can utilize as a “one stop shop” during the development and occupancy stages of development.

Summary Near Term Strategic Recommendations

The following key recommendations are focused on short-term actions by the City to initiate an incentives strategy for implementation of the Blueprint:

1. Move ahead with plans to acquire control of the so-called Foreclosure Properties using the HUD 108 Loan augmented by other grant sources such as those related to the MGM Casino. These properties allow the City to be “in the game” and serve as a catalyst for encouraging more private investment in the downtown built environment.
2. Begin the process to set up a DIF District and program for the downtown, with the goal of having it in place within 6 months. The District boundaries should extend beyond the immediate casino/convention center area in order to capture incremental growth in assessed values that result from the initial catalytic projects.
3. Continue to seek additional funding from EDA, MGC Community Mitigation Fund and others for acquisition and stabilization of buildings in the core downtown area.

2021 SPECIFIC IMPACT GRANT APPLICATION: City of Springfield, MA
BD-21-1068-1068C-1068L-56499
ATTACHMENT E HUD Section 108 Loan Guarantee Application

**Main Street/Convention District Overlay Zone
Property Acquisition Fund
(Section 108 Application Form)**

City of Springfield, Massachusetts

Community Development Block Grant Program



Application
For a HUD Section 108 Loan Guarantee
\$5,000,000 Loan Guarantee Amount

Submitted By:
The City of Springfield

To:

United States Department of Housing and Urban Development

December 2020

1. COMMUNITY PROFILE

The City of Springfield is located in Hampden County, which is in the southern part of the Pioneer Valley in Western Massachusetts. The 2018 population is estimated at 155,032 residents, which makes Springfield the largest city in Western Massachusetts and the third largest city in the Commonwealth of Massachusetts. Situated on the banks of the Connecticut River 25 miles north of Hartford, Conn.; 50 miles west from Worcester, 80 miles southeast from Albany, N.Y.; 85 miles northwest from Providence, R.I.; 90 miles west from Boston; and 140 miles northeast from New York City, Springfield is an important hub and regional center in the economy of Western Massachusetts and Northern Connecticut. Sixty percent of the jobs in Springfield are held by residents from other towns. Just over half of workers who reside in Springfield also work there, while most of the rest commute to municipalities adjacent to Springfield. In terms of its tax base, the city's assessed property values for residential, commercial, and industrial properties are still recovering from the recession and are not yet at their pre-recession levels. Residential and commercial properties remain Springfield's top sources of tax revenue.

Springfield is a Gateway City that anchors the Western Massachusetts regional economy. For generations, Springfield's economy was dominated by the industrial manufacturing sector which provided residents with stable middle class jobs, with limited educational requirements. These jobs dematerialized as the national economy transitioned to a skilled service economy. As industries vacated Springfield its economic foundation was left lacking the resources, capacity and educational attainment to effectively participate in the skilled service economy, thereby negatively impacting its ability to reposition itself as a competitive urban center for market investment and growth.

Springfield's economic challenge five decades later continues to be the systemic poverty and economic disengagement which stemmed from deindustrialization. The City's poverty rate is 28.7%, more than twice the national average. Residents living in poverty are disproportionately Hispanic and female. The City's unemployment rate is currently 25% almost three times the national rate of 8.4%. Springfield's unemployment rate is further compounded by a 42% workforce disengagement rate among those residents between the ages of 16-62.

Despite such challenges recent downtown economic development initiatives including the development of the Commonwealth's first resort casino have been instrumental in jumpstarting a wave of public- and private-sector investment in the City. Projects such as the \$95 million renovation of Springfield Union Station, the announcement of a \$52 Million mixed use redevelopment of the historic 13-31 Elm Street property, the \$15 Million SilverBrick apartment redevelopment, the establishment of the \$7 Million Springfield Innovation Center, the \$71 Million upgrade to the Mass Mutual Convention Center which in 2017 conveyed facility operating oversight to MGM – Springfield and the development of the immediately adjacent \$960 million MGM Springfield have all drawn economic, cultural and commercial activity back into the city center, thus stimulating the regional economy. MGM Springfield represents one of the largest private-sector investment in Springfield's history. To actuate these investments the City has significantly enhanced the downtown

Main Street/Convention District Overlay Zone Fund

experience by investing in public infrastructure improvements, new business support initiatives, parks/public amenity improvements and public realm projects. Over the past five years the City has invested nearly \$20 Million in such initiatives. Springfield continues the advancement of its downtown master development plan “The Implementation Blueprint” begun in 2019 as a working document meant to coordinate, direct and unify the ongoing development activity in the entire downtown. Phase I implementation of the plan is currently focused on Main Street / Convention Overlay Zone which is the focus area of this application.

2. MAIN STREET/CONVENTION DISTRICT OVERLAY ZONE PURPOSE & STRATEGY:

The Main Street/Convention District Overlay Zone is a planning document which conveys to potential developers how the City will coordinate, direct and unify the ongoing development potential within the District. Implementation of the plan over time will replace the current negative impacts of ongoing real estate speculation, stagnation and disinvestment with vibrant amenity rich development that is populated with well curated complementary uses that are highly activated.



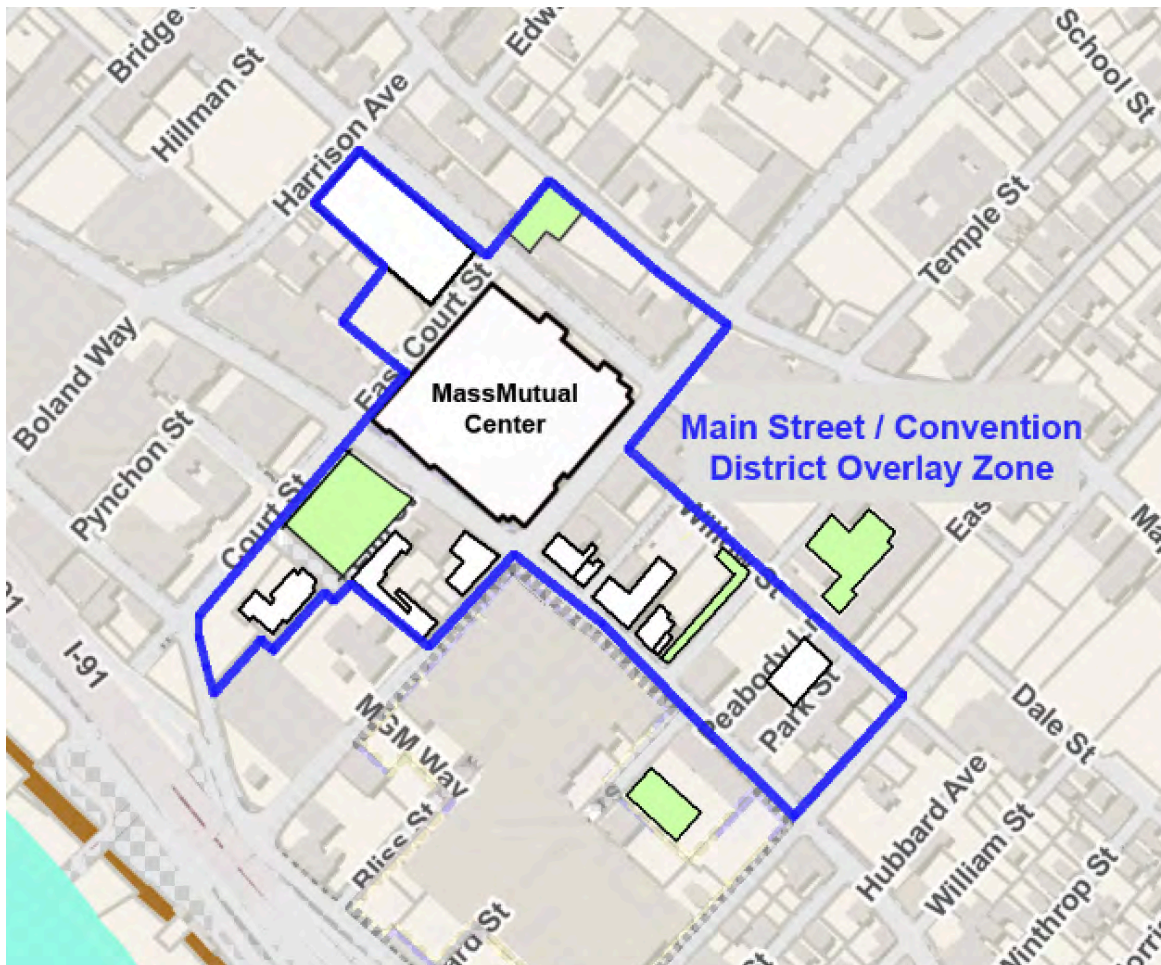
Prime Vacant Historic Buildings Located in the Fund Target Area



Recently Commenced 31 Elm Street Historic Redevelopment within the Target Area

- . The objectives of the Main Street/Convention District Overlay Zone include:
- Create the local environment for development by establishing a municipal vision for the area that includes zoning controls, design criteria, and development incentives
 - Advance an aesthetic image and identity for the area
 - Leverage to the extent possible the historic and architectural character of existing buildings
 - Apply incentives to curate the type and location of retail, restaurants, and entertainment tenants to increase activation and pedestrian traffic
 - Identify sites within the plan area for new convention and hospitality related development
 - Identify sites for new residential development to further stimulate area livability, appeal, and activation
 - Plan for and promote utilization of vacant parcels and surface parking lots through consolidation to support infill development
 - Use municipal powers and authority to acquire, stabilize, and reposition underutilized, vacant, or blighted commercial structures in the District

Main Street/Convention District Overlay Zone Fund



Main Street/Convention District Overlay Zone Area

3. FUND PROJECT DESCRIPTION AND PROCESS OVERVIEW

The proposed request will establish the Main Street/Convention District Overlay Zone Fund (the “Fund”). The intent of the Fund is provide the City with the financial resources to acquire vacant, languishing or foreclosed properties that are located in the Fund service area which the market has not to date responded to. In no event will the City use any HUD 108 proceeds to acquire properties under the City’s powers of eminent domain. The City’s intent is to economically reposition the properties so as to be viewed as market viable development projects under a willing seller willing buyer scenario. The end result would be that the City could reposition these properties for prospective developers, in a manner consistent with the goals and objectives of the Main Street/Convention District Overlay Zone Plan.

Deploying the Fund’s resources will involve inter-departmental collaboration of City staff. The investment decision process will commence with an acquisition recommendation made by the City’s Chief Development Officer to the Mayor. Upon the Mayor’s approval of the recommended acquisition the recommendation will be advanced to the appropriate City Council Sub-Committee for a ten (10) day review and comment period. Should the City seek to use the Springfield Redevelopment Authority or a non-profit development entity as

Main Street/Convention District Overlay Zone Fund

the acquiring party the recommendation will also be forward to the Board of Directors / Commissioners simultaneously for its approval after the review and comment and period.

Ultimately the acquired properties will be advanced to the market through a Request for Qualifications and Statement of Interest (RQSI) in the property(ies). The acquiring party will accommodate the following make up the RQSI Review Committee: (1) No more than six (6) members to include: the Mayor or designee, the Chief Development Officer, the Chief Administrative and Financial Officer, Chair of the appropriate City Council Sub-Committee, Board Chair of the acquiring party and the Executive Director of the acquiring party. Once the RQSI process has been concluded, the City and property owner may advance one or two qualified development entities, to enter into a six month due diligence/final proposal period by which a conceptual master site plan will be developed and the terms of the sale of the property will be negotiated. A preferred developer will be selected from this process. Funds recouped at sale will be designated for Section 108 Loan Guarantee debt service payments. Any related shortfall between the sale of the properties and the related debt service will be addressed by the City via other revenues.

4. SOURCES AND USES

This application is a request for a HUD Section 108 Loan Guarantee in the amount of \$5,000,000, to serve as a low-interest loan fund for the acquisition and stabilization of key properties located within the Main Street/Convention District Overlay Zone. The targeted Overlay Zone will overlap geographically with existing City-designated Urban Revitalization Districts and will be partially in a federally designated Opportunity Zone. The \$5,000,000 of HUD Section 108 Loan Guarantee will provide the required acquisition financing and thus jump start the redevelopment of priority parcels in the District in a timely manner.

HUD Section 108 Loan proceeds will be made available for acquisition activities in amounts ranging from a minimum of \$200,000 to a maximum of \$3,000,000 per parcel. The contemplated HUD Section 108 Loan use is an eligible use under 570.703(a) covering the acquisition of real property for economic development purposes. The proposed use of the HUD Section 108 Loan funds satisfies the National Objective under 570.208(b)(1) as an activity which aid in the prevention or elimination of slums or blight. The proposed project will provide the aggregate level of public benefit under 570.209(b)(v)(G) as the activities will revitalize a neighborhood with at least 70% low- or moderate-income population.



Key Buildings in Fund Target Area

5. LOAN SERVICING:

The Main Street/Convention District Overlay Zone Fund is intended to be an interim financing vehicle for the City to deploy for the purpose of acquiring target properties and securing site control for ultimate redevelopment by third party developers. As such once a property is acquired the goal will be to quickly sell the property to private developers.

6. LOAN TERMS AND AMORTIZATION PERIODS

The City anticipates that it will originate loans with terms of 5-10 years. It is likely that the Fund will originate loans in various principal amounts ranging from a minimum amount of \$200,000 to a maximum of \$3,000,000 per parcel. The cost of funds shall be defined as the HUD cost of funds, which can be expressed as: 3-month LIBOR plus a 20-basis points spread.

In the interests of maintaining Fund flexibility in the event of an early repayment of a loan, the Fund loans will not be placed into the HUD public offering. Fund loans will instead remain in the interim HUD financing facility for their duration and be kept at HUD's interim financing floating rate. This will avoid any defeasance issues in the event of early repayment due to the property being repositioned with a private developer.

Main Street/Convention District Overlay Zone Fund

7. ANTICIPATED PRINCIPAL REPAYMENT SCHEDULE:

The City anticipates that beginning in Year 3 (2023) of Fund operation that it will begin making payments on the HUD Section 108 Loan Guarantee in amounts of principal according to the following repayment schedule:

Anticipated Principal Repayment Schedule:

Program Year	Maturity	Interest Rate	Note Amount	Benchmark	Spread	Outstanding Balance
1	1-Aug-21	0.00%	\$ -	-	0.00%	\$ 5,000,000.00
2	1-Aug-22	0.00%	\$ -	-	0.00%	\$ 5,000,000.00
3	1-Aug-23	0.00%	\$ 75,000.00	-	0.00%	\$ 4,925,000.00
4	1-Aug-24	0.00%	\$ 75,000.00	-	0.00%	\$ 4,850,000.00
5	1-Aug-25	0.00%	\$ 75,000.00	-	0.00%	\$ 4,775,000.00
6	1-Aug-26	0.00%	\$ 75,000.00	-	0.00%	\$ 4,700,000.00
7	1-Aug-27	0.00%	\$ 175,000.00	-	0.00%	\$ 4,525,000.00
8	1-Aug-28	0.00%	\$ 200,000.00	-	0.00%	\$ 4,325,000.00
9	1-Aug-29	0.00%	\$ 200,000.00	-	0.00%	\$ 4,125,000.00
10	1-Aug-30	0.00%	\$ 200,000.00	-	0.00%	\$ 3,925,000.00
11	1-Aug-31	0.00%	\$ 200,000.00	-	0.00%	\$ 3,725,000.00
12	1-Aug-32	0.00%	\$ 200,000.00	-	0.00%	\$ 3,525,000.00
13	1-Aug-33	0.00%	\$ 200,000.00	-	0.00%	\$ 3,325,000.00
14	1-Aug-34	0.00%	\$ 200,000.00	-	0.00%	\$ 3,125,000.00
15	1-Aug-35	0.00%	\$ 200,000.00	-	0.00%	\$ 2,925,000.00
16	1-Aug-36	0.00%	\$ 200,000.00	-	0.00%	\$ 2,725,000.00
17	1-Aug-37	0.00%	\$ 200,000.00	-	0.00%	\$ 2,525,000.00
18	1-Aug-38	0.00%	\$ 200,000.00	-	0.00%	\$ 2,325,000.00
19	1-Aug-39	0.00%	\$ 200,000.00	-	0.00%	\$ 2,125,000.00
20	1-Aug-40	0.00%	\$ 2,125,000.00	-	0.00%	\$ -
			\$ 5,000,000.00			\$ -

Main Street/Convention District Overlay Zone Fund

8. COLLATERAL AND GUARANTEE

All loans originated under the Fund will be evidenced by a promissory note and loan agreement between the borrowing entity, and the City or its designee. The Business Note and the Business Loan Agreement shall contain such provisions as the Secretary deems necessary. The amount of principal and/or interest payable under the Business Notes during the twelve-month period beginning July 1 of each year and ending on June 30 of the next succeeding year shall be equal to or greater than the amount of principal and/or interest payable under the Note for the corresponding period.

All loans originated by the Fund will be secured by a lien on the real property acquired (the "Real Property") evidenced by a mortgage filed and recorded in the Hampden County Registry of Deeds. The mortgage shall contain such provisions as the Secretary of HUD deems necessary. The loan may be subsequently subordinated to another lien on the Real Property; provided however that the principal amount of the Fund loan shall not exceed an amount equal to 80 percent of the "as improved" appraised market value, less the outstanding balance on the other indebtedness secured by a mortgage lien of or equal priority on the Real Property. The City shall maintain at all times sufficient collateral coverage for any loans originated by the Fund and maintain evidence of the same in the Registry of Deeds.

9. ELIGIBLE ACTIVITY

In addition to meeting a National Objective, Public Benefit Standards and the general policies of the Community Development Block Grant Program (CDBG) under 24 CFR 570.200, the Section 108 Loan Guarantee will satisfy an eligible activity under 24 CFR 570.703, specifically 570.703(a) "acquisition of improved or unimproved real property in fee or long-term lease, including acquisition for economic development purposes."

10. NATIONAL OBJECTIVE

Pursuant to the directives of 24 CFR 570.208, all CDBG-assisted activities must meet one of three National Objectives. The eligible activity that the City of Springfield will meet is 24 CFR 570.208(b)(3) "activities which aid in the prevention or elimination of slums or blight." The number of properties within the area meeting this criterion is well in excess of the minimum threshold of 25% required under the 570.208(b)(1)(ii)(A).

11. PUBLIC BENEFIT STANDARDS

Each loan made under the Main Street/Convention Center District Overlay Zone Fund will provide the requisite level of public benefit under the provisions of 24 CFR 570.209(b)(2)(v)(G) in that the proposed project seeks to revitalize a neighborhood that

Main Street/Convention District Overlay Zone Fund

has at least 70% of its residents who are low- and moderate-income persons or households.

12. FINANCIAL UNDERWRITING

The City of Springfield will administer the Main Street/Convention District Overlay Zone Fund and will contract with a third party to oversee the financial underwriting process. Eligibility for acquisition of a specific property will be determined on a preliminary basis according to the following minimum financial conditions:

- Loan to Value Ratio of not more than 80%
- The subject property is located in an area meeting the criteria set forth in 570.209(b)(1)(v)(G)

The project conforms to the guidelines for evaluating and selecting economic development projects at 24 CFR 570.209(a) and Appendix A to Part 570: That

- Project costs are reasonable;
- Sources of project financing are committed;
- Section 108 financing is not substituted for non-Federal funds;
- Return on owner's equity investment is not unreasonably high;
- Project will produce sufficient cash flow to repay the loan;
- Applicant Borrower has sufficient capacity and experience; and
- Section 108 financing will be disbursed on a pro rata basis with other funding.

The City shall not incur any obligations to be paid with guaranteed loan funds prior to the receipt of a written determination from the HUD Regional Office that (1) the activity meets the eligibility requirements of 24 CFR 570.703(b), (2) each eligible activity to be undertaken or supported with loan guarantee funds will meet the national objective requirements of 570.208(b) and, (3) the applicable public benefit standards will be met, in accordance with 570.209(b)(1)(G). In addition, the City is reminded that it must comply with citizen participation requirements whenever it uses the guarantee loan fund for an activity that would trigger the amendment requirements at 24 CFR 91.505.

13. CITIZEN PARTICIPATION PLAN

The City of Springfield has followed the detailed citizen participation plan described at 24 CFR 570.704(a)(2). This may be the citizen participation plan adopted for the Consolidated Plan, modified to include guaranteed loan funds.

- This citizen participation plan requires two public hearings to address community development and housing needs, proposed activities and program performance.

Main Street/Convention District Overlay Zone Fund

- One of these hearings must occur before submitting a Section 108 application to HUD.
- Section 108 application pre-submission: Publish proposed application community wide for citizen review and comment.
- Final application: Consider citizen comments and make changes to proposed application, as appropriate. Upon completion, make final application available to the public.

14. TIMEFRAME/TIMELINE

- Publishing of Legal Notice: October 9, 2020
- Commencement of Public Comment Period: October 12, 2020
- Conclusion of Public Comment Period: November 13, 2020
- Final City Council Review and Approval: November 23, 2020
- Submission to HUD Boston Field Office: November 26, 2020 (review 20 days)
- Submission to HUD HQ by Boston Field Office: November 15, 2020
- November – December HUD DC Review and HUD Approval: December 15, 2020
- Release of Program Documents to City by HUD: January 2021
- Program Funds Available for Project: February 2021

15. APPLICANT CONTACT

Cathy Buono, Director of Administration & Finance
City of Springfield Community Development
1600 Columbus Avenue
Springfield, MA 01103

* * *

EXHIBIT A:

Section 108 Loan Guarantee

Entitlement Public Entity Certifications

Main Street/Convention District Overlay Zone Fund

SECTION 108 LOAN GUARANTEE Entitlement Public Entity Certifications

In accordance with Section 108 of the Housing and Community Development Act of 1974, as amended (the "Act"), and with 24 CFR Part 570.704(b), the public entity certifies that:

- (3) It possesses the legal authority to make the pledge of grants required under §570.705(b)(2).
- (4) It has made efforts to obtain financing for activities described in the application without the use of the loan guarantee and cannot complete such financing consistent with the timely execution of the program plans without such guarantee.

In accordance with Section 108 of the Housing and Community Development Act of 1974, as amended (the "Act"), and with 24 CFR Part 570.704(b)(8), the public entity further certifies that:

- (i) It possesses the legal authority to submit the application for assistance under this subpart and to use the guaranteed loan funds in accordance with the requirements of this subpart.
- (ii) Its governing body has duly adopted or passed as an official act a resolution, motion or similar official action:
 - (A) Authorizing the person identified as the official representative of the public entity to submit the application and amendments thereto and all understandings and assurances containing therein, and directing and authorizing the person identified as the official representative of the public entity to act in connection with the application to provide such additional information as may be required; and
 - (B) Authorizing such official representative to execute such documents as may be required in order to implement the application and issue debt obligations pursuant thereto (provided that the authorization required by this paragraph (B) may be given by the local governing body after submission of the application but prior to execution of the contract required by §570.705(b).
- (iii) Before submission of its application to HUD, the public entity has:
 - (A) Furnished citizens with information required by §570.704(a)(2)(i);
 - (B) Held at least one public hearing to obtain the views of citizens on community development and housing needs; and
 - (C) Prepared its application in accordance with by §570.704(a)(1)(v) and made the application available to the public.
- (iv) It is following a detailed citizen participation plan which meets the requirements described in by §570.704(a)(2).
- (v) The public entity will affirmatively further fair housing, and the guaranteed loan funds will be administered in compliance with:
 - (A) Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d *et seq.*); and
 - (B) The Fair Housing Act (42 U.S.C. 3601-3619).
- (vi) In the aggregate, at least 70 percent of all CDBG funds, as defined at §570.3, to be expended during the one, two, or three consecutive years specified by the public entity for its CDBG program will be for activities which benefit low and moderate income persons, as described in criteria at §570.208(a).

Main Street/Convention District Overlay Zone Fund

- (vii) It will comply with the requirements governing displacement, relocation, real property acquisition, and the replacement of low and moderate income housing described in §570.606.
- (viii) It will comply with the requirements of §570.200(c)(2) with regard to the use of special assessments to recover the capital costs of activities assisted with guaranteed loan funds.
- (ix) (Where applicable.) It lacks sufficient resources from funds provided under this subpart or program income to allow it to comply with the provisions of §570.200(c)(2), and it must therefore assess properties owned and occupied by moderate income persons, to recover the guaranteed loan funded portion of the capital cost without paying such assessments in their behalf from guaranteed loan funds.
- (x) It will comply with the other provisions of the Act and with other applicable laws.

Public Entity Legal Name City of Springfield

Signature _____ Date _____

Printed Name and Title
of Authorized Official Mayor Domenic Sarno, City of Springfield

Main Street/Convention District Overlay Zone Fund

24 CFR Part 87

Appendix A to Part 87—Certification Regarding Lobbying

Statement for Loan Guarantees and Loan Insurance

The undersigned states, to the best of his or her knowledge and belief, that:

If any funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this commitment providing for the United States to insure or guarantee a loan, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

Submission of this statement is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required statement shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

Signature

Date

Domenic Sarno
Name of Authorized Official

Mayor
Title

EXHIBIT B:

Public Hearing Notices and Other Public Participation

2021 SPECIFIC IMPACT GRANT APPLICATION: City of Springfield, MA
BD-21-1068-1068C-1068L-56499
ATTACHMENT F Plan/Overlay Endorsement Letters



MGM SPRINGFIELD
ONE MGM WAY
SPRINGFIELD, MA 01103

413.273.5000
MGMSPRINGFIELD.COM

January 20, 2021

The Honorable Domenic J. Sarno & Springfield City Council
City of Springfield
36 Court Street
Springfield, MA 01103

Re: *Main Street and Convention Overlay District and Implementation Blueprint*

Dear Mayor Sarno & City Council Members:

Please accept this letter on behalf of MGM Springfield in support of the work of the City of Springfield in advancing the Main Street and Convention Overlay District planning (the "Plan").

We were pleased to participate in recent discussions with the Office of Planning & Economic Development along with their consultant The Chicago Consultants Studio, Inc. with respect to the Plan and opportunities to promote, attract and guide development in downtown Springfield.

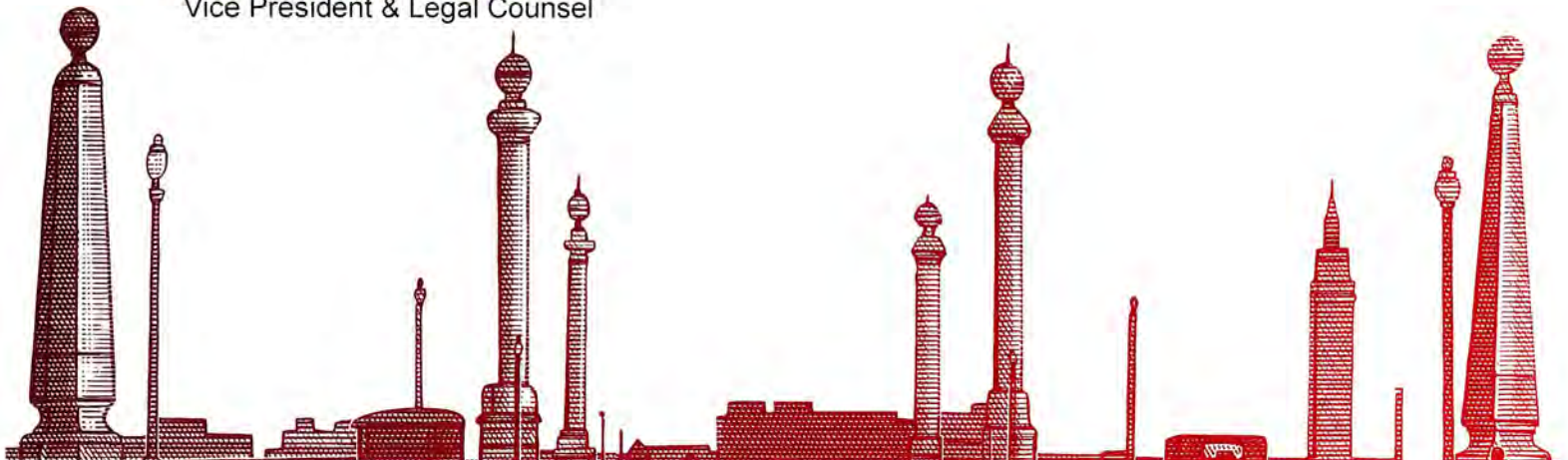
As a joint author of the Implementation Blueprint effort with the City, MGM Springfield strongly endorses the City's continued advancement of this critical Plan and proactive strategy to establish a guiding vision for the area, supporting zoning and controls to facilitate development, and a range of economic incentives, including the Section 108 program, to improve feasibility of critical development in the area.

MGM Springfield is encouraged by the City's efforts to revitalize the area around two of downtown's major economic anchors, MGM Springfield and the MassMutual Center & Arena and believes strengthening this area will continue the great transformation and "renaissance" in downtown that we all desire.

We look forward to further dialogue with the City as the Implementation Blueprint advances and specific projects and opportunities are generated from the City's efforts. Please feel free to contact me should you have any questions.

Sincerely,

Seth N. Stratton
Vice President & Legal Counsel



**MASSACHUSETTS
CONVENTION CENTER
AUTHORITY**

January 22, 2021

VIA U.S. MAIL AND ELECTRONIC MAIL

Honorable Mayor Domenic J. Sarno & Springfield City Council
City of Springfield
36 Court Street
Springfield, MA 01103

Re: Main Street and Convention Overlay District

Dear Mayor Sarno & Springfield City Council Members:

On behalf of the Massachusetts Convention Center Authority, (the “Authority”) please accept this letter as our full support for the City of Springfield’s work in advancing the Main Street and Convention Overlay District planning efforts.

The Authority is appreciative of the opportunity to engage in a series of discussions on the project where the Office of Planning & Economic Development, along with their consultant The Chicago Consultants Studio, Inc. outlined the framework plan and opportunities to promote, attract and guide development in downtown.

As you are aware, the Authority’s MassMutual Center is a key business anchor and economic engine for Springfield. The Authority welcomes and appreciates the City’s planning efforts to create a guiding vision for the area which integrates these important assets to create a more vibrant, attractive and diverse environment for conventioners, visitors and residents alike. The Authority endorses the City’s plan and strategy to unite the area through enhancements and development, supporting zoning and controls to facilitate development and a range of economic incentives including the Section 108 program to improve the feasibility of critical development projects.

The Authority is encouraged by the City of Springfield’s efforts to revitalize the areas proximate to these downtown economic anchors, the Authority and the MassMutual Center management team, MGM Springfield is confident these efforts will also benefit adjacent districts and neighborhoods continuing the downtown “renaissance” that we all desire.



1441 Main Street
Springfield, MA 01103-1449
(413) 787-1555
Fax (413) 755-1322

www.springfieldregionalchamber.com

December 16, 2020

Mayor Domenic J. Sarno
City of Springfield
36 Court Street
Springfield, MA 01103

City Council
City of Springfield
36 Court Street
Springfield, MA 01103

Dear Mayor Sarno and Members of the Springfield City Council,

On behalf of the Springfield Regional Chamber and the more than 400 businesses that call the City of Springfield "home," we are pleased to provide this letter of full support of the work of the City of Springfield in advancing the Main Street and Convention Overlay District.

Representing our Board and our membership, the Chamber was pleased to participate in a discussion on the project on December 10, 2020 where the Office of Planning & Economic Development, along with lead consultant The Chicago Consultants Studio, outlined the framework plan and strategies to promote, attract and guide development in downtown.

As an active leader in the City and region's well-being, the Springfield Regional Chamber strongly endorses the City's proactive strategy with the Implementation Blueprint to create a guiding vision for the area, establish supporting zoning and controls to facilitate development, and pursue a range of necessary economic incentives including the Section 108 program, and related assistance to improve feasibility of development in the area.

The Springfield Regional Chamber is encouraged by the City of Springfield's efforts to revitalize the area around two of downtown's major economic anchors, the MassMutual Center/Arena and MGM Springfield and believes strengthening the core will also strengthen and enhance adjacent districts and neighborhoods of downtown.

We look forward to further dialogue with the City as the Implementation Blueprint advances and specific projects and opportunities are generated from the City's proactive efforts. Please feel free to contact me should you have any questions.

Sincerely,

A handwritten signature in black ink that reads "Nancy F. Creed". The signature is fluid and cursive, with the first name "Nancy" being more prominent.

Nancy F. Creed, IOM
President



December 16, 2020

Mayor Domenic J. Sarno & Springfield City Council
City of Springfield
36 Court Street
Springfield, MA 01103

Dear Mayor Sarno & Springfield City Council Members:

Please accept this letter as the full support of the Springfield Business Improvement District (BID) of the work of the City of Springfield in advancing the Main Street and Convention Overlay District.

We were pleased to participate in a discussion on the project on December 10, 2020 where the Office of Planning & Economic Development along with lead consultant The Chicago Consultants Studio outlined the framework plan and strategies to promote, attract and guide development in downtown.

As an active leader in the City and downtown's well-being, the Springfield BID strongly endorses the City's proactive strategy with the Implementation Blueprint to create a guiding vision for the area, establish supporting zoning and controls to facilitate development, and pursue a range of necessary economic incentives including the Section 108 program, and related assistance to improve feasibility of development in the area.

The Springfield BID is encouraged by the City of Springfield's efforts to revitalize the area around two of downtown's major economic anchors, the MassMutual Center/Arena and MGM Springfield and believes strengthening the core will also strengthen and enhance adjacent districts and neighborhoods of downtown.

We look forward to further dialogue with the City as the Implementation Blueprint advances and specific projects and opportunities are generated from the City's proactive efforts. Please feel free to contact me should you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "CR", with a stylized flourish extending from the end.

Chris Russell
Executive Director



Armory-Quadrangle Civic Association
140 Chestnut Street #C • Springfield, MA 01103

(413) 747-1830 • aqca@kimballhewers.com • aqca-springfield.org

January 15, 2021

Timothy T. Sheehan, Chief Development Office
City of Springfield
Office of Planning and Economic Development
70 Tapley Street
Springfield, MA 01104

Dear Mr. Sheehan:

On December 9, 2020, members of the Armory Quadrangle Civic Association (AQCA), the neighborhood council for the Metro Center area, participated in the City of Springfield Office of Planning and Economic Development (OPED) public presentation and input session on the "Implementation Blueprint: Phase One Priorities." This is OPED's current framework plan and strategies to promote, attract and guide development in downtown Springfield, starting with the area adjacent to the MassMutual Center/Arena and MGM Springfield. We agree that strengthening the core will also enhance adjacent districts and neighborhoods of downtown Springfield.

AQCA endorses the City's proactive strategy with the Implementation Blueprint to create a guiding vision for the area, establish supporting zoning and controls to facilitate development. We support the City's creation of a new Main Street and Convention Overlay District that will encourage complementary and supporting development.

AQCA also supports the pursuit of a range of necessary economic incentives and related assistance to improve the feasibility of development in the area. This includes the City's use of the HUD Section 108 Loan guarantee program. Overall, the development should emphasize **job creation, as alleviating Springfield's overall poverty must be the primary objective.**

AQCA looks forward to further dialogue with the City as the Implementation Blueprint advances and specific projects and opportunities are generated from the City's proactive efforts.

Sincerely,

Betsy Johnson, Chair
Armory Quadrangle Civic Association



January 29, 2021

Mayor Domenic J. Sarno & Springfield City Council
City of Springfield
36 Court Street
Springfield, MA 01103

Dear Mayor Sarno & Springfield City Council Members:

Please accept this letter as the full support of The Related Companies of the work of the City of Springfield in advancing the Main Street and Convention Overlay District.

As you know, Related is nearing completion on a \$45 million redevelopment in the heart of downtown of the former Chestnut Towers, now known as Skyview Downtown.

As an active stakeholder in downtown's well-being, Related strongly endorses the City's proactive strategy with the Implementation Blueprint to create a guiding vision for the area, establish supporting zoning and controls to facilitate development, and pursue a range of necessary economic incentives including the Section 108 program, and related assistance to improve feasibility of development in the area.

Related is encouraged by the City of Springfield's efforts to revitalize the area around two of downtown's major economic anchors, the MassMutual Center/Arena and MGM Springfield and believes strengthening the core will also strengthen and enhance adjacent districts and neighborhoods of downtown.

We look forward to further dialogue with the City as the Implementation Blueprint advances and specific projects and opportunities are generated from the City's proactive efforts. Please feel free to contact me should you have any questions.

Sincerely,

Jeffrey Brodsky

Vice Chairman





Chart Organization
50 Broadway, 1st Floor
Lynbrook, NY 11563
Tel: 516 764 3800
Fax: 516 764 4404
www.Chartorg.com

January 22, 2021

Mayor Domenic J. Sarno, the members of City Council of Springfield
36 Court Street
Springfield, MA 01103

Dear Mayor Sarno and Members of the Springfield City Council,

Please accept this as a letter of endorsement for the Main Street and Convention Center Overlay District proposal. As a long-term investor and landlord in the central business district I am so appreciative of the work done by your offices for the benefit of the residents and business owners. We are so pleased that two of the biggest projects in the city's history were completed and with such a positive impact.

Both MGM and the Union Station have greatly turned the once declining business district into a potentially thriving turnaround story. But there is still work to do as you know best and aiding the Convention Center District to attain its maximum potential will continue the growth that has already begun.

The pandemic has been devastating on so many levels it would be hard to describe here, but we hope that there is light at the end of that tunnel with vaccines and medicines available for the most fragile and vulnerable citizens.

So as the city awakens from this dark period, I endorse the plans for the Overlay Zone. We know that when the business community and the city work hand in hand great things can happen quickly. As a stakeholder we will support your efforts and work alongside the planners.

In closing I wish all of you and the citizens of Springfield health and good fortune as you endeavor to continue to make the city the best place to work, live and play.

Glenn Edwards
President & Owner
Chart Organization

www.ChartOrg.com
Email: gedwards@chartorg.com
Office: 516-764-3800 x203
Fax: 516-764-4404

2021 SPECIFIC IMPACT GRANT APPLICATION: City of Springfield, MA
BD-21-1068-1068C-1068L-56499
ATTACHMENT G City Code Violations / Demo

B1 PER GROUP	B1 ALT ID	B1 APP TYPE ALIAS	B1 FILE DD	B1 APPL STATUS	B1 STR NAME	B1 STR NAME	B1 SHORT NOTES	B1_WORK_DESC
Enforcement	14ENFCP00011 BLD	Enforcement - Building Complaint	1/7/2014 12:00:00 AM	Closed	99	UNION	General	Resident states the city has been to this address several times, she claims there is an illegal business being operated here, along with large amount of waste on the property. She says they have a makeshift wood burning stove in the garage that poses a fire hazard.
	14ENFCP00014 ZON	Enforcement - Zoning Complaint	1/8/2014 12:00:00 AM	Closed	99	UNION	Property in violation of special permit dated February 16, 1993 (only 6 cars at any one time for sale)	Junkyard ... Article 4, Section 4.7.41 Storage of Junk ... Article 4, Section 4.7.42 Illegal Signage ... Article 9, Section 9.0 Signs removed & all but 4 cars removed ... ONGOING ... 1.30.14 More junk; two unregistered vehicles ... SEND FINAL NOTICE & PLEASE CC: OCCUPANT ... 3.3.14 Three UMW's; owner says he'll remove them tomorrow ... ONGOING ... 3.31.14 No UMW's this visit ... ONGOING ... 4.28.14 No junk vehicles as reported ... ONGOING ... 6.17.14 New ownership ... FILE ... 3.5.15
	14ENFCP00018 ZON	Enforcement - Zoning Complaint	1/10/2014 12:00:00 AM	Closed	99	UNION	DUPLICATE	30 days LOU
	14ENFCP00029 BLD	Enforcement - Building Complaint	1/17/2014 12:00:00 AM	Closed	143	STATE	Construction without Proper Inspections	Permit expiration in question 180 days without activity. Construction site no secured; Safety fence and egress door. 1/17/14- FIRST NOTICE 1/17/17- PERMITS RE-ACTIVATED- CLOSE OUT ENFORCEMENT RECORD-
	14ENFCP00129 ZON	Enforcement - Zoning Complaint	2/1/2014 12:00:00 AM	Closed	95	STATE	Illegal sign (no permit on file).	3 to 4 weeks FINAL NOTICE PLEASE
	14ENFCP00130 ZON	Enforcement - Zoning Complaint	2/1/2014 12:00:00 AM	Closed	55	STATE	Illegal Alteration of Sign (No Permit on File).	Illegal Alteration of Sign (No Permit on File) ... Article 9, Section 9.3.21 FILE ... 2.25.14
	14ENFCP00131 ZON	Enforcement - Zoning Complaint	2/1/2014 12:00:00 AM	Closed	79	STATE	PERMITS TAKEN 3/3/14 Illegal sign (no permit on file).	Final notice please LOU no new pic taken
	14ENFCP00148 BLD	Enforcement - Building Complaint	4/16/2014 12:00:00 AM	Closed	59	HOWARD	UNSAFE STRUCTURE. THE BUILDING HAS UNSTABLE MASONRY	THE BUILDING HAS UNSTABLE MASONRY THE BUILDING HAS BEEN FENCED . RESOLVE COMPLAINT
	14ENFCP- 01078HS	Enforcement - Housing Complaint	4/25/2014 12:00:00 AM	Re-Inspection	24	PARK	Litter	Litter
	14ENFCP- 01725HS	Enforcement - Housing Complaint	5/28/2014 12:00:00 AM	Closed	0	COURT	TEST CASE _ please ignore	this is a TEST case - please ignore
	14ENFCP- 01728HS	Enforcement - Housing Complaint	5/28/2014 12:00:00 AM	Closed	1155	MAIN	Dumpster behind propert	Dumpster behind property
	14ENFCP00249 BLD	Enforcement - Building Complaint	6/13/2014 12:00:00 AM	Closed	1021	MAIN	WORKING WITH NO PERMIT/ CODE VIOLATIONS	WORKING WITH NO PERMIT/ CODE VIOLATIONS 6/13/14- STOP WORK ORDER POSTED. 1/6/15- PERMIT APPLIED FOR. CODE VIOLATIONS CORRECTED. CLOSE OUT RECORD.
	14ENFCP- 02597HS	Enforcement - Housing Complaint	7/25/2014 12:00:00 AM	Closed	24	PARK	Board & Secure	Board & Secure Emergency 05-11-2015-- Court Report Inspection Conducted Today, Violations Remain, Photo's Taken.
	14ENFCP00854 ZON	Enforcement - Zoning Complaint	7/29/2014 12:00:00 AM	Closed	99	UNION	DUPLICATE	Resident is running an illegal car repair shop and is selling cars. There are also birds and dogs living at the business. There is a camper on the property and resident is selling food out of the camper.
	14ENFCP- 02855HS	Enforcement - Housing Complaint	8/6/2014 12:00:00 AM	Closed	99	UNION	Family living in camper	Family living in camper
	14ENFCP00881 ZON	Enforcement - Zoning Complaint	8/6/2014 12:00:00 AM	Closed	99	UNION	Illegal junkyard, R/V is being used or occupied for dwelling or sleeping purposes.	owner on reg. of deeds states new owner Blue Tarp Redevelopment LLC 1441 Main Street Spfld Ma R/V being used or occupied for dwelling or sleeping purpose CERT. NOTICE DATED 8/6/14 RETURNED
	14ENFCP- 03371HS	Enforcement - Housing Complaint	9/2/2014 12:00:00 AM	Closed	0	STOCKBRIDGE	Squatters Camping	Emergency-Squatters have set up tents and tarps in wooded area and appear to be living there.
	14ENFCP- 03808HS	Enforcement - Housing Complaint	10/1/2014 12:00:00 AM	Closed	99	UNION	Illegal Junk yard, buisness	Unregistered MV all over property, Illegal junk yark, Illegal buisness doing MV repairs instead of selling glass, Parking cars in daves furniture lot.
	14ENFCP- 03981HS	Enforcement - Housing Complaint	10/14/2014 12:00:00 AM	Closed	93	E PARK	NO WATER -	NO WATER - IN SINK
	14ENFCP00483 BLD	Enforcement - Building Complaint	12/2/2014 12:00:00 AM	Closed	55	STATE		COMPLAINT STATES SPRINKLER AND FIRE ALARM UNTESTED WORK PERFORMED WITHOUT PERMITS NO VIOLATIONS FOUND RECORD CLOSED 12/8/2014
	14ENFCP00492 BLD	Enforcement - Building Complaint	12/10/2014 12:00:00 AM	Closed	119	STATE	BLOCKED MEANS OF EGRESS	COMPLAINT STATES REPLACEMENT GATE HAS PADLOCK OWNER HAS AGREED TO REMOVE PADLOCK 12/16/2014 RECORD CLOSED
	14ENFCP00496 BLD	Enforcement - Building Complaint	12/16/2014 12:00:00 AM		133	STATE	Inspection	Restaurant owner would like an inspection done due to the water main break and ink hole directly in front of her business yesterday.
	15ENFCP00051 BLD	Enforcement - Building Complaint	2/10/2015 12:00:00 AM	Closed	115	STATE	BUILDING DEPARTMENT COMPLAINT, INSUFFICIENT HEAT THROUGHOUT THE BUILDING.	115 STATE ST- ENTIRE BUILDING- HEATING COMPLAINT 2/10/15- FIRST VIOLATION NOTICE 2/20/15- ISSUE \$100.00 VIOLATION TICKET- INSUFFICIENT HEAT 6/25/15- CLOSE OUT RECORD

15ENFCP00051 BLD	Enforcement - Building Complaint	2/10/2015 12:00:00 AM	Closed		113 STATE	BUILDING DEPARTMENT COMPLAINT, INSUFFICIENT HEAT THROUGHOUT THE BUILDING.	115 STATE ST- ENTIRE BUILDING- HEATING COMPLAINT 2/10/15- FIRST VIOLATION NOTICE 2/20/15- ISSUE \$100.00 VIOLATION TICKET- INSUFFICIENT HEAT 6/25/15- CLOSE OUT RECORD
15ENFCP00057 BLD	Enforcement - Building Complaint	2/12/2015 12:00:00 AM	Closed		0 HOWARD	Demolition Order - Section 116 Unsafe Structure and Equipment	UPDATED PHOTOS- PER REQUEST 2/12/15- INTERIOR INSPECTION CONDUCTED 3/4/15- DEMOLITION ORDER FORTHWITH 5/16/16- CLOSE OUT VIOLATION RECORD
15ENFCP00057 BLD	Enforcement - Building Complaint	2/12/2015 12:00:00 AM	Closed		59 HOWARD	Demolition Order - Section 116 Unsafe Structure and Equipment	UPDATED PHOTOS- PER REQUEST 2/12/15- INTERIOR INSPECTION CONDUCTED 3/4/15- DEMOLITION ORDER FORTHWITH 5/16/16- CLOSE OUT VIOLATION RECORD
15ENFCP00057 BLD	Enforcement - Building Complaint	2/12/2015 12:00:00 AM	Closed		59 HOWARD	Demolition Order - Section 116 Unsafe Structure and Equipment	UPDATED PHOTOS- PER REQUEST 2/12/15- INTERIOR INSPECTION CONDUCTED 3/4/15- DEMOLITION ORDER FORTHWITH 5/16/16- CLOSE OUT VIOLATION RECORD
15ENFCP00061 PLM	Enforcement - Plumbing Complaint	2/19/2015 12:00:00 AM	Closed		15 PARK	PLUMBING VIOLATION	PLUMBING VIOLATION
15ENFCP00516 ZON	Enforcement - Zoning Complaint	6/10/2015 12:00:00 AM	Closed		99 UNION	illegal business	property vacant, close out
15VNCY-00581	Enforcement - Vacant Properties	6/27/2015 12:00:00 AM	Occupied		24 PARK		
15ENFCP00552 ZON	Enforcement - Zoning Complaint	6/29/2015 12:00:00 AM	Closed		24 PARK	BLIGHTED, VACANT PROPERTY	final notice please , reinspection 30 days., 6-22-16 not blight any more,occupied
15ENFCP00681 ZON	Enforcement - Zoning Complaint	8/12/2015 12:00:00 AM	Closed		1021 MAIN		please close
15ENFCP00254 PLM	Enforcement - Plumbing Complaint	10/19/2015 12:00:00 AM	Classify Abandoned		1236 MAIN	RESTAURANT FIRE - BOILER, SOL KARIBE	
16ENFCP-00256HS	Enforcement - Housing Complaint	1/22/2016 12:00:00 AM	Closed		0 COURT	THIS IS A TEST	THIS IS A TEST -please ignore
16ENFCP-00259HS	Enforcement - Housing Complaint	1/25/2016 12:00:00 AM	Closed		0 COURT	THIS IS A TEST	PLEASE IGNORE
16ENFCP00023 ELE	Enforcement - Electrical Complaint	1/28/2016 12:00:00 AM	Closed		94 UNION	ELECTRICAL VIOLATIONS	ELECTRICAL VIOLATIONS permit has been issued complaint resolved
16ENFCP00063 BLD	Enforcement - Building Complaint	3/14/2016 12:00:00 AM	Closed		1331 MAIN		1331 -1373 Main I walked the entire block no findings of debris falling off any of these buildings
16ENFCP00224 ZON	Enforcement - Zoning Complaint	3/29/2016 12:00:00 AM	Closed		45 WILLOW	Commercial business in residential apartment	Running a commercial business from an apartment at Stockbridge Court, zoned Residential. Potential fire hazard. Massive amount of computer equipment. 4-12-16 please close
16ENFCP-02077HS	Enforcement - Housing Complaint	5/31/2016 12:00:00 AM	Closed		119 STATE	Litter	Litter
16ENFCP-02078HS	Enforcement - Housing Complaint	5/31/2016 12:00:00 AM	Closed		127 STATE	Litter	Litter
16ENFCP-02080HS	Enforcement - Housing Complaint	5/31/2016 12:00:00 AM	Closed		119 STATE	maintance of land	Maintenance of Land-Litter.
16ENFCP-02082HS	Enforcement - Housing Complaint	5/31/2016 12:00:00 AM	Closed		127 STATE	maintance of land	Maintenance of Land- Litter.
16ENFCP00206 BLD	Enforcement - Building Complaint	6/27/2016 12:00:00 AM	Closed		11 STOCKBRIDGE	UNSAFE PROPERTY MAINTAINCE- EGRESS ISSUES	EMAIL COMPLAINT- EGRESS ISSUES 6/28/16- FIRST VIOLATION NOTICE 8/1/16- FINAL VIOLATION NOTICE 9/13/16- VIOLATIONS CORRECTED- CLOSE OUT RECORD
16ENFCP00206 BLD	Enforcement - Building Complaint	6/27/2016 12:00:00 AM	Closed		21 STOCKBRIDGE ST	UNSAFE PROPERTY MAINTAINCE- EGRESS ISSUES	EMAIL COMPLAINT- EGRESS ISSUES 6/28/16- FIRST VIOLATION NOTICE 8/1/16- FINAL VIOLATION NOTICE 9/13/16- VIOLATIONS CORRECTED- CLOSE OUT RECORD
16ENFCP00217 BLD	Enforcement - Building Complaint	7/6/2016 12:00:00 AM	Closed		11 STOCKBRIDGE		Complaint of being locked in buildine Door locks code compliant Exit / emergency lighting repaired Job complete 8/12/2016
16ENFCP00239 BLD	Enforcement - Building Complaint	7/21/2016 12:00:00 AM	Refer to Court		24 PARK	UNSAFE STRUCTURE- DETERIORATED FACADE	UNSAFE STRUCTURE- FALLING FACADE 7/21/16- FIRST VIOLATION NOTICE 8/1/16- FINAL VIOLATION NOTICE 8/11/16- ISSUE \$200.00 UNSAFE STRUCTURE VIOLATION TICKET 9/27/16- ISSUE SECOND \$200.00 UNSAFE STRUCTURE VIOLATION TICKET
16ENFCP00245 BLD	Enforcement - Building Complaint	7/26/2016 12:00:00 AM	Closed		11 PARK	UNSAFE STRUCTURE- EXTERIOR WALL/ SIDEWALK CONNECTION.	UNSAFE STRUCTURE- EXTERIOR WALL/ SIDEWALK CONNECTION 7/26/16- FIRST VIOLATION NOTICE 9/6/16- FINAL VIOLATION NOTICE 10/7/16- ISSUES RESOLVED- CLOSE OUT RECORD
16ENFCP00274 BLD	Enforcement - Building Complaint	8/10/2016 12:00:00 AM			73 STATE	Exterior Violations	Resident concerned that façade of building has been being propped up with supports for over 3 weeks.
16ENFCP00161 PLM	Enforcement - Plumbing Complaint	8/23/2016 12:00:00 AM	Classify Abandoned		68 COURT	ONLY A TEST PLUMBING VIOLATIONS - COMPREHENSIVE INSPECTION	PLUMBING VIOLATION
16ENFCP00866 ZON	Enforcement - Zoning Complaint	8/27/2016 12:00:00 AM	Closed		11 PARK		forthwith notice please,redate 35 days, 10-3-16 21 day final notice please, 10-24-16 50 ticket,redate 30 days or so please, 1-5-17 please close

16ENFCP00873 ZON	Enforcement - Zoning Complaint	8/27/2016 12:00:00 AM	Closed		130 UNION		forthwith notice please,redate 35 days, 10-3-16 final notice please 21 days, 10-24-16 50 ticket please ,redate 30 days or so, 1-5-17 please close
16ENFCP01061 ZON	Enforcement - Zoning Complaint	9/28/2016 12:00:00 AM	Closed		1277 MAIN	Noise	Resident from Stockbridge Court complains that the machinery used to keep hockey rink cold is making noise which can be heard in their apartments. Believes it is violating ordinances.
16ENFCP-04919HS	Enforcement - Housing Complaint	12/16/2016 12:00:00 AM	Closed		113 STATE	Emergency-No heat	No heat in their suite.
16ENFCP00473 BLD	Enforcement - Building Complaint	12/16/2016 12:00:00 AM	Violation		113 STATE	INADEQUATE PROPERTY MAINTENANCE	INADEQUATE PROPERTY MAINTENANCE 6.27.2019--Send NOV--Re-inspect in 30 days. 7.22.2019--Send 2nd NOV and \$150 fine--Re-inspect in 30 days. (Refer to legal department) 8.22.2019--Send Final NOV and \$150.00 Fine--Re-inspect in 30 days. 9.24.2019--Send NOV and \$150.00 Fine--Re-inspect in 30 days. 10/24/2019-Send NOV, \$150.00 fine, and refer to court for legal action
17ENFCP00046 BLD	Enforcement - Building Complaint	1/26/2017 12:00:00 AM	Closed		11 PARK	BLDG VIOLATIONS	BLDG VIOLATIONS 1/26/17- NO VIOLATIONS FOUND- CLOSE OUT RECORD
17ENFCP00045 ELE	Enforcement - Electrical Complaint	1/26/2017 12:00:00 AM	Closed		11 PARK	ELECTRICAL VIOLATIONS	ELECTRICAL VIOLATIONS
17ENFCP-01180HS	Enforcement - Housing Complaint	4/24/2017 12:00:00 AM	Closed		45 WILLOW	Interior Violations	Broken dishwasher floods kitchen floor scalding hot water cold water does not work Black fruit flies 200 unit building fro 1 dumpster dumpster is always overflowing door fell off kitchen stove Roof leaking water draining inside apt
17ENFCP-01461HS	Enforcement - Housing Complaint	5/17/2017 12:00:00 AM	Closed		45 WILLOW	Interior Violations	Tenant is wheelchair bound No screens in all windows when they are opened flies and bugs have are inside the apartment. When windows are closed the temp in apartment is 105 degrees. Maintenance hammered window shut in this apartment. Garbage disposal is broken and oven is broken. Door is hanging off of oven. flies are eating the tenants food. Floor are peeling and finish is attaching to tenants feet. Uneven floors and nails in floors by which the tenant got injured. Tenant is harassed by maintenance man who lives in Cellar Electric plugs have no plates in it.
17ENFCP-01564HS	Enforcement - Housing Complaint	5/26/2017 12:00:00 AM	Close Related Records		1127 MAIN	Emergency	Emergency
17ENFCP00182 BLD	Enforcement - Building Complaint	5/30/2017 12:00:00 AM	Violations		1127 MAIN	UNSAFE PROPERTY MAINTENANCE	UNSAFE PROPERTY MAINTENANCE 9.26.2018--Send NOV-Re inspect in 30 days 5/21/2019--Send 2nd NOV -- re-inspect in 30 days. 6/21/2019--Send final NOV and issue \$150.00 fine 7.22.2019--Send NOV and \$150.00 fine 8.22.2019--Send NOV and \$150.00 Fine--Re-inspect in 30 days. 9.23.2019--Send NOV and \$150 Fine--Re-inspect in 30 days.
17ENFCP-01658HS	Enforcement - Housing Complaint	6/1/2017 12:00:00 AM	Closed		45 WILLOW	Unit #609 - EMERGENCY- NO COLD WATER	EMERGENCY- NO COLD WATER, water scolding hot about 155 degrees back up in the dish washer flies all over the apartment, tenant is wheel chair bound
17ENFCP00369 ZON	Enforcement - Zoning Complaint	6/5/2017 12:00:00 AM	Closed		133 STATE	illegal indoor place of amusement	illegal indoor place of amusement . Needs special permit from city council 6-5-2017 spoke with owner James Kobath 704 340-5538 they need a special permit from city council Send NOV forthwith notice 6-27-17 forthwith notice please certified mail,redate 21 days, 6-26-18 pass
17ENFCP00443 ZON	Enforcement - Zoning Complaint	6/27/2017 12:00:00 AM	Closed		1127 MAIN		
17ENFCP-02225HS	Enforcement - Housing Complaint	7/12/2017 12:00:00 AM	Closed		1252 MAIN	Awnings	Awnings - per DC
17ENFCP00283 BLD	Enforcement - Building Complaint	9/20/2017 12:00:00 AM	Surveillance		1277 MAIN		BUILDING STRUCK BY AUTO
17ENFCP00307 BLD	Enforcement - Building Complaint	10/25/2017 12:00:00 AM	Re-Inspection		11 STOCKBRIDGE	UNSAFE STRUCTURE	Leaking ceiling,the ceiling is leaking and the ceiling caved in.
17ENFCP00335 BLD	Enforcement - Building Complaint	11/20/2017 12:00:00 AM	Closed		1200 MAIN		NOTICE TO REPAIR---FIRE DAMAGED ROOF
17ENFCP00335 BLD	Enforcement - Building Complaint	11/20/2017 12:00:00 AM	Closed		101 STATE		NOTICE TO REPAIR---FIRE DAMAGED ROOF
17ENFCP00366 ELE	Enforcement - Electrical Complaint	11/21/2017 12:00:00 AM	Closed		101 STATE	ELECTRICAL VIOLATIONS- FIRE DAMAGE	ELECTRICAL VIOLATIONS - FIRE DAMAGE
18ENFCP00005 BLD	Enforcement - Building Complaint	1/8/2018 12:00:00 AM	Re-Inspection		1155 MAIN	EMERGENCY: NO HEAT/FAULTY EXIT SIGNAGE	EMERGENCY: NO HEAT/FAULTY EXIT SIGNAGE 1/8/18---Send 1st Notice (called owner at 2:48pm and left message about emergency violations) 1/29/18---CLOSE 1.23.2019--Re-Opened- Emergency Inspection Conducted on 1.22.2019- SEND NOV
18ENFCP00021 ELE	Enforcement - Electrical Complaint	1/23/2018 12:00:00 AM	Closed		1019 MAIN	ELECTRICAL VIOLATIONS- HASHBURY HEADSHOP	ELECTRICAL VIOLATIONS - HASHBURY HEADSHOP
18ENFCP00099 ZON	Enforcement - Zoning Complaint	2/7/2018 12:00:00 AM	Closed		133 STATE		2-7-18 forthwith ,redate 21 days please, 2-28-18 close please

18ENFCP00539 ZON	Enforcement - Zoning Complaint	6/28/2018 12:00:00 AM	In Process	1317 EAST COLUMBUS	dilapidated sign	dilapidated sign in disrepair Please send FORTHWITH NOV with re inspection on 7-30-18 11-27-18 no change in condition of sign please send \$100 fine
18ENFCP00224 PLM	Enforcement - Plumbing Complaint	7/27/2018 12:00:00 AM	Closed	11 STOCKBRIDGE	PLUMBING VIOLATIONS	Leaking ceiling.the ceiling is leaking and the ceiling caved in. WATER LEAKING
18ENFCP00223 ELE	Enforcement - Electrical Complaint	7/27/2018 12:00:00 AM	Closed	11 STOCKBRIDGE	ELECTRICAL VIOLATIONS	Leaking ceiling.the ceiling is leaking and the ceiling caved in. ELECTRICAL VIOLATIONS
19ENFCP-00174HS	Enforcement - Housing Complaint	1/18/2019 12:00:00 AM	Closed	211 Union	General Inspection	General Inspection. Tiles are missing and the living room floor in the back has holes. (entrance is in the back of the building facing the parking lot)
19ENFCP00016 BLD	Enforcement - Building Complaint	1/21/2019 12:00:00 AM		1242 MAIN	no water in the building	caller works in the building and states there has been no water in the whole building since Friday, 1/18/19-
19ENFCP-00189HS	Enforcement - Housing Complaint	1/22/2019 12:00:00 AM	Closed	1242 MAIN	emergency-no water in the building	Caller works in the building-commercial building. No water in the building since Friday, 1/18/19 The owner/landlord of the building is John Foley.
19ENFCP00022 PLM	Enforcement - Plumbing Complaint	1/22/2019 12:00:00 AM	Closed	1242 MAIN	PLUMBING VIOLATION	PLUMBING VIOLATION
19ENFCP00047 PLM	Enforcement - Plumbing Complaint	2/5/2019 12:00:00 AM		1155 MAIN	PLUMBING VIOLATION	NO HEAT
19ENFCP00057 BLD	Enforcement - Building Complaint	2/21/2019 12:00:00 AM	Ticket/Fine	1021 MAIN	WORK PERFORMED WITHOUT A BUILDING PERMIT- INTERIOR FRAMING AND GYPSUM BOARD	WORK WITHOUT A PERMIT: INTERIOR FRAMING AND GYPSUM BOARD
19ENFCP-01006HS	Enforcement - Housing Complaint	4/18/2019 12:00:00 AM	Closed	0 COURT		Test ignore
19ENFCP-01632HS	Enforcement - Housing Complaint	6/11/2019 12:00:00 AM	Closed	211 UNION	toilet overflowing , human waste in tub	The toilet in overflowing and there is human waste in the tub.
19ENFCP-01951HS	Enforcement - Housing Complaint	7/3/2019 12:00:00 AM	Closed	130 UNION	Exterior Violations	Posting of owner Overgrowth/ Litter
19ENFCP-02125HS	Enforcement - Housing Complaint	7/24/2019 12:00:00 AM	Closed	211 Union	General problem	The title is broken and hurts the tenants feet when they walk
19ENFCP00340 BLD	Enforcement - Building Complaint	8/13/2019 12:00:00 AM		113 STATE	no water	There is no water in the office building.
19ENFCP-02805HS	Enforcement - Housing Complaint	9/3/2019 12:00:00 AM	Closed	1021 MAIN	Litter	Litter
19ENFCP00685 ZON	Enforcement - Zoning Complaint	9/7/2019 12:00:00 AM	Closed	1208 MAIN		Illegal signs,(one sign extended over public way which needs a sign bond and one sign located above second floor level
19ENFCP00719 ZON	Enforcement - Zoning Complaint	9/19/2019 12:00:00 AM	Court	24 PARK		Building blighted in disrepair etc
19ENFCP00857 ZON	Enforcement - Zoning Complaint	10/19/2019 12:00:00 AM	Closed	133 STATE		Graffiti etc.
19ENFCP00859 ZON	Enforcement - Zoning Complaint	10/19/2019 12:00:00 AM	Closed	171 UNION		Graffiti etc.
19VNCY-00146	Enforcement - Vacant Properties	10/23/2019 12:00:00 AM	Verified Vacant	24 PARK		Property vacant etc.
20ENFCP00072 BLD	Enforcement - Building Complaint	2/20/2020 12:00:00 AM	Re-Inspection	1127 MAIN	BUILDING VIOLATION	BUILDING VIOLATIONS 2.21.2020--Send NOV--refer to court for legal action, re-inspect in 30 days.
20VNCY-00051	Enforcement - Vacant Properties	5/7/2020 12:00:00 AM	Verified Vacant	1127 MAIN		Property vacant
20VNCY-00050	Enforcement - Vacant Properties	5/7/2020 12:00:00 AM	Verified Vacant	130 UNION		Property vacant
20ENFCP-01066HS	Enforcement - Housing Complaint	5/14/2020 12:00:00 AM	Closed	130 UNION	Litter	Litter
20ENFCP-01634HS	Enforcement - Housing Complaint	7/22/2020 12:00:00 AM	Closed	1096 MAIN	General Inspection	Illegal attic apartment. Possible cross wiring.
20SPD-0006313	SPD Ordinance Ticket	8/4/2020 12:00:00 AM	ticket issued	24 PARK	Litter Overgro	Overgrowth
20ENFCP00924 ZON	Enforcement - Zoning Complaint	10/24/2020 12:00:00 AM	Closed	1155 MAIN		Fence in disrepair,graffiti etc
20ENFCP00925 ZON	Enforcement - Zoning Complaint	10/24/2020 12:00:00 AM	Closed	1208 MAIN		Graffiti,abandoned sign etc

B1 PER GROUP	B1 ALT ID	B1 APP TYPE ALIAS	B1 FILE DD	B1 APPL STATUS	B1 STR NAME	B1 STR NAME	B1 SHORT NOTES	B1_WORK_DESC
Building	15DEMO-00025	Building - Demolition Permit	4/28/2015 12:00:00 AM	CC Issued	68	UNION	DEMOLISH 1-STORY CARWASH AND MAINTENANCE GARAGE BLDG - 5000SF	DEMOLISH 1-STORY CARWASH AND MAINTENANCE GARAGE BLDG - (5000 SF) 6/13/16- DEMOLITION COMPLETED- ISSUE C.C.
	15DEMO-00027	Building - Demolition Permit	5/4/2015 12:00:00 AM	Void	68	UNION	Demolish 1 Story Building for MGM Casino Project	DUPLICATE RECORD CREATED FOR THE SAME PERMIT APPLICATION-
	15DEMO-00028	Building - Demolition Permit	5/5/2015 12:00:00 AM	Issue CC and close	59	HOWARD	DEMOLISH FORMER SCHOOL 67000SF	DEMOLISH FORMER SCHOOL - 67000 SF 6/10/16- DEMOLITION COMPLETE- ISSUE CERTIFICATE OF COMPLIANCE
	15DEMO-00038	Building - Demolition Permit	5/14/2015 12:00:00 AM	CC Issued	1357	EAST COLUMBUS	DEMOLISH 1,000 SQ FT FORMER VEHICLE REPAIR SHOP	DEMOLISH 1,000 SQ FT FORMER VEHICLE REPAIR SHOP 6/10/16- DEMOLITION COMPLETE- ISSUE CERTIFICATE OF COMPLIANCE
	15DEMO-00052	Building - Demolition Permit	6/29/2015 12:00:00 AM	CC Issued	82	HOWARD	DEMOLISH RECTORY BUILDING - 5614SF (2-STORY:2457SF EA+BASEMENT:700SF)	DEMOLISH RECTORY BUILDING - 5614 SF (2-STORY: 2457 SF EA + BASEMENT: 700 SF) 6/10/16- DEMOLITION COMPLETE- ISSUE C.C.
	15DEMO-00053	Building - Demolition Permit	6/29/2015 12:00:00 AM	CC Issued	82	HOWARD	DEMOLISH GARAGE BUILDING - 1500SF (1-STORY)	DEMOLISH GARAGE BUILDING - 1500 SF (1-STORY) 6/10/16- DEMOLITION COMPLETE- ISSUE C.C.
	15DEMO-00064	Building - Demolition Permit	7/27/2015 12:00:00 AM	CC Issued	1106	MAIN	DEMOLISH FORMER RETAIL BUILDING; 3,000 SQ FT	DEMOLISH FORMER RETAIL BUILDING; 3,000 SQ FT 6/10/16- DEMOLITION COMPLETED- ISSUE C.C.
	15DEMO-00114	Building - Demolition Permit	12/22/2015 12:00:00 AM	CC Issued	1126	MAIN	DEMOLISH 3000SF, 1-STORY RETAIL BLDG	DEMOLISH 3000 SF, 1-STORY RETAIL BLDG 6/10/16- DEMOLITION COMPLETED- ISSUE C.C.
	15DEMO-00115	Building - Demolition Permit	12/22/2015 12:00:00 AM	CC Issued	1120	MAIN	DEMOLISH 3000SF, 1-STORY BUSINESS BLDG	DEMOLISH 3000 SF, 1-STORY BUSINESS BLDG 6/10/16- DEMOLITION COMPLETED- ISSUE C.C.
	16DEMO-00004	Building - Demolition Permit	1/11/2016 12:00:00 AM	CC Issued	1090	MAIN	DEMOLISH AND DISPOSAL OF RETAIL BUILDING - 4800SF	DEMOLISH AND DISPOSAL OF RETAIL BUILDING - 4800 SF 6/13/16- DEMOLITION COMPLETE- ISSUE C.C.
	16DEMO-00010	Building - Demolition Permit	1/22/2016 12:00:00 AM	CC Issued	79	STATE	DEMOLISH COMMERCIAL BLDG - 19800SF	DEMOLISH COMMERCIAL BLDG - 19800 SF 6/13/16- DEMOLITION COMPLETED- ISSUE C.C.
	16DEMO-00020	Building - Demolition Permit	3/8/2016 12:00:00 AM	CC Issued	1156	MAIN	DEMOLISH 2-STORY OFFICE BUILDING (44193SF)	DEMOLISH 2-STORY OFFICE BUILDING (44193 SF) 6/13/16- DEMOLITION COMPLETE- ISSUE C.C.
	16DEMO-00026	Building - Demolition Permit	3/30/2016 12:00:00 AM	CC Issued	26	HOWARD	DEMOLISH 50,000 SQ FT FORMER DETENTION CENTER	DEMOLISH 50,000 SQ FT FORMER DETENTION CENTER 6/13/16- DEMOLITION COMPLETED- ISSUE C.C.
	16DEMO-00027	Building - Demolition Permit	4/7/2016 12:00:00 AM	Inspections	73	STATE	DEMOLISH 27,600 SQ FT; REAR 115 ' OF FORMER UNION ELECTRIC BUILDING LEAVING FRONT FACADE FOR INCORPORATION INTO NEW CONSTRUCTION	DEMOLISH 27,600 SQ FT; REAR 115 ' OF FORMER UNION ELECTRIC BUILDING LEAVING FRONT FACADE FOR INCORPORATION INTO NEW CONSTRUCTION 8/10/16- DEMOLITION COMPLETED- ISSUE C.C.
	16DEMO-00052	Building - Demolition Permit	8/25/2016 12:00:00 AM	CC Issued	1132	MAIN	DEMOLISH 38,000 SQ FT FORMER UNION CHANDLER; MGM CASINO OVERLAY DISTRICT	DEMOLISH 38,000 SQ FT FORMER UNION CHANDLER; MGM CASINO OVERLAY DISTRICT 9/28/16- DEMOLITION COMPLETED- ISSUE C.C.
	19DEMO-00006	Building - Demolition Permit	2/5/2019 12:00:00 AM	Classify Abandoned	24	PARK	PARTIAL DEMOLITION OF AREAS FOR STRUCTURAL REVIEW IN FUTURE DEMO OF ENTIRE STRUCTURE	PARTIAL DEMOLITION OF AREAS FOR STRUCTURAL REVIEW IN FUTURE DEMO OF ENTIRE STRUCTURE 6 MONTH EXPIRATION
	19DEMO-00059	Building - Demolition Permit	12/2/2019 12:00:00 AM	Classify Abandoned	24	PARK	DEMO 60 LINEAR FOOT OF EXISTING BUILDING	DEMO 60 LINEAR FOOT OF EXISTING BUILDING

2021 SPECIFIC IMPACT GRANT APPLICATION: City of Springfield, MA
BD-21-1068-1068C-1068L-56499
ATTACHMENT H1 Due Diligence Facilities Condition Reports

CITY OF SPRINGFIELD BUILDING EVALUATIONS

**113 State Street
1155 Main Street
11-21 Stockbridge Street**
Springfield, MA 01105

October 7, 2020 Revised



The Chicago Consultants Studio, Inc.
*19 S. LaSalle St., Suite 803
Chicago, IL 60603*

Caolo & Bieniek Associates, Inc.
*521 East Street, Suite 3
Chicopee, MA 01020*

Johnson Structural Engineering, Inc.
*101 Huntoon Memorial Highway
Rochdale, MA 01542*

Robert W. Hall Consulting Engineers, Inc.
*540 Meadow Street Extension
Agawam, MA 01001*

A M Fogarty & Associate, Inc.
*175 Derby Street, Suite 5
Hingham, MA 02043*



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INTRODUCTION

The Caolo & Bieniek Associates, Inc. (CBA) team was engaged by The Chicago Consultants Studio, Inc. to evaluate three private properties on behalf of the City of Springfield. These properties include and are located at:

- 113 State Street
- 1155 Main Street
- 11 – 21 Stockbridge Street

It is the CBA team's understanding that the City's interest in the properties is for possible use by municipal departments and to continue the redevelopment of the downtown area. Ownership of the properties will also allow the City to ensure that future uses of each building fits with the urban planning and the redevelopment of the district through future deed restrictions.

The intent of the evaluation was to provide the City of Springfield an understanding of the present condition of the properties, as well as estimated budget costs to make necessary improvements for continued use of the buildings. On August 31, 2020 and September 7, 2020, the CBA team performed site inspections of the three properties. The building assessment included evaluation by the following disciplines:

- | | |
|-------------------------------|--------------------------|
| - Architecture | - Mechanical Engineering |
| - Structural Engineering | - Electrical Engineering |
| - Fire Protection Engineering | - Plumbing Engineering |
| - Cost Estimating | |

To further evaluate the potential future use of each property, the CBA team provided Massachusetts code improvements that may be required for building renovation projects. Without the actual occupancy "use" of space as defined by the MA State Building Code, the total area of each building to be renovated and a set renovation budget known at this time, the CBA team used similar "use" types for each building to provide code reviews. The code reviews within the report summarize the major areas of non-compliance in order to provide budget estimates for listed improvements. The level of code compliance and general building improvements are broken down as defined by the International Existing Building Code 2015 Chapter 4 and MA State Building Code 780 CMR amendments and are as follows:

1. **Repairs or Building:** Maintenance: Patching, repairs or the replacement of damaged materials for the purpose of maintenance.
2. **Level II:** where alteration & reconfiguration are less than 50% of the building area.
3. **Level III:** where alteration & reconfiguration exceeds 50% of the building area.
4. **Change of Use:** the change of use classification from the previously permitted Use and Occupancy of the building to another use.



LOCUS PLAN



113 State St.
Springfield, MA



11-21 Stockbridge St.
Springfield, MA



1155 Main St.
Springfield, MA



EXECUTIVE SUMMARY

The Caolo & Bieniek Associates, Inc. (CBA) team was engaged by The Chicago Consultants Studio, Inc. to evaluate the buildings at 113 State Street, 1155 Main Street and 11-21 Stockbridge Street on behalf of the City of Springfield. The intent of the evaluation was to provide the City of Springfield with the following:

1. An understanding of the present physical condition of each building.
2. Recommended repairs & renovations for building maintenance & stabilization under the current use.
3. Possible code compliance requirements during renovations.
4. Budget estimating for maintenance and/or code compliance renovations.

Each building assessment included evaluation by the following disciplines:

- | | |
|-------------------------------|--------------------------|
| - Architecture | - Mechanical Engineering |
| - Structural Engineering | - Electrical Engineering |
| - Fire Protection Engineering | - Plumbing Engineering |
| - Cost Estimating | |

The following is a summary of the maintenance work, code compliance renovations and budget costs that the team identified during the inspection. These items are from visual observations and experience working with similar projects. Additional renovations are likely when further investigation could be performed and when the Use and Occupancy of each facility is confirmed.

113 State Street - Building Maintenance and Stabilization:

The CBA team recommends the following renovation work for repairs and maintenance to avoid further deterioration and for life safety improvements. These recommendations are to stabilize the present facility and do not address code improvements that would be required in Level II or III renovation projects. These recommendations include:

1. Replacement of the roofing system, roof insulation and the installation of additional roof drains.
2. Removal of obsolete HVAC equipment, wiring and piping.
3. Bracing of the masonry parapet walls required as part of a roof replacement project.
4. Repointing of approximately 25% of the exterior brick and stone walls.
5. Replacement of the stucco wall exterior material at the penthouse & elevator tower.
6. Replacement of the exterior grade plywood sheathing around the skylight roof curb.
7. Structural repairs to the steel supports at the precast concrete panels between the windows.
8. Replacement and painting of steel window lintels.
9. Repair, replacement and repointing of approximately 25% of the basement brick walls.
10. Upgrade/replacement of the elevator controller.
11. Floor leveling & framing reinforcement of sagging floors at the stair & elevator tower.
12. Correction of boiler & water heater venting and use of non-approved materials.
13. Replacement of rooftop HVAC unit disconnects due to corrosion.
14. Clock Tower restoration & structural work.

The estimated value to complete this work is \$2,821,158.00. This cost breakdown to \$78.89 per square foot.



Refer to the Building Assessment and Conceptual Budget Estimates sections of this report for additional information.

113 State Street - Building Code Upgrades:

The following is a summary of code compliance upgrades that would be required by the Commonwealth of MA when any renovation project, other than a Level I/Repair as defined by 780 CMR, is performed. The level of code compliance would depend on the level of the renovations, the percentage of the area being renovated, the value of the renovations vs. the overall value of the building and the Authority Having Jurisdiction's (AHJ) review of the life safety conditions. Code compliance renovations include the following:

1. Installation of a fully automatic fire protection system throughout the building per MGL 26G.
2. Add an Area of Refuge if a fully automatic fire protection system installation is not triggered (less than 50% of the area renovated).
3. Protection of combustible wood framing (floor joists) with noncombustible materials or the addition of fire protection heads at all locations.
4. Replacement of egress stair towers within separate and fully enclosed fire rated assemblies.
5. Redesign and relocation of stair towers to avoid obstructions and provide a clear path to the exit discharge.
6. MA Energy Code upgrades at the building roofing and wall systems.
7. Bracing of the unreinforced masonry parapet walls to the roof deck. (Also noted under the Building Maintenance and Stabilization Section)
8. Addition of over flow drains or scuppers at the roof.
9. Addition of an elevator recall system including elevator controls and fire detection at each level.
10. Replacement of elevator call stations, indicators, signage and audio system for accessibility.
11. Installation of a "Hands Free" elevator emergency call system.
12. Renovations to create accessible entrances and egresses at all exterior locations.
13. Addition of ramps at interior level changes on the first floor for accessibility.
14. Replacement of non-accessible door hardware.
15. Redesign of toilet rooms on floors 2 – 5 for accessibility.
16. Structural reinforcement to support the design load increase of 5% in any alteration project.
17. Structural reinforcement for seismic provisions of the MA Building Code.
18. Installation of masonry wall anchors to connect the roof structure.
19. Installation of 521 CMR & ADA compliant signage at all permanent rooms within the building.
20. Removal of condensate piping from electrical rooms.
21. Installation of additional illuminated exit signage at egress pathways.
22. Addition of egress lighting on the interior and exterior of the building that includes a backup power source.
23. Installation of an Emergency Radio Response system (BDA) system & connection to the Fire Department.

The estimated Construction Cost to complete the Maintenance/Stabilization and the Code update requirements is \$9,244,817.00. This cost breakdown to \$248.58 per square foot.

Refer to the Building Assessment and Conceptual Budget Estimates sections of this report for additional information the estimated Total Project Cost.

**1155 Main Street - Building Maintenance and Stabilization:**

The CBA team recommends the following renovation work for repairs and maintenance to avoid further deterioration and for life safety improvements. These recommendations are to stabilize the present facility and do not address code improvements that would be required in Level II or III renovation projects. These recommendations include:

1. Brick repair and repointing of approximately 10% of the exterior walls.
2. Replacement of older sprinkler heads and testing of the fire protection system throughout the building.
3. Replacement of all exterior window trim at twelve windows in the stucco walls.
4. Removal of the vines and vegetation on the exterior walls.
5. Reinforcement of the bowed masonry piers in the basement.
6. Boiler system repairs: replacement of non-approved venting materials & general servicing.
7. Repair of the heating system Water Source Loop leaks throughout the building & at the pumps.
8. Replacement of rooftop exhaust fans.
9. Cleaning of ductwork, filter and grilles.
10. Repair and/or replacement of damaged and nonfunctioning emergency light fixtures.
11. Addition of smoke detector in the basement for life safety and building protection.

The estimated value to complete this work is \$706,166.00. This cost breakdown to \$11.21 per square foot. Refer to the Building Assessment and Conceptual Budget Estimates sections of this report for additional information.

Building Code Upgrades

Based on the CBA team's visual inspection of the building and the anticipated reuse of the spaces by similar occupancies, the following are code compliance upgrades that would be required by the Commonwealth of MA. The level of code compliance would depend on the level of the renovations, the percentage of the area being renovated, the value of the renovations vs the overall value of the building and the Authority Having Jurisdiction's (AHJ) review of the life safety conditions. Code compliance renovations include the following:

1. Addition of an elevator recall system including elevator controls and fire detection at each level.
2. Installation of a "Hands Free" elevator emergency call system.
3. Seek a variance for the capacity within an elevator to fit a medical stretcher.
4. Addition of doors or a gate at egress stairs that continue to the basement.
5. Renovations to create a fire rated egress pathway from the northeast stair to the point of egress discharge.
6. Stair renovations to bring non-complaint stair risers, treads and handrails into compliance.
7. Create accessible entrances and egresses at all exterior doors.
8. Renovations to create accessible entrances and egresses at all exterior locations.
9. Replacement of non-accessible door hardware throughout the building.
10. Redesign of toilet rooms on floors 2 – 5 for accessibility.
11. Redesign of several tenant space entrance doors to provide accessible clearances.
12. Installation of 521 CMR & ADA compliant signage at all permeant rooms within the building.
13. Replacement of the northeast entrance/egress ramp.

**BUILDING EVALUATIONS**

14. Replace and increase size of the sanitary and storm water piping in the basement.
15. Installation of additional illuminated exit signage at egress pathways.
16. Addition of egress lighting on the interior and exterior of the building that includes a backup power source.
17. Installation of an Emergency Radio Response system (BDA) system & connection to the Fire Department.
18. Structural reinforcement to support the design load increase of 5% in any alteration project.
19. Installation of masonry wall anchors to connect the roof structure.
20. Structural reinforcement for seismic provisions of the MA Building Code.

The estimated Construction Cost to complete the Maintenance/Stabilization and the Code update requirements is \$8,974,043.00. This cost breakdown to \$137.00 per square foot.

Refer to the Building Assessment and Conceptual Budget Estimates sections of this report for additional information the estimated Total Project Cost.

11-21 Stockbridge Street - Building Maintenance and Stabilization:

The CBA team recommends the following renovation work for repairs and maintenance to avoid further deterioration and for life safety improvements. These recommendations are to stabilize the present facility and do not address code improvements that would be required in Level II or III renovation project. These recommendations include:

1. Brick repair and repointing of approximately 10% of the exterior walls.
2. Replacement of leaking plumbing sanitary lines in the basement.
3. Vegetation removal at the northwest elevation.
4. Repair of four masonry piers in the basement at the top of piers.
5. Add smoke detectors in the basement and at the electrical service panels.
6. Add electrical service outlets at the rooftop units.
7. Replacement of damaged concrete floor slabs in the basement.
8. Relocate storage shelving and other materials near electrical panels for code required 3' 0" clearance.

The estimated value to complete this work is \$154,802.00. This cost breakdown to \$23.84 per square foot. Refer to the Building Assessment and Conceptual Budget Estimates sections of this report for additional information.

Building Code Upgrades

Based on the CBA team's visual inspection of the building and the anticipated reuse of the spaces by similar occupancies, the following are code compliance upgrades that would be required by the Commonwealth of MA. The level of code compliance would depend on the level of the renovations, the percentage of the area being renovated, the value of the renovations vs the overall value of the building and the Authority Having Jurisdiction's (AHJ) review of the life safety conditions. Code compliance renovations include the following:

**BUILDING EVALUATIONS**

1. Construct a fire enclosed assembly around the egress stair tower.
2. Construct an interior fire rated stair tower within the building to replace the exterior fire escape.
3. Installation of a fully automatic fire protection system throughout the building per MGL 26G.
4. If less than 50% of the building is not renovated and a fully automatic fire suppression system is not installed, an Area of Refuge will be required on the second floor.
5. Modify the existing stair risers, nosings and handrails to be code complaint.
6. Install an elevator or Limited Use Elevator for public accessibility to the second floor.
7. Install a ramp at the rear first floor exit to create an accessible egress.
8. Replacement of non-accessible door hardware throughout the building.
9. Construct fully accessible male and female toilet rooms on both floors of the building.
10. Installation of 521 CMR & ADA compliant signage at all permanent rooms within the building.
11. Installation of additional illuminated exit signage at egress pathways.
12. Addition of egress lighting on the interior and exterior of the building that includes a backup power source.
13. Installation of an Emergency Radio Response system (BDA) system & connection to the Fire Department.
14. Install additional audio and visual fire alarm devices are required within the building to comply with Chapter 40 of 521 CMR.
15. Structural reinforcement to support the design load increase of 5% in any alteration project.
16. Installation of masonry wall anchors to connect the roof structure.
17. Structural reinforcement for seismic provisions of the MA Building Code.

The estimated Construction Cost to complete the Maintenance/Stabilization and the Code update requirements is \$1,909,126.00. This cost breakdown to \$282.68 per square foot.

Refer to the Building Assessment and Conceptual Budget Estimates sections of this report for additional information the estimated Total Project Cost.

2021 SPECIFIC IMPACT GRANT APPLICATION: City of Springfield, MA
BD-21-1068-1068C-1068L-56499
ATTACHMENT H2 Due Diligence Market and Economic Assessment



ASSESSMENT AND ANALYSIS OF THREE FORECLOSURE PARCELS SPRINGFIELD, MA

Prepared for the Chicago Consultants Studio, Inc.

APPLETON CORPORATION, November 2020



INTRODUCTION

Appleton Corporation has been engaged by The Chicago Consultants Studio, Inc. (CCS) to review and analyze the real estate developer/investor perspective for near and long term repositioning strategies for three properties in downtown Springfield, MA. The properties under review are 1139-1155 Main St., 11-21 Stockbridge Street, and 113-115 State St. All three properties are currently subject to lender institution ownership and are being marketed for sale by Colebrook Realty Services at the following asking prices:

- 113-115 State Street is listed for sale at \$1,800,000.
- 1139-1155 Main Street is listed for sale at \$2,900,000.
- 21 Stockbridge Street is listed for sale at \$300,000.

Our review for the foreclosure parcels involves consideration of A. The Status Quo, (leave assets in their current use and allow the lenders to proceed with a private sale/developer solution. B. Potential reuses of the property, and C. Repositioning the Asset for creative other uses via potential OPED ownership of the assets and subsequent developer RFP process. This report was developed based on our working relationship with CCS and our review of various supporting documents provided by CCS or Springfield Office of Planning and Economic Development (OPED). Our report takes into consideration many of the strategic initiatives and key objectives contained in **The Implementation Blueprint**, dated 6/28/18 by CCS, The City of Springfield, and MGM Resorts and the report frames many of our recommendations. We have also reviewed the SEIGMA Report dated 9/23/19 and while some of the data has materially changed due to the pandemic, the overall trends and comments prior to the pandemic are reasonably consistent with our findings.

All of the analysis and recommendations below are also informed by the following major comments which frame our report and potential concepts and could have a material impact in any recommendations contained throughout this report.

1. Given the high level of uncertainty in the local and national marketplace, it is impossible to predict or plan for the long term impact COVID-19 pandemic will have on Massachusetts, and the specific assets and the tenants in place, or the likelihood of near term success for office and retail uses. The COVID-19 pandemic is having a greater impact on commercial real estate than the global financial crisis of earlier in this century which was a credit and liquidity crisis. The pandemic directly impacts the demand for space through quarantines, social distancing, shutdowns, supply chain

disruptions, employment loss and a shattering of consumer confidence, according to real estate economic and research experts. It is also affecting how employers will return to work and in what configurations. While commercial real estate and the overall economy will eventually rebound, the speed with which the country and the industry emerge from the crisis depends on the ability to ramp up virus testing, development of a vaccine, patience with social distancing, the magnitude of monetary stimulus, and the relative health of the various commercial real estate property types, markets and individual projects.

2. Financing also becomes an issue as bankers are most concerned about the impact of the novel coronavirus on commercial real estate and business lending, according to the latest survey of top bank executives by Promontory Interfinancial Network. Nearly half of the CEOs, CFOs, and presidents of the 557 unique banks that responded to the second quarter survey said that commercial real estate lending is most vulnerable to the economic fallout of COVID-19. Nearly a quarter of respondents said commercial and industrial lending was their top concern. To further complicate recovery efforts, the survey also found that many bankers believe the impact of the virus will extend beyond next year. More than a third said the business impact would last until 2022 and beyond. ***This will likely result in more reliance on public sector grants, financing programs, and various tax credits combined with other incentives for new real estate projects in general and in particular the three foreclosure subject properties in this report.***
3. Since City or other public entity involvement in the assets is not a given, it has been assumed based on the Caolo & Bieniek Associates, Inc. (CBA) building evaluations that significant capital expenditure could be required to stabilize and reasonably maintain the properties. The CBA study also demonstrates that code compliance and construction costs are also significant when renovating the existing structures. The CBA study assumed the “Status Quo”,-- that is all three properties would remain in their current use profile. Appleton assumes, though we have not seen the actual rent rolls, that it is highly likely the current cash flows are not sufficient to meet the current asking prices of the properties.
4. There has been no definable “downtown community” for young professionals, which has potentially limited the ability for companies to attract and retain talent or to create vibrant market rate apartment clusters. The good news is this is changing in recent months, and the potential exists for discussion about the three assets to create longer term positive gains for Springfield and to align with the potential being created by the 74 unit apartment re-development at 31 Elm Street, Overland Lofts on Chestnut St., Silverbrick Apartments, and other market rate housing downtown targeted to the workforce.

Springfield Office Market Summary Overview

The Downtown Springfield Office Market has suffered for years with low rents (less than one-third the average in Boston) that have been historically flat, and likely will continue with slow and limited growth in the future especially with the pandemic effects. Even with low rates, the market has seen a number of companies and office users move to the neighboring suburban markets.

As many markets have now seen, and are currently experiencing, there is a growing number of businesses looking to reduce their physical footprint by enabling (or in some cases requiring) employees to work from home. Over the next 17 months, it is our opinion that the true effect of rent forbearance agreements, lease restructuring, and new work from home modalities will be clearer in the local and regional marketplace. On average, the commercial real estate industry is also renewing leases at smaller footprints, and with some reductions from current rents. In some cases these reductions are in the 10-12% area in order to preserve tenancies with free rent and other incentives included.

As of October 15, 2020, Appleton surveyed 31 available spaces in downtown Springfield along Main Street. Asking rents ranged from \$5.00 per square foot triple net to a high of \$27.00 gross. Eliminating the low and the high rates, the average rent for Class B properties similar to the subject properties was \$12-\$14.00 per square foot in varying conditions of readiness. Class A spaces along Main Street were higher, averaging \$17-\$18.00 per square foot, with suites mostly fully built out but could require some small modifications. ***We note that these are asking rental rates and given the current state of the market, lease negotiations will be very "Tenant friendly" as Landlords compete for limited market share. (See rental listing Exhibit One).***

The Springfield office market consists of four Class A office towers totaling 1.25 million square feet and approximately 1.0 million square feet of Class B/C space. It is difficult to assess the vacancy rate with any accuracy as it is a closely guarded number but real estate professionals estimate the average Class A vacancy rate between 10-12% and the Class B vacancy rate at 15-20% average. The subject properties as noted all fall into the Class B/C category. ***We have included a CoStar Analytics report on the total office market as an Exhibit to the report which supplements our survey above.***

These details above are important when considering adaptive re-use of the subject properties, and what sectors remain strong enough to still need more or new locations in the downtown core area. Appleton's experience as a property manager indicates that many recent leases prior to the Covid -19 pandemic were either non-profit agencies or a variety of medical uses. Single user, corporate leases or construction of new buildings is limited, though there has been some activity in 2018- 2019 in that area but all required significant fundraising or a reliance on public or private grants. While we are not

economists or appraisers, we are in the market place regularly for clients and the outlook for the office market is, in a word, challenging.

INDIVIDUAL PROPERTY ANALYSIS

113-115 State Street

A capital improvements and building assessment was done by CBA architects and the results indicate a significant capital expenditure would be required on a go forward basis. Appleton reviewed the costs and finds them to be well documented. With a projected cost of \$3,668,000 for Stabilization and Maintenance, \$11,556,000 for Code compliance and construction activity and a total cost resulting in \$15,224,000 or \$327 per square foot, the economic implications do not point towards a logical status quo reuse. To be considered in all discussion about this property, the elevator is problematic for future development and would likely require a new shaft, (Source: CBA).

SCENARIO 1: STATUS QUO

115 State Street is currently located on a primary and important corner for the Main Street area. The CBA reports a number of architectural features of the property and also describes some of the current uses. In order to preserve the status quo, an investment of approximately \$3,668,000 would likely need to be made by a new owner. With large windows for natural light the property does have redeeming features that could be capitalized on with some investment. However, Appleton is of the opinion there is enough functional obsolescence that it would be very difficult to invest in the asset, with hopes of reasonable recovery without dedicated uses in advance. Even assuming the property could absorb 5,000 sf per year, there is likely no long term revenue increase and the cost/benefit does not seem to be worth the market place risk to investors to continue using asset as office retail with any major upgrades without a major single tenant.

Facility Condition Index is an industry accepted standard for comparison of relative building condition and subsequent financial planning and decision making for capital investments. It is calculated based on the estimated cost of existing deficiencies divided by the total estimated replacement cost of a building. FCI is a commonly used decision tool, where zero to 5% of cost is considered "GOOD"; 5% to 10% is considered "FAIR"; 10%-70% is considered "POOR" and above 70% is considered "VERY POOR". The reader will note the FCI is used throughout the report."

Appleton determined the percentage cost of building maintenance and stabilization investment against two categories then estimated FCI index for each of the assets. We

then used generally accepted replacement cost based on information available to us from construction and development projects.

For 115 State St., the results are:

Building Maintenance and Stability Costs: (CBA)	\$3,668,000	
Assessed Value:	\$1,221,800	3 times cost
Asking Sale Price:	\$1,800,000	2.04 times cost
Replacement Cost Estimated at \$325 psf (TDC)	\$15,108,600	
FCI	24%	
Condition index	POOR	

The index suggests questionable durability and significant immediate needs for the property. Appleton does not believe an investment in this property is worthwhile based on the above for the status quo “as is” continued uses without a major anchor tenant. Without one, this scenario creates a situation where the likely NOI for the property would not cover debt service for an investor on a go forward basis.

SCENARIO TWO: POTENTIAL OTHER USES (NOT LIKELY VIABLE)

Appleton reviewed this property for the potential of a housing over retail development. This would likely result in the creation of approximately 28 units of 1,000 SF each on floors 2-5 in the building. The ground floor would remain a combination of building amenities, retail or commercial uses. This scenario provides us a look at rents that might be achievable under various programs as for many housing developments there is Targeted Affordability. A typical subsidy program for example would be a certain number of units restricted to households earning from 70% to 120% of AMI. Of the total units in a project, often times at least 25% must be units eligible under a subsidy program. There will be a preference for mixed-income projects and projects with units restricted at 70% of AMI. For rentals in Springfield as of the date of this report rents which include utilities, are:

Rents at 70% to 120% AMI with 1 person per bedroom are:

1 BR \$1,081 to 1,854

2 BR \$1,216 to \$2,085

Rents at 70% to 120% AMI with 1.5 persons per bedroom (Tax credit does 1.5) are:

1 BR \$1,013 to 1,737

2 BR \$1,216 to \$2,085

For the purposes of this report we assumed a 2 BR unit based on a “live- work- play” concept where the second bedroom is also potentially office for the resident. Using the higher end of the range for rents at \$2,085 for 28 units would generate \$700,560 in gross rental income annually. Using a standard apartment expense underwriting at 55% expenses (\$385,308), results in \$315,252 NOI.

Capitalized at 8%, this NOI would result in a value of \$3,941,000. We believe this an insufficient value for the renovation of the property, which could be \$5,600,000 (\$200k per unit) - \$7,000,000 (\$250k per unit) worth of total costs.

Accordingly we do not see this potential as viable at the proposed sale price or total development costs without significant public funding assistance. Based on the current market and future uncertainty, this scenario presents a very high risk if the capital that is estimated to be needed is not secured with very favorable grants and loans and credits, and extremely low acquisition pricing.

SCENARIO THREE: REPOSITIONING THE ASSET WITH ANOTHER USE

In conjunction with CCS, Appleton briefly reviewed creative alternative uses and emerging trends including in the convention and meeting center industry to determine the potential for compatible uses with the existing Mass Mutual Center, MGM, and area hotels. Since there are only five smaller breakout the meeting rooms (at approximately 1,500SF/each and 8,350 Sf total) at Mass Mutual Center, a possible reuse of 115 Main State Street could be a complete demolition followed by the construction of a smaller “vertical meeting and event” center of two to three floors. We would envision stacked units that would each be its own smaller exhibit/meeting/event spaces that would solve for the current deficiencies and complement the Mass Mutual Center with double or triple the meeting rooms to allow hosting a wider variety of conferences and meeting events there, and provide a logical pathway to MGM.

This new building would enable a state of the art facility with plenty of natural light, energy efficiency, and modern amenities. The concept suggestion is a potential building of 15,000-20,000 feet of mostly column free space complete with smaller divisible meeting/ conference center rooms, high end pre-function space that is flexible, and possible inclusion of a 4,000 sf kitchen, commissary, food incubator, and food lab. This collaborative environment space should be “high tech” with plenty of Bandwidth, distributed antennas, virtual reality booths, smart building features to control lighting and temps, a good investment in telepresence capabilities, and a business center.

The overall layout, configurations, seating and amenities should enable flexible “multi use” of the building, with potential to host small performances and concerts, music school uses or small theater. Ground floor use should be retail with complementary use serving the conventioners, residents, MGM patrons, and visitors to the district such as a small tap room offering local brewers an opportunity to showcase their product.

This concept would likely have to be explored with city planners, interested parties and Massachusetts Convention Center Authority. Estimated costs based on industry averages for small state of the art meeting and event centers would likely be \$400 per square foot, so for a three story concept \$11,200,000 or the two story concept \$8,000,000. SOURCE: Industry construction costs in small markets. Demolition costs as estimated by CBA are approximately \$581,000.

21 Stockbridge Street

A capital improvements and building assessment was done by CBA Architects. Appleton reviewed the costs and finds them to be well documented. The projected costs are \$202,000 for Stabilization and Maintenance, \$2,387,000 for Code compliance and construction activity, with a total cost resulting in \$ 2,587,000 or \$306 per square foot. The economic implications have different impacts depending on the intended use of the property. We would add that upon visual inspection of the property it is small (total SF of 8,442 sf) and has suffers from deferred maintenance. Natural light is also problematic as the building is attached to another building.

Using the Facility Condition Index, we note the following. Appleton determined the percentage cost of building maintenance and stabilization investment against two categories then estimated FCI index for each of the assets. We then used generally accepted replacement cost based on information available to us from construction and development projects.

Building Maintenance and Stability Costs: (CBA)	\$202,000	
Assessed Value:	\$320,000	63% cost
Asking Sale Price:	\$300,000	67% cost
Replacement Cost Estimated at \$325 psf (TDC)	\$2,743,650	
FCI	7.4%	
Condition index	FAIR	

SCENARIO ONE: STATUS QUO

This scenario requires the least amount of capital expenditure, however the annual burn will lead to an operating deficit within the next 3 – 4 Years assuming that no new leases are executed but that any existing tenants renew. Assuming some moderate lease up of the space, it is possible that the property could stabilize as an asset for the long term. A concern would be where an investor must then create code compliance renovations to accommodate a new tenant or single tenant. The estimated cost of \$2,587,000 may be higher than a stabilized NOI can handle.

We conceptually estimate that at \$14 psf rents the property would generate about \$71,000 in Net Operating Income. Capitalized at 8% this leads to a value of \$887,500. While continuing with the office use for the asset is least costly, based on the competitive building set in the downtown area, in order for the property to remain competitive rents may need to be lower than market which puts additional pressure on a capital investment program.

Based on the above, the property could potentially stabilize as an office building (current use) with minimal capital investment depending on the actual acquisition price, and the size of the property may mitigate some risks.

SCENARIO TWO: POTENTIAL OTHER USES (MARGINAL VALUE)

For the purposes of this report we assumed the property could be renovated into 2 BR units based on a “live- work- play” concept where the second bedroom is also potentially office for the resident. The size of the building would limit the number of apartments to four (4), with the basement used as amenity or storage space. As in the previous analysis, using the higher end of the range for rents at \$2,085 for 4 units would generate \$100,080 in gross rental income annually. Using a standard apartment expense underwriting for smaller walk up buildings at 35% expenses (\$35,000), results in \$65,000 (rounded) NOI.

Capitalized at 8%, this NOI would result in a value of \$814,000. We believe this a marginal value for the renovation of the property, which could be \$800,000 (\$200k per unit) - \$1,000,000 (\$250k per unit) worth of total costs. This figures is lower than the CBA construction and code compliance figure of approximately \$2,400,000. We reconcile this difference by using industry standard apartment renovation costs, assuming a total “gut and renovate” rehab of the property, and assume since the two living floors are under 3,000 SF, an elevator is not likely needed. (A complete code review would be necessary of course if this were to be the plan for the property).

Our analysis of the potential for “home ownership” at 21 Stockbridge Street would likely mean a development of a different scope and also larger units. Based on an initial conversation with CBA, there is concern that the units would difficult to develop based on the building size and code requirements for condos. Appleton would suggest that under a home ownership scenario that the property at 7 Stockbridge St. be considered as part of a redevelopment. The property is 2,950 sf of space on floors 1 and 2 combined with a 1,475 basement. As a consideration for apartment units, this property could also be combined as part of an overall plan. While we do not know the condition of the property, it was constructed in 1906 which likely makes it eligible for historic tax credits if an income producing property. Further design, structural, and engineering study is needed for one or both properties to determine if condominium ownership could be viable in this location with property zoning.

Our conclusion is that 21 Stockbridge Street has moderate risk for an investor, and could be part of a larger re-development project. As a stand-alone project it could have viability depending on parking availability, final total renovation costs, design elements, however the property does face a major financial investment in order to increase the profitability of the asset.

SCENARIO THREE: REPOSITIONING THE ASSET WITH ANOTHER USE

Appleton did envision other uses for this property, however, we do believe the asset could be coupled with a renovation of 1155 Main Street and discuss that concept in the review of that property.

1139-1155 MAIN STREET

A capital improvements and building assessment was done by CBA Architects. Appleton reviewed the costs and finds them to be well documented. The projected costs are \$918,000 for Stabilization and Maintenance, Code compliance and construction activity of \$11,218,000, with a total cost resulting in \$ 12,136,000 or \$148 per square foot. The economic implications have different impacts depending on the intended use of the property. We would add that upon visual inspection of the property it appears to be in the best relative condition compared to the other two properties though suffering from deferred maintenance.

SCENARIO ONE: STATUS QUO

Primarily an office building with ground floor retail, 1155 Main Street presents itself well for Class B/C property in the main lobby, but upon further review of the building, CBA reported numerous areas of concern.

Using the Facility Condition Index, we note the following. Appleton determined the percentage cost of building maintenance and stabilization investment against two categories then estimated FCI index for each of the assets by using generally accepted replacement cost based on information available to us from construction and development projects.

Building Maintenance and Stability Costs: (CBA)	\$918,000	
Assessed Value:	\$2,046,900	44.8% cost
Asking Sale Price:	\$2,900,000	31.7% cost
Replacement Cost Estimated at \$300 psf (TDC)	\$24,564,000	
FCI	4%	
Condition index	Borderline Fair/Good	

STATUS QUO: OFFICE USE

1155 Main Street is comprised of 81,879 SF and as noted above likely has approximately \$12,000,000 in costs to bring the property to a fully renovated office use. In a short form analysis Appleton determined that if the property could generate \$15.00 per square foot in rental income after renovation the following metrics might likely apply:

81,879 x \$15 psf \$1,228,000 at full occupancy
Operating expenses (50%) \$614,000 (\$7.50 psf)
Net operating income: \$614,000
Valuation at 8% cap rate: \$7,675,000

Absorption of available space after renovations estimated by Appleton's market contacts:

Existing users remain: Estimated at 8,000 sf
73,880 SF remaining: 10,000 sf per year
7.5 years absorption period

The difference between the CBA study costs and the valuation is \$4,325,000. This scenario also presents a challenge where the asset would require a capital and labor intensive program to modify the current high vacancy for an investor. An investor could decide to capital spend gradually as new leases are executed, but the market has an uncertain future and some code items identified in the CBA study would have to be completed under advance in any leasing scenario. Based on the above, this scenario presents inherent high risks with any investor unless a single major tenant was secured.

SCENARIO TWO: POTENTIAL OTHER USES

For the purposes of this report we assumed the property could be renovated into 41 apartment units on floors 2-5. The project concept constitutes the consideration of developing an upscale, market rate apartment property with some workforce units. For purposes of discussion, we estimated the unit mix to be 24 1-BR units and 17 -2 BR units based on a "live- work- play" concept where the second bedroom is also potentially an office for the resident. Units sizes for this analysis average 1,000 sf. Our suggestion is that 20% of the units be dedicated "workforce housing units" which would provide financial incentives to a potential developer via various public programs. These 8 units would be compatible in design with the 33 market rate units. We also keep the first floor of the property as retail/office similar to its current use. Our initial review of this concept was developed further to provide CCS and the OPED with more detail.

The Colonial Block original use was housing over retail, and given the weak status of the Springfield office market, we believe a residential use has the most long term impact for the City. By using currently available apartment construction figures, we believe a full rehabilitation for apartments would cost approximately \$18,834,000 given our review of the CBA report.

We have modeled this property for CCA and OPED and provide a representative Sources and Uses. Our analysis shows that the project can likely support about \$7,000,000 in debt, and require approximately \$5,650,000 in developer equity. Our model includes a land contribution/acquisition cost value of zero. However, a major concern for any investor is the unfunded gap of \$6,184,000 in our analysis which would likely require public assistance and the use of historic tax credits. This analysis was derived using currently published rents in downtown Springfield. (See Exhibits 2, 3, and 4).

We have reconciled the higher cost difference from our analysis and the CBA report by using industry standard apartment renovation costs, assuming a total “gut and renovate” rehab of the property, and assume that all zoning and overlay district incentives are in place for this type of use.

Appleton also recommends that consideration be given to including 21 Stockbridge Street and 7 Stockbridge Street as part of a re-development plan for 1155 Main Street. On their own they are smaller properties that could in fact be separately addressed, but economies of scale, design and cost could be achieved by including them. They are not included in the 41 units count.

In order to pursue such an aggressive strategy, Appleton also recommends that the OPED or CCS consider as part of the due diligence activities a rental market feasibility study encompassing the downtown area and the site specifically. This study as a minimum should include an analysis of the area including existing and anticipated rental housing market, demographics, housing and rental demand, the economy and site itself for proposed re-development and change in use. A market feasibility study should also include past, current and future trends, and determine if there is a need and if there is likely support for the project while looking at the potential market area to draw from. One important consideration will also be to assess the impact of the 31 Elm Street redevelopment, a \$55 million renovation and restoration for 74 apartment units and 22,000 square feet of commercial space. With anticipated market ready units by Q3 or Q4 2022, the proximity of the project to 1155 Main Street is important to consider. Appleton can suggest two firms for this assignment, Bennet Franklin Real Estate Service, (East Longmeadow, MA) a local firm with local market knowledge, or Danter & Associates, (Columbus, OH) a national firm with broader experience in the multi-family industry.

RETAIL MARKET POTENTIAL AND CONCEPTUAL IDEAS

The Springfield downtown retail market is characterized by Class A, B and C spaces that exist in the downtown core area. For the purposes of this report, we looked at 42 properties using CoStar analytics and then filtered for Main St. or near Main St. properties. There is currently about 490,000 sf of retail space available in Springfield that is listed publicly. The spaces most similar to the downtown properties in this study show asking rents in the \$12.00-\$14.00 per square foot NNN. The more concerning issue is that as of the 3rd quarter 2020 there was negative absorption of approximately 66,000 SF, as the impact of the Covid-19 pandemic on the

economy are hitting the retail markets hard. Appleton considers this to be cyclical and some sense of normal retail trade will return to the market within 24 months.

The COVID-19 pandemic does continue to force retail stores to close, signaling an unprecedented disruption of commerce. Retailers and brands face a daunting multitude of short-term challenges around health and safety, supply chain, labor force, cash flow, consumer demand and marketing. Yet successfully navigating these issues alone will not assure a bright future, or any future at all. Any investor will be cautious about retail, but there is some sign that smaller retail service stores and food and beverage will again emerge as a potential leading point of recovery.

The COVID-19 pandemic is also rapidly accelerating the transition to digital commerce. As consumers are being asked to practice social distancing, e-commerce orders for groceries and other essentials have become a survival tool for the American family. Many families are trying digital grocery services for the first time. According to data from Rakuten Intelligence, online order volume from full-assortment grocery merchants rose 210.1% from March 12 through March 15, compared with the same period a year earlier and that has remained fairly consistent. This presents thoughtful opportunity for Main St. retail and the possibility of support and services to the residents of a downtown community that is against the grain by providing “brick and mortar” retail.

As noted in the Implementation Blueprint by CCS and the City of Springfield dated June 2018, land use controls promoting compatible, complementary ground floor retail/restaurant uses area critical to the success of future retail development.

CONCEPTUAL USE CATEGORIES FOR SMALL RETAIL/RESTAURANTS/ENTERTAINMENT

Food, Beverage and Entertainment uses are suffering deeply during the pandemic. Most industry experts agree the present is impossible to decipher right now, but they are focused on the future. It is predicted that the food and beverage industry will most certainly have a great comeback post the pandemic. The time now should be seen as an opportunity by curators to create ideas and bring innovation into offerings which can be launched once this is over. People will look for new things but definitely, the classics style restaurants will hold a place of importance too. An investor in 1155 Main or other properties along Main Street should consider developing plans for smaller food and beverage formats (lesser expenses), but with value-added dining, and with excellent entertainment options. This could result in great options for dining and for night life, places with a “uniqueness quotient” that would likely survive, and after a year or so, the restaurant industry could be looking at “thrive mode” again as lost ground will be regained and newer opportunities will be created.

Appleton has worked closely for restaurant consulting services with Northeast Sites, a regional and national restaurant site selection firm. The principal of the firm was the head of Friendly’s Ice Cream real estate operation for many years. (Utilizing his network to review the spaces the properties would have available in the future would be a recommendation we could make to

CCS and OPED.) In our recent work with Northeast Sites just prior to the pandemic, unfortunately the general feedback was not positive from regional and local restaurant and beverage uses. Their feedback directly was that Massachusetts has become a difficult place to open restaurants and they were scaling back. The implementation of the new minimum wage law, coupled with the “Grand Bargain” deal around various employee benefits and paid time off has made it difficult to meet margins and as a result many are on hold with all Massachusetts locations. *Appleton points this out for an investor as a development risk to be considered.*

The positive news is that prior to the pandemic, Springfield did see increased foot traffic in downtown Springfield as a result of MGM Springfield. Quoting the SEIGMA Report, 9/23/19, In particular, “key informants noted that increased foot traffic and spillover impacts onto businesses as a result of the casino are currently limited to businesses and restaurants near MGM Springfield.”. While this bodes well for the subject properties, it is potentially a larger issue for OPED and city planners.

Appleton reviewed other potential retail uses for this location, or other immediate adjacent locations for compatible retail uses. As more residents move downtown we believe some concepts could include bike shop with bike rack storage space for residents, and a small drycleaner that could provide services to more than just the residents of the property. We suggest that perhaps the following businesses as “added value” to both residential and office tenants in an urban setting. These brick and mortar businesses lack significant competition within walking-distance of the Colonial Block, require a relatively small footprint and share similar zoning requirements as the existing retail tenants:

- A coffee shop with strong breakfast offerings would stand up to the Starbucks competition, like a Shelburne Falls Roasters (<https://shelburnefallscoffee.com/>) and potentially serve as a business meeting location for work-from-home tenants. Blue Bottle Coffee could also be a great add to the immediate area. (www.bluebottle.com). Tradesman in Boston is also a great model to consider. (<http://tradesmanboston.com/>)
- A niche fitness studio, offering yoga, Pilates, spin cycle, barre or circuit (i.e. <https://www.purebarre.com/location/east-longmeadow-ma>)
- To complement the existing barber shop, a Drybar franchise or similar (<https://www.thedrybar.com/>)
- While the South End/Casino neighborhood does not lack for restaurants, there are a shortage of shops selling fresh foods and groceries. Small urban markets need cultivation, but a responsibly-run shop would be seen as an amenity (i.e. <https://www.facebook.com/bumpysnaturalorganicfoods>)
- Millennials (ages 25-39) and Boomers (ages 55-70) have seen a huge increase in pet ownership over the last decade. These 2 child-free groups are significant spenders on pet products and services. In a dog-friendly building, we would consider a small pet supply

boutique with a dog walking service. This demographic are most likely to buy premium pet food and accessories, especially as the nearest chain supermarkets & pet superstores are across the river. The proximity to Dakin Humane Society may lend to this location's appeal to a potential tenant.

- More and more people are working from home, so a place to handle printing and shipping would be a plus, like The UPS Store **

**The Postal Service has marked 677 post offices nationwide for possible closure or consolidation, according this listing provided by the U.S. Postal Service. While not set-in-stone, Colonial Block Station is on this list: <https://www.washingtonpost.com/wp-srv/politics/documents/post-offices.html> The investor may want to be prepared to have to fill that space by 2022.

Based on our analysis of the property and the potential conversion to multi-family use with retail components on the ground level, we recommend that CCS and the OPED consider the likely positive long term impacts in downtown of such a re-development of the property. We would categorize this as a high risk, but moving to moderate risk if historic tax credits and other public or housing related funding can be obtained to close the unfunded gap and amount of total investor equity required based on our financial model. A mixed use historic rehabilitation and apartment over retail redevelopment is a potentially unique opportunity to redevelop a significant property and will be a catalyst for attracting more people to live downtown in a "live-work-play" environment.

ALL THREE PROPERTIES: INVESTOR MOTHBALL WHILE AWAITING FINANCING AND REDEVELOPMENT APPROVALS.

Most investors in the subject properties may come to a conclusion that while waiting for financing approvals, grants, tax credits, etc. they would likely have to "mothball" all or part of the properties in question. In the recent past, we have mothballed a property for a client.

The project cost was \$ 7 /SF. We have budgeted \$ 8/SF. This figure does not include the cost of any minimal utilities during this period .The scope of work would likely include:

1. Mechanical

- Drain all HWS/HWR, CWS/CWR
- Remove or disable all Pneumatic controls
- Recover all refrigerant
- Set up 2 AHU's to recirculate air in building
- Cap all intake louvers
- Cap all exhaust fans

Seal all dampers in closed position v
Isolate HVAC stacks and close off
Remove all lvs, sinks, mop receptors, water fountains
Fill all plumbing traps
Insulate all rain leader to receive heat trace

2. Fire protection

Isolate and drain down system
Install new dry pipe system and new Siamese connection for FD

3. Electrical

Power disconnects to all non-essential equipment
Emergency lighting
Heat trace all rain leaders
Heat trace controls
Modify fire alarm
Security and CCTV
Exit signage

4. Architectural

Remove and dispose of carpeting
Fill all floor drains
Remove selective drywall ceilings

A. For the three subject properties, properly mothballing all of the property would result in the approximate costs listed here at the higher end:

115 State St: 46,488sf at \$8.00sf = \$371,904

1155 Main St: 81,879 sf at \$8.00sf = \$655,033

21 Stockbridge St: 8,442 sf at \$8.00sf= \$67,536

B. Carrying the subject properties mostly vacant:

There are still some tenants at the subject properties, and some retail at 1155 Main St. This results in an investor still having a cost to carry a mostly vacant property. Without access to utility bills, Appleton estimated the costs based on generally accepted benchmarking figures. We conclude that it would likely cost an investor approximately \$5 per foot to secure the vacant portions of the property and to minimize heat, cooling, water use, pest control, etc. This results in carry costs of \$232,000 for 115 State St., \$409,395 for 1155

Main St., and \$42,280 for 21 Stockbridge St. While a savvy investor may reduce these costs, the impact when the properties are redeveloped could be more costly PSF as the buildings sit idle.

END

Exhibit One: CoStar Analytics Office - Springfield

OFFICE PROPERTIES

Search Analytics

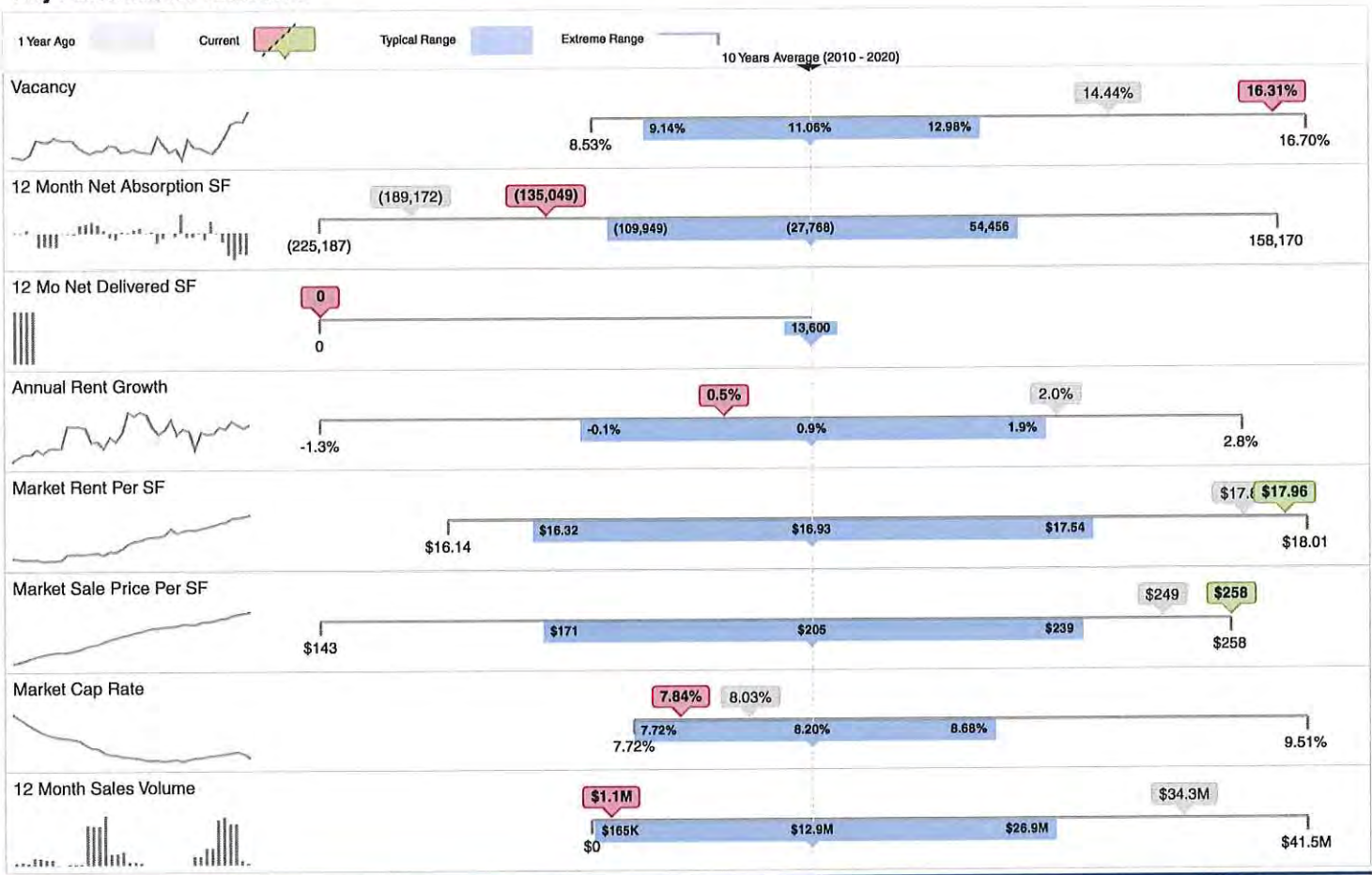
INVENTORY SF 4.2M +0% Prior Period 4.2M	UNDER CONSTRUCTION SF 0 - Prior Period 0	12 MO NET ABSORPTION SF (135K) -15.2% Prior Period (117K)	VACANCY RATE 16.3% +3.2% Prior Period 13.1%	MARKET RENT/SF \$17.96 +1.1% Prior Period \$17.77	MARKET SALE PRICE/SF \$258 +4.9% Prior Period \$246	MARKET CAP RATE 7.8% -0.2% Prior Period 8.0%
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Key Metrics

Availability		Inventory	
Vacant SF	681K ↑	Existing Buildings	61 ↓
Sublet SF	12K ↑	Under Construction Avg SF	-
Availability Rate	21.4% ↑	12 Mo Demolished SF	0 ↓
Available SF	894K ↑	12 Mo Occupancy % at Delivery	-
Available Asking Rent/SF	\$16.12 ↑	12 Mo Construction Starts SF	0 ↓
Occupancy Rate	83.7% ↓	12 Mo Delivered SF	0 ↓
Percent Leased Rate	84.0% ↓	12 Mo Avg Delivered SF	-
Sales Past Year		Demand	
Asking Price Per SF	-	12 Mo Net Absorp % of Inventory	-3.2% ↑
Sale to Asking Price Differential	-	12 Mo Leased SF	67.3K ↓
Sales Volume	\$1.1M ↓	Months on Market	17.0 ↑
Properties Sold	1 ↓	Months to Lease	30.9 ↑
Months to Sale	-	Months Vacant	32.8 ↑
For Sale Listings	9 ↑	24 Mo Lease Renewal Rate	52.8%
Total For Sale SF	203K ↓	Population Growth 5 Yrs	0.4%

Search Analytics

Key Performance Indicators

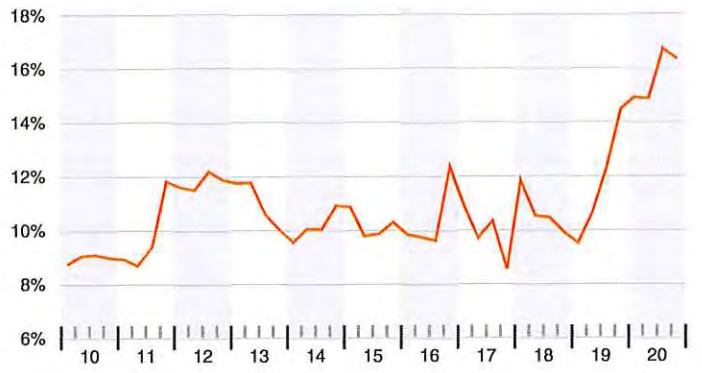


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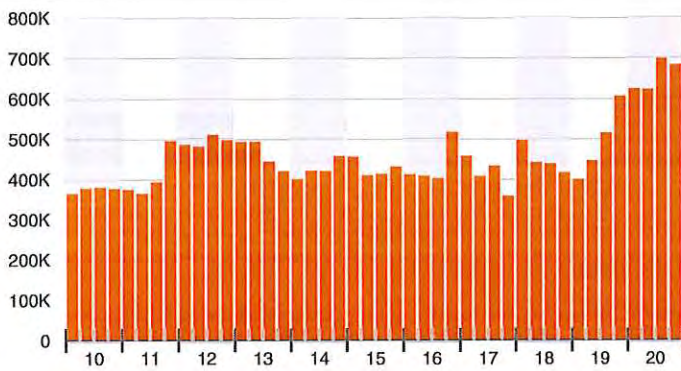
Daily Vacancy Rate



Vacancy Rate



Vacant SF

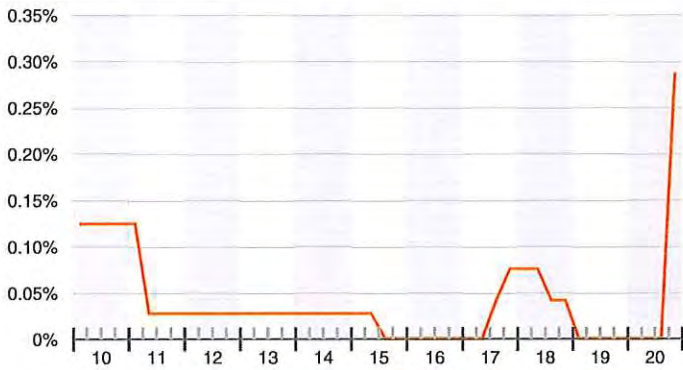


Occupancy Rate

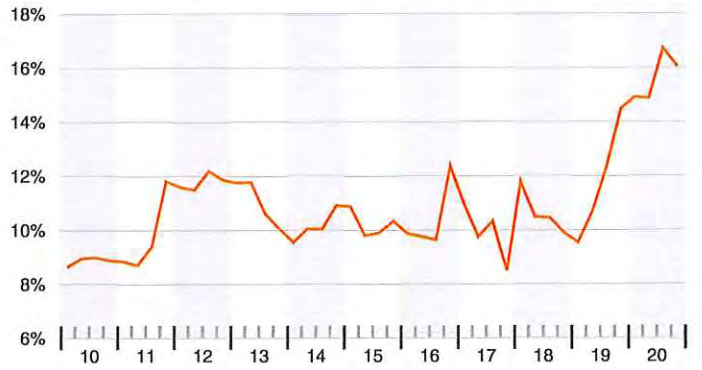


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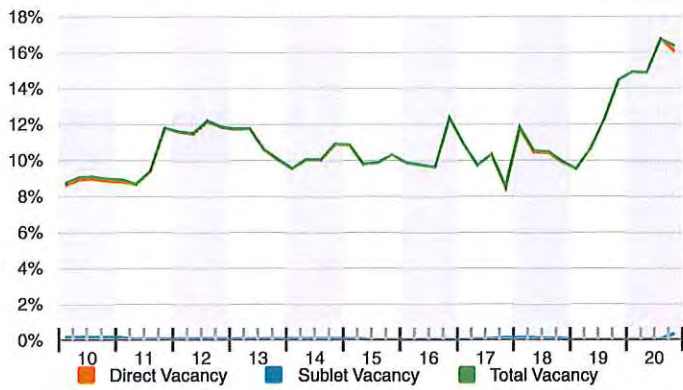
Sublet Vacancy Rate



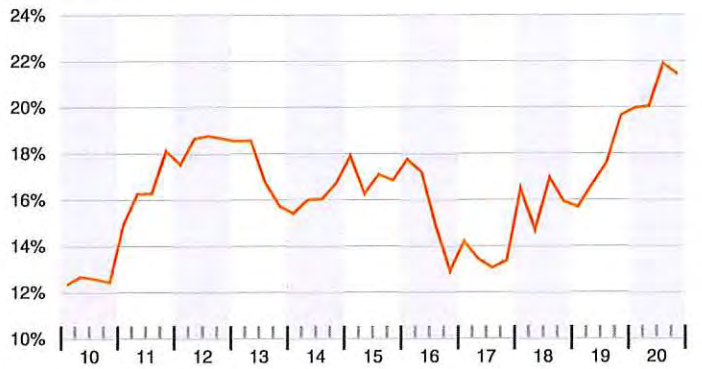
Direct Vacancy Rate



Direct, Sublet & Total Vacancy Rate

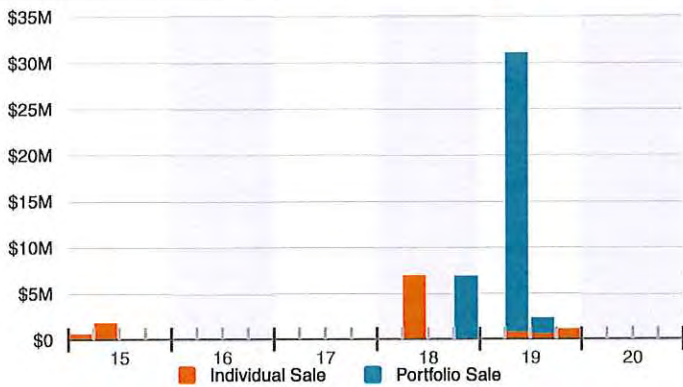


Availability Rate

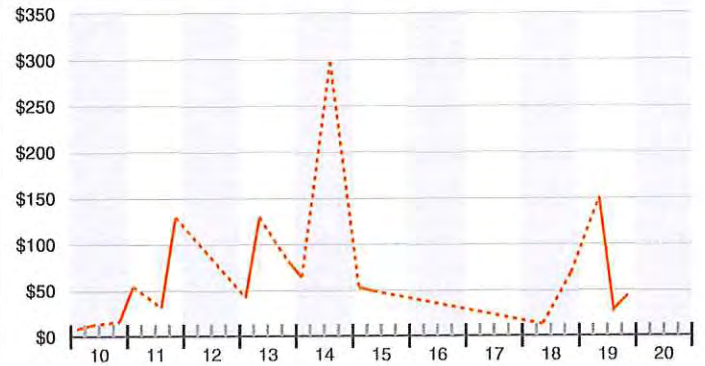


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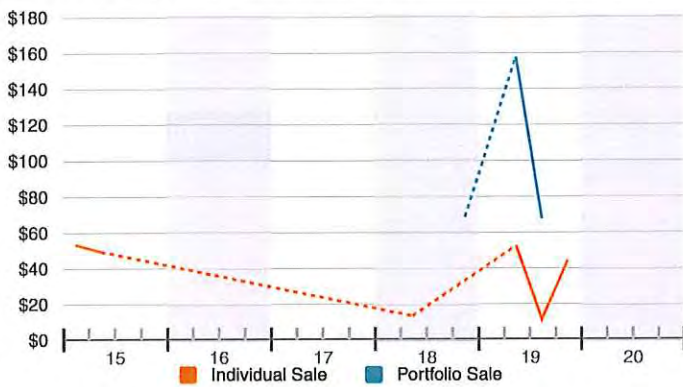
Sales Volume By Transaction Type



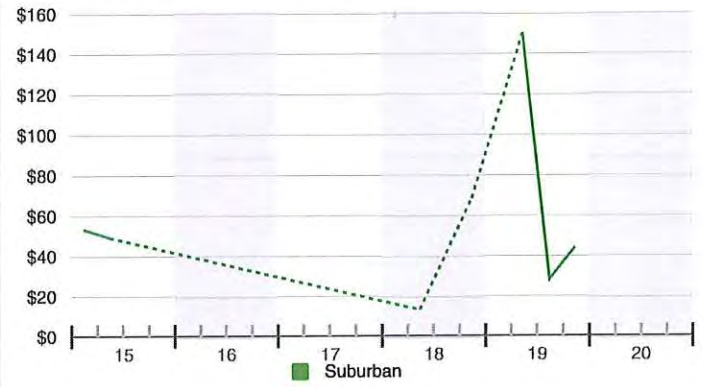
Sale Price Per SF



Sale Price Per SF By Transaction Type

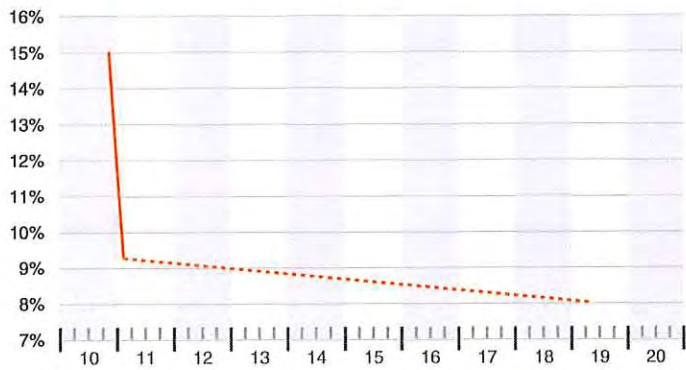


Sale Price Per SF By Location Type

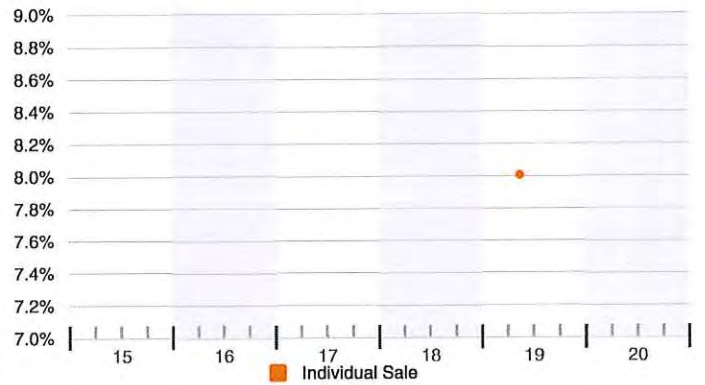


Search Analytics

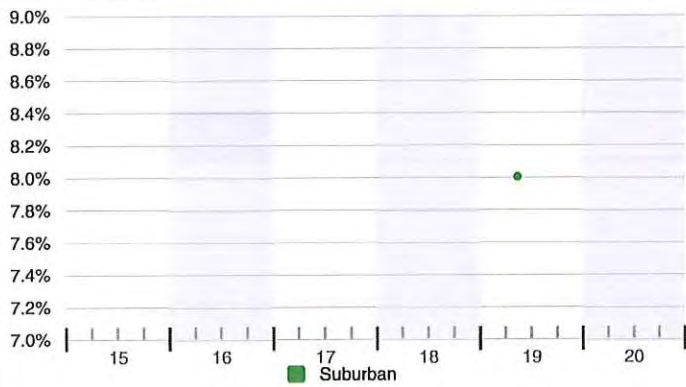
Cap Rate



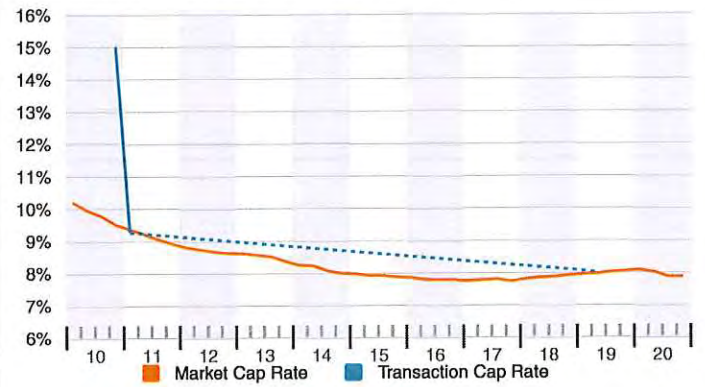
Cap Rate By Transaction Type



Cap Rate By Location Type

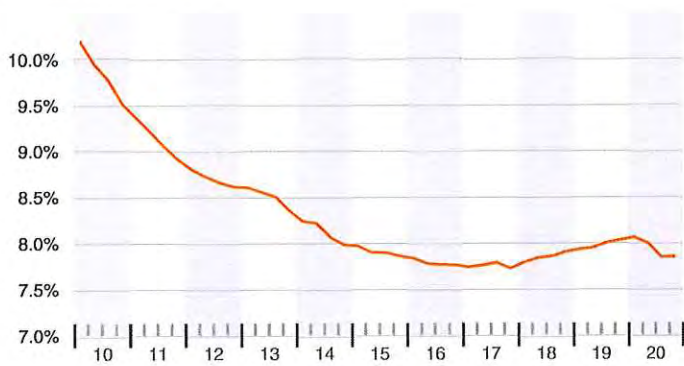


Market Cap Rate & Transaction Cap Rate

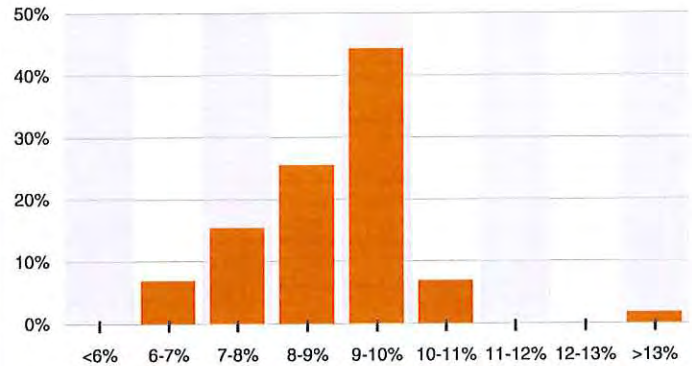


Search Analytics

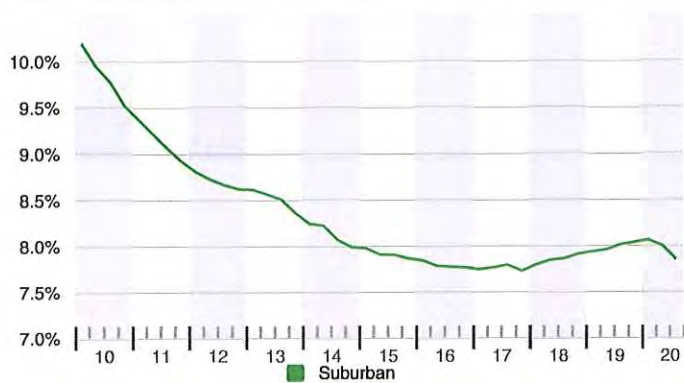
Market Cap Rate



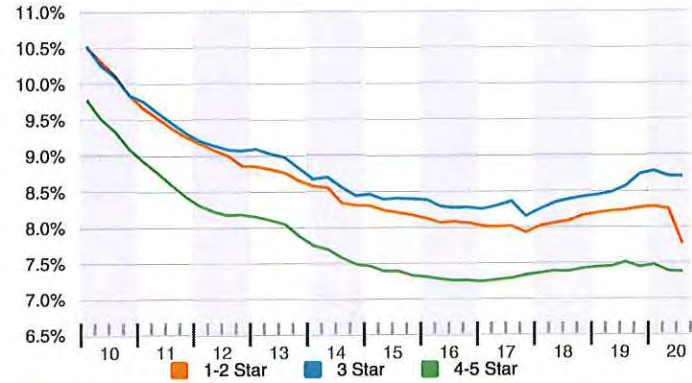
Market Cap Rate Distribution



Market Cap Rate By Location Type



Market Cap Rate By Star Rating





CONCEPTUAL BUDGET SUMMARY:

The budget estimates are provided to give a general opinion of probable cost for the tasks listed in each section. Costs are generated based on the visual inspection of the building, square footage and experience overseeing similar work in this area. Material, system and destructive testing were not performed as part of the scope of work. Detailed and dimensioned construction drawings were not prepared at the time of the estimate. Each budget reflects performing the work per the MA Prevailing Wage requirements in the summer of 2021. Additional escalation must be added if renovations are performed at a later date.

113 State Street

1. Building Maintenance and Stabilization – Construction Cost	\$2,821,158.00
Construction Contingency (10%)	\$282,116.00
<u>Project Development/Soft Costs (fees, management, public bidding = 20%)</u>	<u>\$564,232.00</u>
Total	\$3,667,506.00
Cost per Square Foot:	\$78.89
2. Code Compliance Renovations – Construction Cost	\$9,244,817.00
Construction Contingency (5%)	\$462,241.00
<u>Project Development/Soft Costs (fees, management, public bidding = 20%)</u>	<u>\$1,848,963.00</u>
Total	\$11,556,021.00
Cost per Square Foot:	\$248.58

1155 Main Street

1. Building Maintenance and Stabilization – Construction Cost	\$706,166.00
Construction Contingency (10%)	\$70,617.00
<u>Project Development/Soft Costs (fees, management, public bidding = 20%)</u>	<u>\$141,233.00</u>
Total	\$918,016.00
Cost per Square Foot:	\$11.21
2. Code Compliance Renovations – Construction Cost	\$8,974,043.00
Construction Contingency (5%)	\$448,702.00
<u>Project Development/Soft Costs (fees, management, public bidding = 20%)</u>	<u>\$1,794,809.00</u>
Total	\$11,217,554.00
Cost per Square Foot:	\$137.00



11 – 21 Stockbridge Street

1. Building Maintenance and Stabilization – Construction Cost	\$154,802.00
Construction Contingency (10%)	\$15,480.00
<u>Project Development/Soft Costs (fees, management, public bidding = 20%)</u>	<u>\$30,960.00</u>
Total	\$201,242.00
Cost per Square Foot:	\$23.84

2. Code Compliance Renovations – Construction Cost	\$1,909,126.00
Construction Contingency (5%)	\$95,456.00
<u>Project Development/Soft Costs (fees, management, public bidding = 20%)</u>	<u>\$381,825.00</u>
Total	\$2,386,407.00
Cost per Square Foot:	\$282.68

Exhibit Two, Three, Four: *1155 Main Street Economic Model*

1155 MAIN STREET
Projected Sources and Uses of Funds
Exhibit 2

SOURCES:

Permanent Loan	7,000,000
Investor Equity	5,650,097
Unfunded Capital Gap	6,183,559
Total Sources of Funds	18,833,656

USES:

Acquisition Cost	-
Demolition Costs	1,023,488
Construction Costs	12,452,130
Architect/Engineering	1,617,074
Surveys/Permits	30,000
Construction Management	25,000
Bank Inspector	4,000
Legal	269,512
Lease Up/Marketing	75,000
Development Fee	1,078,049
Developer Overhead	808,537
Taxes During Construction	15,000
Construction Loan Interest @ 6%	404,269
Finance Fees - Perm. Loan @ 1%)	134,756
Contingency/Miscellaneous	896,841
Total Uses of Funds	18,833,656

Exhibit 3									
	1155 MAIN STREET								
	CASH FLOWS at	\$4,563,000	UNFUNDED GAP						
			Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	
			Budget	Budget	Projection	Projection	Projection	Disposition	
		Rent - Yr 1							
Revenue									
Residential Rental Income 1BR	24	\$ 1,225	352,800	359,900	367,100	374,400	381,900		
Residential Rental Income 2BR	17	\$ 1,800	367,200	374,500	382,000	389,600	397,400		
Commercial Rental Income	17,735	\$ 15	266,025	271,300	276,700	282,200	287,800		
Total Rental Income			986,025	1,005,700	1,025,800	1,046,200	1,067,100		
Less Vacancies	5%		49,301	50,285	51,290	52,310	53,355	7,336,313	property value
Operating Expenses	40%		\$ 394,410	\$402,280	\$ 410,320	\$ 418,480	\$ 426,840		
Net Income Before Debt Service			542,314	553,135	564,190	575,410	586,905	(5,972,443)	less outstanding debt
Investor equity		-6,184,000						1,363,869	Profit upon sale
Net Present Value at 12%	(\$3,467,568)								
Debt Service			\$ 420,500	\$ 420,500	\$ 420,500	\$ 420,500	\$ 420,500		
Annual Net Cash Flow before Distributions			\$ 121,814	\$ 132,635	\$ 143,690	\$ 154,910	\$ 166,405		
Annual Debt Service Coverage			1.29	1.32	1.34	1.37	1.40		
Annual Return on Investor's Equity			2%	2%	3%	3%	3%		
Year Ending Mortgage Balance			\$ 6,941,236	\$ 6,760,778	\$ 6,573,903	\$ 6,380,381	\$ 6,179,976	\$ 5,972,443	

1155 Notes and Data sheet

Appleton Corporation - Exhibit 4

Residential cost based on recent construction comps	\$145 SF
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Commercial core, code and shell rehab	\$120 SF
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Commercial Tenant Improvement Allowance	\$50 SF
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	SF	\$/SF	Ground up Construction
1155 Main Street - 5 floors			
gross SF	81,879		
Demolition and remediation at \$12.50SF			\$1,023,488
ground floor gross SF -commercial (\$120 core/shell + \$50 TI)	17,735	170	3,014,950
2nd floor gross SF -residential	17,735	145	2,571,575
3rd floor gross SF -residential	17,735	145	2,571,575
4th floor gross SF -residential	17,735	145	2,571,575
5th floor gross SF -residential	11,879	145	1,722,455
Total construction cost			\$13,475,618
Architect/Engineering	12%		\$1,617,074
Surveys/Permits			\$30,000
Construction Management			\$25,000
Bank Inspector			\$4,000
Legal	2%		\$269,512
Lease Up/Marketing			\$75,000
Development Fee	8.00%		\$1,078,049
Developer OH	6.00%		\$808,537
Taxes During Construction			\$15,000
Construction Loan Interest @ 6%	6.00%		\$404,269
Finance Fees - Perm. Loan @ 1%)	1.00%		\$134,756
Project Cost			\$17,936,815
Contingency	5%		\$896,841
Land cost			\$0
Total Project Cost			\$18,833,656

Commercial rent rate	20 PSF
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Residential rents	
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1,000 SF 1BR	1225 per month
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1,400 SF 2BR	1800 per month
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CAP rate	8%
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Cost per square foot	\$230
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Cost per residential unit	\$459,357
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2021 SPECIFIC IMPACT GRANT APPLICATION: City of Springfield, MA
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ATTACHMENT I CCS & Sub-Consultant Team/Scope

Attachment G

SPRINGFIELD, MA IMPLEMENTATION BLUEPRINT ADVANCEMENT

Summary Scope /Budget: CCS & Sub-Consultant Team

January 2021

TASK ONE

Phase One Priority Master Development Plan Framework

(Complete March 2021)

TASK TWO

(May 2021 to April 2022)

Implementation of Phase One Priority Master Development Plan

CCS as lead planning/design, development and program manager, and the multi-disciplinary sub-consultant team will assist the City with the critical implementation efforts of the Phase One Priority Master Development Plan. The approximate 12-month scope is structured in three concurrent and overlapping areas of activities which will advance specific project definition, implementation processes and strategies, and execution to ultimately attract and secure new private sector investment to the district.

A. Implementation Due Diligence and Strategic Advancement

- Detailed Priority Project Advancement (specific projects details, area enhancements, etc.)
- Continued Priority Parcel/Building Assessments (additional critical and/or available sites)
 - Facilities conditions assessments
 - Building/site alternative development scenarios
 - Magnitude cost for development
 - Project Specific market and economic analysis for development viability, gap analysis
- Incentives strategies for project specific needs and viability (public realm improvements, new parcels/buildings redevelopment, end user incentives)
- District wide enhancement projects definition (infrastructure & public realm, etc.) to establish district identity, cohesion, and quality environment to attract development
- Detailed district market & economic impact study to test plan, program and directions and validate for solicitation process

Potential Sub-Consultants (*subject to City approval*)

- Architectural/Engineer/Estimating Feasibility Consultant
- Local Real Estate Market & Economic Feasibility Consultant
- Incentives Consultant
- Appraiser / Relocation Consultant
- Landscape / Civil Consultant
- Others that may be identified in the course of initiatives advancement

Fee Budget Range:

\$200,000 – \$250,000 (CCS & Sub-Consultant team)

B. Plan Execution:

- Acquisition, promotion, outreach & development/investment
- Acquisition/control and/or partnership of critical properties
 - Landlord interface/negotiations: deal terms, LOI, agreements
 - Property appraisals and relocation strategies as required
- Specific project incentives & assistance pursuit
- District enhancements execution
- District & project marketing: district & project plan and promotion (website, marketing materials, industry engagement, professional associations, eg. ULI, APA, ICSC)
- Solicitation Process (strategy, developer identification/outreach & solicitation document (RFI, SOI, RFQ/RFP, PPP, etc.)
- Redevelopment agreements and/or City collaboration: negotiations of key terms, commitments, milestones, and City assistance to ensure quality development & execution
- Project Facilitation, advancement, review/assessment, & approvals (during project advancement for conformity to the Main Street & Convention Center Plan & Overlay District

Potential Sub Consultants / Expertise (subject to City approval)

- Market & Economic Consultant
- Appraiser/Relocation Consultants
- Marketing Consultant
- Real Estate Attorney
- Others that may be identified over the course of implementation efforts

Fee Budget: \$100,000 - \$125,000 (CCS & Sub-Consultants)

C. Implementation Coordination & Program Management

- Continued coordination of City's comprehensive, multi-faceted strategic efforts for implementation of the Main Street & Convention Center District plan, projects, and opportunities
- Management, direction and coordination of multi-disciplinary team for integrated, comprehensive and cohesive advancement
- Coordination & collaboration with current district projects & stakeholder efforts to ensure cohesiveness with plan and maximization of potential (31 Elm, 101 State, Civic Center garage, Convention Center, other new development, etc.)
- Public process, interface, collaboration and approvals: City leadership, City Council, Federal, State, & Local agencies, MGM, MCCA, businesses, institutions, civic leadership, key stakeholders, and community for input, advocacy/support, assistance and synergy with the district advancement and implementation

Fee Budget: \$100,000 – \$125,000 (CCS)

As with 2020, it is anticipated that the implementation, advancement, and management of the plan will continue to evolve over the next year to respond to market shifts, property availability / transactions, emerging threats/needs, other district project advancements, potential synergies/collaborations, and other influences. The CCS and the Sub-consultant team scope can appropriately respond to the required needs and shifts in priority or focus within the categories listed above. As real projects are further identified, defined and launched, CCS can prepare a more definitive scope, fee and related expertise required to respond as requested.

The scope and services identified above will be performed by CCS as prime and, as required, in conjunction with Sub consultants under CCS lead/direction.

TASK THREE

(May 2022 to April 2023)

District Project / Program Management of priority projects, and advancement of new projects (per the scope, approach, and execution of property redevelopment above): development project design advancement, review, City projects, City oversight & overall coordination for conformity to the plan

TASK FOUR

(May 2023 to April 2024)

District Project / Program Management of priority projects, and advancement of new projects (per the scope, approach, and execution of property redevelopment above): development project design advancement, review, City projects, City oversight & overall coordination for conformity to the plan

2021 SPECIFIC IMPACT GRANT APPLICATION: City of Springfield, MA
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ATTACHMENT J Implementation Blueprint Priority Phase One Work Plan

City of Springfield, MA

IMPLEMENTATION BLUEPRINT Priority Phase One

PART TWO

MASTER DEVELOPMENT PLAN

District Master Plan Framework

- City/CCS Charrette / Site Conceptual Work Session Springfield (Alt Zoom)
- Conceptual Scenarios / Development Criteria & Strategies
- Due Diligence Input / Enhancements
- City Leadership / Stakeholder Outreach & Input
- Final Plan
- City Council Briefing / Approval

Zoning Overlay

- Draft Document (City/CCS 3/11/20)
- Legal Review, Input, Boundaries
- Update & Finalize Document
- Planning Board Hearing / Public Process
- City Council Process / Engagement / Approvals

Incentives / Economic Assistance

- Initial Summary Document of Programs (Westmass)
- Strategic Economic Consultant Engagement (RKG)
- Detailed Incentive Research & Strategy Advancement Matrix
- Final Incentives Plan
- Initial Incentives Pursuit
- City Council Review / Approvals

Final Plan and Implementation

- Project(s) Refinement
- Redevelopment Approach / Implementation Strategy(ies)
- Solicitation Outline (SOI / RFQ)
- Target Developer/Investor List, Interest Outreach

SUPPORTING STUDIES / EFFORTS

Foreclosure Blocks

- Building Assessment / Magnitude Cost** (Caolo & Bernier Assoc.)
 - Initial Building Code Overview (City/WR)
 - Building Conditions & Reuse Assessment
 - Order of Magnitude Cost
 - Final Report / Recommendations

Market & Financial Feasibility

- Initial Market Assessment / Research
- Reuse Assessment, Development Proforma, Gap Analysis
- Property "Valuation"/ Justification / Terms
- Gap Incentives / Economic Assistance Recommendations

Near Term Acquisition Strategy

- Freedom / City Review Session
- Property(ies) Acquisition Strategy & Terms
- Outline Term Sheet / Negotiation
- Final Terms / Offer
- Mayor / City Leadership Briefing
- City Council Briefing / Approval

Appraisals & Relocation Planning

- Appraisal and Relocation Assessment Preliminary
- Refinement / Final Reports

Planning Input / Coordination

Parking Study / Strategic Plan with SPA (tbd)

- Assignment / Coordination Agreement w/SPA & Approvals
- Coordination Scope & Parking Consultant Selection
- Parking Demand & Revenue Analysis
- Strategic Planning & Feasibility Assessment
- Joint Recommendation Report

Old First Church Feasibility Study (tbd)

- Designer Service RFQ Solicitation Input / Coordination w/Parks
- Architect RFQ Issuance / Selection
- Team Interface and Direction
- Final Report / Recommendations

Court Square Reactivation Plan (tbd)

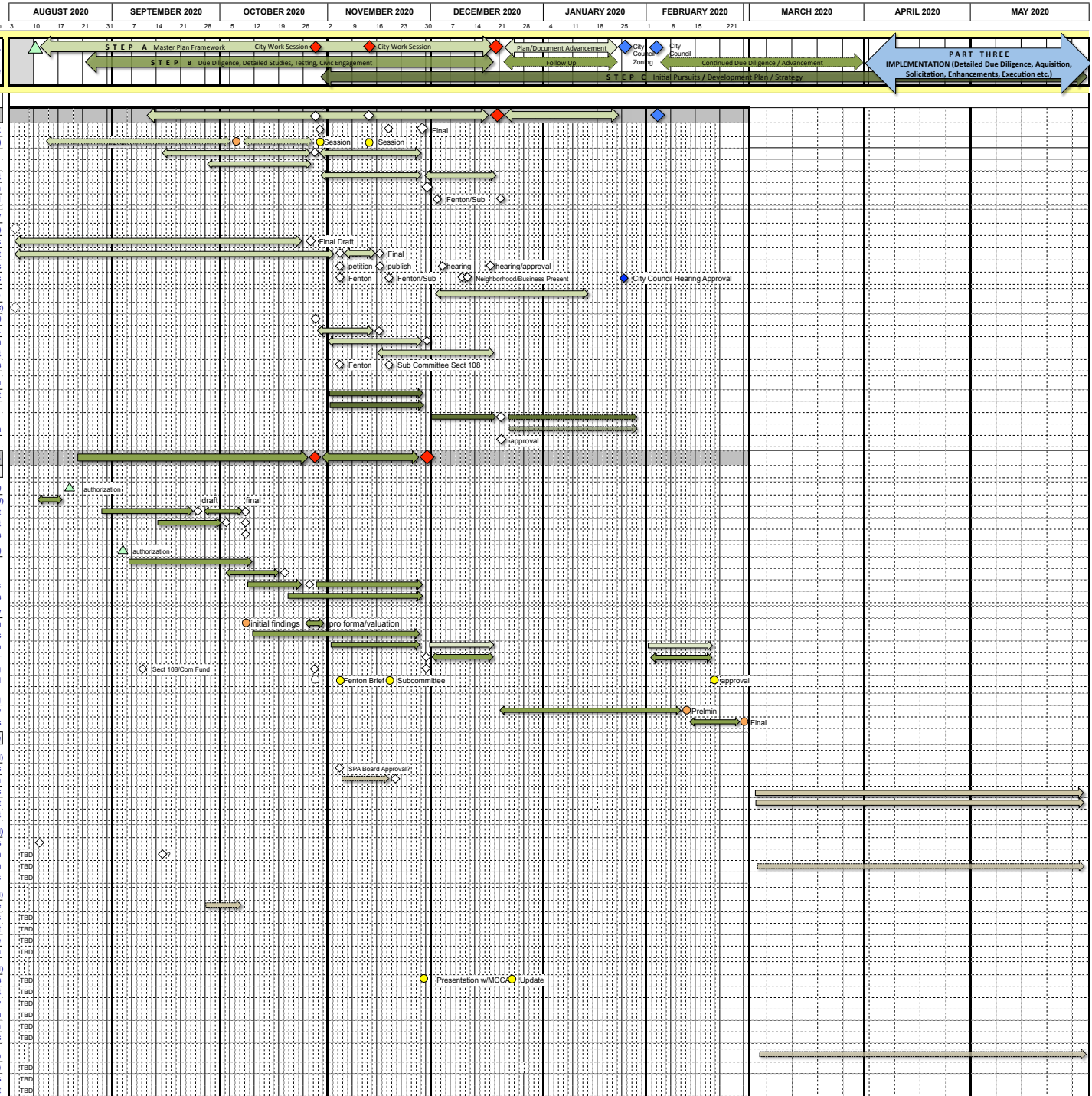
- Park Planning / Civil Team Research & Scope
- Final Scope / Direction / Coordination with City Parks
- Roadway, Utility, Streetscape, Hardscape, Landscape Assessment
- Preliminary Project Design & Master Plan Interface
- Final Plan

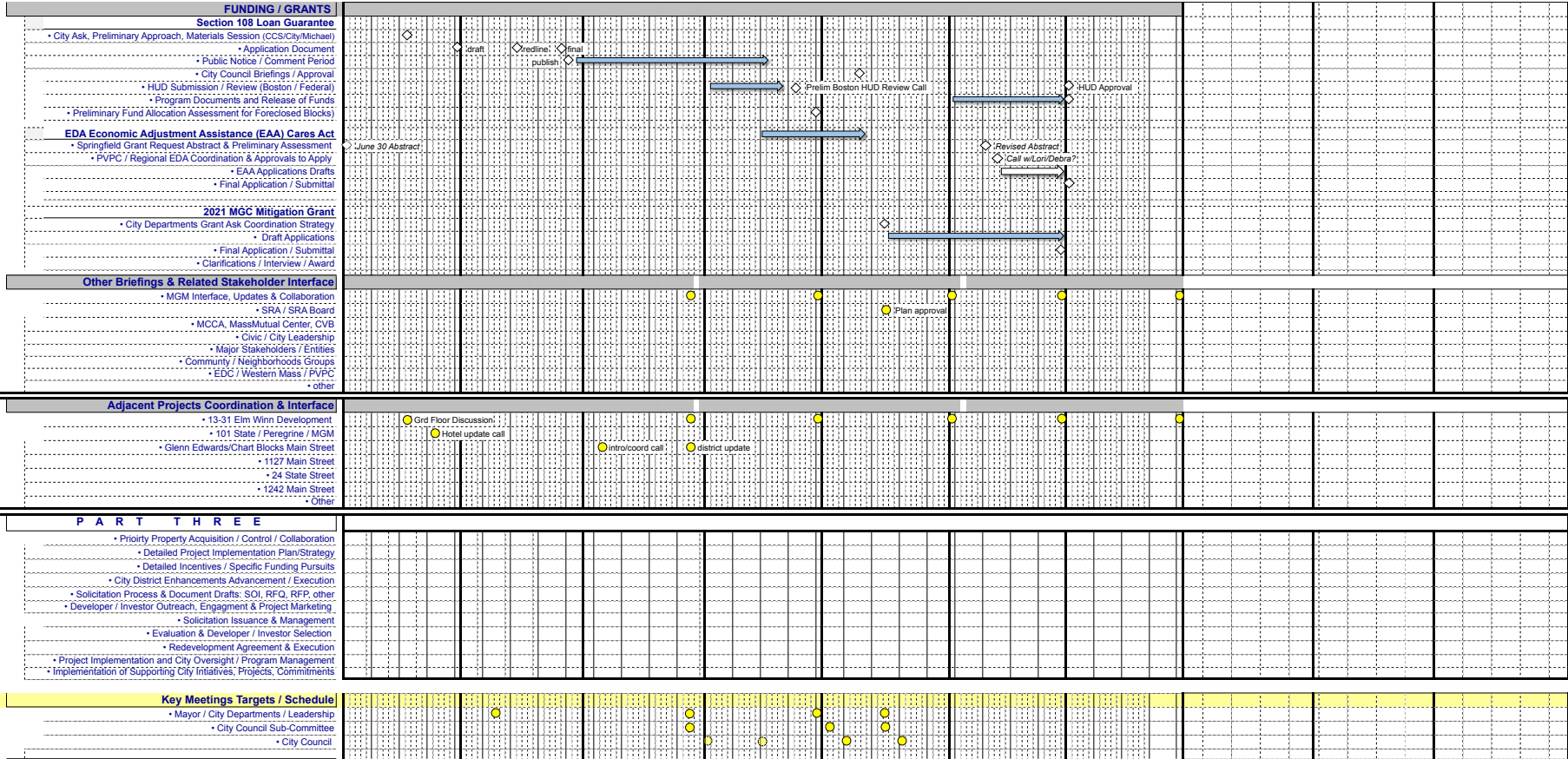
MassMutual Center Collaborative & Study(s) (tbd)

- MCCA, MMC, MGM, City, Area Stakeholder Work Sessions
- Detailed Convention Market Study & Repositioning Assessment
- MassMutual/MGM/City Convention Operational & Marketing Strategy
- MMC Facility Enhancements Strategy & Master Plan
- Civic Center Garage Collaboration
- State/City Approvals

District wide Infrastructure / Definition Plan (tbd)

- Scope & Team (Civil, Landscape, Planning/CCS)
- Assessment & Opportunities / Precedents / Directions
- District Plan and Component Parts Advancement





THE CITY OF SPRINGFIELD

Edward M. Pikula, Esquire
City Solicitor
36 Court Street, Room 210
Springfield, MA 01103
Tel: (413) 787-6085
Fax: (413) 787-6173
Email: epikula@springfieldcityhall.com



January 29, 2021

Community Mitigation Fund Review Team
Massachusetts Gaming Commission
101 Federal Street, 12th Floor
Boston, Massachusetts 02110

Re: 2021 Community Mitigation Fund Application - Specific Impact Application Waivers

Dear Members of the Community Mitigation Fund Review Team:

This letter is a request for waiver by the Community Mitigation Fund Review Team for requirements of applicants for a Specific Impact Grant Pursuant to M.G.L. c.23K §61.

As you know, upon a showing by the host community seeking the waiver that the granting of the waiver is consistent with the purposes of M.G.L. 23K; the granting of the waiver will not interfere with the ability of the Commission to fulfill its duties; granting the waiver will not adversely affect the public interest; and not granting the waiver would cause a substantial hardship to the community, governmental entity or person requesting the waiver, may grant a waiver or variance, deny a waiver or variance, or grant a waiver or variance subject to such terms, conditions and limitations as the commission may determine.

The City of Springfield, is seeking a Specific Impact Grant that exceeds \$500,000 and therefore, is requesting a waiver of the provisions found in paragraph 2.2. The City is filing one application, but there are multiple purposes.

a) Granting the waiver or variance is consistent with the purposes of M.G.L. c. 23K.

The application the City is submitting for the following purposes:

Department	Project	Amount	Category
Police	2021 Mitigation Equipment & Technology Procurement Project	105,500.00	Specific Impact
Fire	Defibrillators for Casino Area Medical Responses	21,945.00	Specific Impact
Eco Dev	The Implementation Blueprint 2021: Main St/Convention Center District Implementation	400,000.00	Specific Impact
DPW	Resurfacing and Complete Streets Improvements to Dwight St and Hampden St	200,000.00	Transportation Construction

As noted by this chart and the application, the City's grant seeks funds related to operational impacts including but not limited to public safety impacts on the community; increased demand on community; stresses on the community's housing stock including any projected negative impacts on the appraised value of housing stock due to a gaming establishment; and any negative impact on local, retail, entertainment, and service establishments in the community.

b) Granting the waiver or variance will not interfere with the ability of the Commission to fulfill its duties;

The need for the various departments, for funding is to cover unanticipated impacts which are a direct result of the location, construction and presence of MGM. As noted by the amount requested, while over the \$500,000 limit, the overage is well within the amount of funds available to the Commission and therefore, not likely to interfere with the ability of the Commission to fulfill its duties.

c) Granting the waiver or variance will not adversely affect the public interest;

Each of the purposes in the Specific Impact Grant Application relates to important matters of public interest. Granting the waiver requested will have only positive effects on the public interest.

d) Not granting the waiver or variance would cause a substantial hardship to the community, governmental entity, or person requesting the waiver or variance.

During the unique circumstances presented by the unanticipated effects of the global pandemic, not granting the waiver or variance would cause a substantial hardship to the community, government of the City of Springfield.

Each of the purposes of the grant can be individually reviewed in more detail at a meeting or conference with the Committee and the City Departments involved, and the reasons for each grant, and its consistency with the provisions of MGL c. 23K can be explained in more detail.

Respectfully,



Edward M. Pikula

cc: Honorable Domenic J. Sarno, Mayor
Timothy J. Plante, Chief Administrative & Finance Officer