Goffe Street Armory

Inclusive Economic Development Lab 2022
Yale School of Management
Brandon Jones, Faye Phillips, Sarah Ullom-Minnich
Overview

- Informative Histories
- Our Approach
- Development Process
- Potential Funding Sources
- Use Scenarios
- Recommendations
Informative Histories
Early Civic Histories
City’s First Black Expo Scores Outstanding Success

By ROBERT D. GREENLEE
Register Staff Reporter

In what many consider to be the most notable event in the history of the city’s black community, an estimated 20,000 persons took part in the first New England Black Expo which closed Sunday night at the Goffe Street Armory.

The three-day Exposition—sponsored by the Black Coalition of Greater New Haven—was both a financial and artistic success. Almost everyone who witnessed the event had praise for the Coalition and the Expo staff for their first venture. Expo, which opened Friday morning, saw crowds estimated at 20,000.

The first Black Expo was held in Chicago three years ago, sponsored by Operation Breadbasket of the Southern Christian Leadership Conference and directed by the Rev. Jesse Jackson of Chicago. Since that time there have been more than 30 Black Expos throughout the nation’s black communities. But the first New England Expo is considered the best initial venture of any of the others that have taken place.

Not only was attendance good, but many exhibitors and concession stands did a brisk business. Further, the New England Black Expo—and other Expos—was a unique marriage of both the black and white communities in the state and the region.

Designers primarily for black youth so they could see some of the opportunities available to them and see something other than a cultural event. Black Expo surpassed committee expectations.

Expo Staff

For Joseph Harris, executive director of the coalition, and the Expo staff, which included Robert T. Pegues, Jim Brown, William C. Jones, John Blake, Juan Scott, Melvin Marley, and a host of volunteers, the smooth-running event climaxed months of preparation. The praise of visitors and exhibitors alike was welcomed by Harris, who said, “I see it, but I can’t really believe it. This has been a dream come true.”

Pegues, who coordinated much of the ‘nuts and bolts’ of the event, said, “It was just fantastic and I want to thank everyone who helped to make it a success.”

On the side, despite the heat inside the exhibition hall, saw crowds steadily pass through the turnstiles in record numbers, despite the fact Sunday was the opening day of the professional football season. The Freddy Adams Trio, a jazz group, provided musical entertainment throughout the afternoon and evening hours. But it was the various exhibits that stole the show and the spectators showed their appreciation by visiting all the booths.

Police Exhibit

Many persons observed there was so much to see that some of them brought their families back again just in case they missed something the first time. The New Haven Police Department’s exhibit was clearly the hit of the show. Youngsters by the thousands clamored around the department’s booth for complimentary ID pictures, finger prints, literature and for a look at a fully equipped police vehicle.

Just prior to closing the Police Department raised $21,000 with the Black Big Shot cameras and the donations.

Northeastern Utilities Company of Springfield offered a portable television set each night of the event. Sunday’s winner was Yvonne Johnson of Stratford, Conn., while Friday’s winner was Sheila Dorsey of 65 Goffe St., New Haven.

Some 10,000 persons saw the two-hour rock concert at the New Haven Arena, which rang down the curtain on the Expo for 1972.
Artspace: Armory Weekend at City-Wide Open Studios

165 artists
10,000 visitors
5 years
Exploring Communal Imagination

40+ ideas for potential reuse generated by 110 participants
Central Question: How to pay for it?
Overview of our Approach

1) STUDIES OF COMPARABLE BUILDINGS/PRECEDENTS
2) ANALYSIS OF THE DEVELOPMENT PROCESS
3) EXPLORATION OF LOCAL FUNDING SOURCES
Approach #1: Precedent Studies

• We analyzed the available information on the wide range of armory precedents collected to date:

  • Savannah Armory
  • University of Minnesota
  • University of Wisconsin
  • Philadelphia Armory
  • Somerville, MA
  • Defiance Co
  • Harlem Armory
  • Ellie Dawson Armory
  • Cranston Armory
  • Ansonia
  • Colt Armory
  • Minneapolis Armory
  • Main St Armory (Rochester)
  • Bedford Union Armory
  • Park Avenue Armory
  • San Francisco Armory

• We conducted several in-depth case studies
Sample Analyses of Existing Precedent Information

- **Primary Use**
  - School: 16%
  - Community/Arts: 21%
  - Event: 16%
  - Residential: 10%
  - Office: 37%

- **Source of Primary Funding**
  - Private: 56%
  - Public: 44%

- **# of Funding Sources**
  - 1: 37%
  - 2: 30%
  - 3+: 25%

- **Funding Sources of Armories with National Register Status**
  - Private: 31%
  - Public: 46%

- **ALL - PERIOD RENOVATED**

- **Period renovated over 100k sq ft**
  - 70s: 1
  - 90s: 2
  - 00s: 5
  - 10s: 5
  - TBD: 4

- **All Armories**
  - 70s: 2,33%
  - 90s: 3,50%
  - 00s: 1,17%
  - 10s: TBD
Takeaways: No Silver Bullet

- No single funding strategy
- A variety of context-specific funding sources and revenue models
- State Funding Common
- Armories as large as Goffe Street have been successfully redeveloped
Case Studies

Bedford Union Armory (NY)
- 542,393 sq ft in 3 buildings; developed 2017-2023 (est.)
- City + Developer; shared governance
- Mixed-Use vs Affordable Housing

West Newton Armory (MA)
- City-driven planning process
- 100% Affordable Housing

Philadelphia Navy Yard (PA)
- Philadelphia Industrial Development Corporation
- Creative uses of public funding
Takeaways: The Bespoke Process

Each process and revenue model was context-dependent

A capital stack was compiled based on the specific use
Approach #2: Analysis of the Development Process for Goffe St
Goffe Street Armory Redevelopment

1. Concept
Vision for adaptive reuse
Small team, concept design, preliminary support from city and other key stakeholders, potential list of investors and lenders, idea of market feasibility

Architect: sketch of use (#units, type)
Contractor: simple cost estimate
Pro Forma (Income model)

2. Approvals
City, Zoning, Financing, etc., 12-24 months

3. Design
Refine and finalize
Back and forth with contractors, architects, and engineers, team expands

4. Construction

5. Sales
Lease up space!

You Are Here

List of Sources and Uses of Funds
Begin to court investors
Consider market for other real estate coming online

Pro Forma

Grand Opening!
Information Interview #1

*Former Artspace Executive Director*

**Observations**
- Unique space for art
- Situated at a crossroads for the city
- Community Asset

**Perspective on Funding**
- National Funder
- "Funding follows great ideas"

*Photo: Jo Yarrington*
Information Interview #2

National Foundation Social Investment Director

Observations

• Project financing often not available
• Large foundations are focused on scale

Perspective on Funding

• Historic Tax Credits + New Market Tax Credits
• Solar Development – Connecticut Green Bank
• Local philanthropy as lead
• "Can't say, tell us what you'll finance, and that's what we'll do"
Information Interview #3

*Impact Developer*

**Observations**
- Big open spaces: blessing & curse
- Drill Hall needs to be activation space
- Strong bones; simple windows

**Perspective on Funding**
- Minimal philanthropy for preservation
- Requires subsidy through tax credits
- Residential higher bar than commercial space
To answer the finance question, we realized there were four general areas of funding that would need to be addressed:

**Planning and Assessment Funding**

- Remediation Funding
- Redevelopment Funding
- Post-Development Model Revenue Sources
Timeline for funding entry

1. Concept
   Vision for adaptive reuse

2. Approvals
3. Design
4. Construction
   - 01
   - 02
   - 03

5. Sales
   Grand Opening!

Planning and Assessment Funding

Redevelopment Funding

Remediation Funding

Revenue Sources for long-term funding model
# Planning and Assessment

## Desired Outcomes

<table>
<thead>
<tr>
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<td>• Formalize a steering committee</td>
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<td>• Identify an use that aligns with community priorities</td>
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<td>• Complete an Environmental Phase-I Study</td>
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<td>• Finalize an Estimate of Costs</td>
</tr>
<tr>
<td>• Remediation</td>
</tr>
<tr>
<td>• Redevelopment</td>
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## Potential Funding Sources

### State Grants

- **DECD Brownfield Planning Grant**
  - The armory's asbestos issues likely make it eligible for up to $200,000 in Brownfield Planning Grant funds
  - These funds could be used to estimate remediation costs, conduct an environmental study, and initiate a formal planning process
  - 10% match required, more details in appendix

- **DECD Survey and Planning Grants**
  - Eligible based on national historic registry status
  - Matching reimbursement for planning process expenses

### Other funding sources
Governance Structure

- Should be determined by the end of the planning process
  - Community Trust Ownership
  - Developer Owned
  - City Ownership
    - Full control
    - Partial control
Remediation & Redevelopment

Desired Outcomes

Remediation
- Resolve all issues that prevent the building from being usable
  - Environmental hazards
  - Structural issues
  - Miscellaneous

Redevelopment
- Prepare the building to accommodate the desired use
  - Plumbing changes
  - Parking
  - Redesigns
  - Renewable Energy Modifications

Potential Funding Sources

- State Grants
  - Brownfield Municipal Grant Program
  - CT Communities Challenge Grant

- Private Investment
  - SHIFT Capital

- Tax credits
  - Historic tax credits (18%)
  - Use-specific credits
    - New Market
    - Opportunity Zone
    - LIHTC (9%)

- Loans/financing
  - Renewable energy modification opens doors to attractive financing
  - State or Municipal bonds

- Philanthropy/other
Long-Term Revenue Model

**Desired Outcomes**

**Community Contribution**
- Model contributes to community atmosphere/opportunities

**Financial Sustainability**
- Revenue offsets some redevelopment costs and covers ongoing building maintenance

**Potential Revenue Models**

- Studio Rentals
- Low-Income Housing
- Office Space
- Public Services/Re-entry
- Other Mixed Use
- Custom Space Rentals/Venue
  - Drill Hall
  - Kitchens
  - Conference Rooms
Mixed-Use

Ground Level

<table>
<thead>
<tr>
<th>Uses</th>
<th>Sq Ft</th>
<th>Revenue</th>
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</thead>
<tbody>
<tr>
<td>Assembly (A)</td>
<td>2760</td>
<td>$ 5,520</td>
</tr>
<tr>
<td>Assembly (B)</td>
<td>2624</td>
<td>$ 5,248</td>
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<tr>
<td>Offices</td>
<td>14310</td>
<td>$128,790</td>
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<tr>
<td>Kitchen (A)</td>
<td>800</td>
<td>$ 12,000</td>
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<tr>
<td>Kitchen (B)</td>
<td>800</td>
<td>$ 6,000</td>
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<tr>
<td>Storage</td>
<td>23360</td>
<td>$ 2,336</td>
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<tr>
<td>Parking</td>
<td>9200</td>
<td>$ -</td>
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Second Level

<table>
<thead>
<tr>
<th>Uses</th>
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<tbody>
<tr>
<td>Gymnasium</td>
<td>32560</td>
<td>$ 52,096</td>
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<tr>
<td>Assembly (C)</td>
<td>4095</td>
<td>$ 8,190</td>
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<tr>
<td>Offices</td>
<td>18185</td>
<td>$163,665</td>
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Third Level

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<tr>
<th>Uses</th>
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<tbody>
<tr>
<td>Assembly (D)</td>
<td>2300</td>
<td>$ 4,600</td>
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<tr>
<td>Offices</td>
<td>22015</td>
<td>$198,135</td>
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<tr>
<td>Residential</td>
<td>940</td>
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## Financing: Mixed-Use

**Mixed-Use (Offices/Creative Studios)**

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<tr>
<th>Estimated Capital Costs (Mixed-Use)</th>
<th>Sources</th>
<th>Uses</th>
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<tbody>
<tr>
<td>Remediation &amp; Repurposing ($90/sq ft)</td>
<td>$ 11,227,410</td>
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<tr>
<td>Down Payment</td>
<td>$ 1,250,000</td>
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<tr>
<td>Grants</td>
<td>$ 3,400,000</td>
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<tr>
<td>Credit (HTC)</td>
<td>$ 2,020,934</td>
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<tr>
<td>Loan</td>
<td>$ 3,250,000</td>
<td></td>
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<tr>
<td>Other Investment Needed</td>
<td>$ 3,806,476</td>
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<td></td>
<td>$ 12,477,410</td>
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Estimated Annual Operating Pro Forma (Mixed-Use)

<table>
<thead>
<tr>
<th>Income</th>
<th>Expenses</th>
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<tbody>
<tr>
<td>Debt Service</td>
<td>$ 294,958</td>
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<tr>
<td>Operating Expenses (35%)</td>
<td>$ 205,395</td>
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<tr>
<td>Office/Studio Rents</td>
<td>$ 490,590</td>
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<tr>
<td>Other Income (Kitchens, Events)</td>
<td>$ 96,254</td>
</tr>
<tr>
<td></td>
<td>$ 586,844</td>
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Projected Annual Profit           | $ 86,490 |
### Low-Income Housing

#### Svigal's (present)

<table>
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<tr>
<th>Ground Level Uses</th>
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<tbody>
<tr>
<td>Assembly (A)</td>
<td>2760</td>
<td>23,184</td>
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<td>Assembly (B)</td>
<td>2524</td>
<td>22,042</td>
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<td>Offices</td>
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<td>Kitchen (A)</td>
<td>890</td>
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<td>800</td>
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<td>2,398</td>
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<tr>
<td>Parking</td>
<td>920</td>
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#### Second Level

<table>
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<tr>
<th>Second Level Uses</th>
<th>Sq Ft</th>
<th>Revenue</th>
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<tbody>
<tr>
<td>Gymnasium</td>
<td>3256</td>
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<tr>
<td>Offices</td>
<td>1615</td>
<td>$152,784</td>
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#### Third Level

<table>
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<tr>
<td>Assembly (D)</td>
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<td>$19,320</td>
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<tr>
<td>Offices</td>
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<tr>
<td>Residential</td>
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#### Fourth Level

<table>
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<th>Fourth Level Uses</th>
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<tbody>
<tr>
<td>Residential</td>
<td>2640</td>
<td>$22,176</td>
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#### Diagrams

- Ground Level
- Second Level
- Third Level
- Fourth Level
# Financing: Low-Income Housing

## Low-Income Housing

<table>
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<td></td>
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<tr>
<td>Down Payment</td>
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<td></td>
</tr>
<tr>
<td>Grants</td>
<td>$3,400,000</td>
<td></td>
</tr>
<tr>
<td>Credit (LIHTC, 9%)</td>
<td>$6,687,923</td>
<td></td>
</tr>
<tr>
<td>Loan</td>
<td>$3,250,000</td>
<td></td>
</tr>
<tr>
<td>Other Investment Needed</td>
<td>$7,020,428</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$20,358,350</strong></td>
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## Estimated Annual Operating Pro Forma (Housing)

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<tr>
<td>Other Income (Kitchens, Events)</td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>$607,500</strong></td>
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**Projected Annual Profit**

$39,166
### Financing: Comparison

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Mixed-Use Model

**BENEFITS**
Community access, honoring historic memories and uses, broader array of funders

**COSTS**
Politically difficult as always more need
Low-Income Housing Model

**BENEFITS**

- High need, sensible location, steady income stream

**COSTS**

- Lose community governance/access, higher remediation threshold, unclear use of drill hall
Pro/Cons of Building

Pros

• Beautiful and in fairly good condition
• Across from park so can take in its grandeur, greenspace
• Emerging arts community

Cons

• Lack of parking
• Location away from downtown is not prime for office space
Recommendations for Next Steps
1. Launch a formal planning process

• Build a Steering Committee
• Apply for planning grants
2. Build the Capital Stack

- Identify sources and uses
- Find an “anchor funder”
- Make use of tax credits/subsidies
The future is bright!
Questions & Discussion
Appendices

Funding Sources
Case Studies
Supplemental Materials
Funding Sources
Appendix
Importance of identifying use based on community engagement

- Mentioned by Joe Evans as a key first step to getting big funders involved
- Mentioned by Helen Kauder to get an anchor funder
- West Newton
  - Formed a Committee
  - Feasibility of given use completed by West Newton
- Key to the perceived legitimacy of the grant
Importance of assessing and remediating

- **Environmental Phase I study**
  - Identify whether the building will be a liability
  - Brian mentioned as a step-1
  - Brownfield Assessment Grant funds can be used for this study
- Identify costs of fixing building issues
  - HVAC system
  - Asbestos
  - Roof repair
  - Windows
- Cost and kind of remediation required may determine whether historical tax credits will be useful
Remediation knowns and unknowns

A few known needs but potentially tip of the iceberg

- Roof repair
- Door replacements
- Floor replacement
- Asbestos mitigation
- ADA code compliance
- HVAC

Unknown costs with varied and dated estimates

- May 2010: $487K (Hazardous, Svigals)
- May 2010: $12-15M (Total, City Engineer)
- June 2012: $900K (HVAC)
- February 2016: $2.7M (Total, City Engineer)

History of public funding for remediation

- July 2012: NHV approved to apply for 4 State grants, total $2.8 million
- April 2015 City budgets $500K
- March 2017 City budgets $250K
- June 2018 City budgets $250K
- May 2019 City budgets $200K
- March 2021 City budgets $200K ($112K expenses incurred)

Note: Prior to 2021, budgeted dollars appear unspent
Brownfield Planning Grants

- CT DECD offers periodic calls for applications

- Up to $200,000 can be requested to accomplish the following objectives:
  - Comprehensive understanding of existing conditions and issues
  - Community participation to develop a successful implementation strategy
  - Effective implementation strategies (based on market studies and feasibility analyses)
  - Prioritization of specific brownfield sites for cleanup and reuse
  - Priorities for public and private investment
  - Formation of an advisory/steering committee

- 10% match is required
Eligible Institutions for Brownfield Planning Grant

- Eligible institutions to submit a Brownfield Planning Grant include:
  - Municipalities
  - Connecticut brownfield land bank
  - Economic Development Agencies
  - Regional Councils of Government

- Add caps
  - Did not find that a certain level of severity must be met
  - Open September 21 – December 1 (2021)

- Brownfield
  - Asbestos concerns with estimated cost of removal at $121,000 (Svigals)
  - Majority of paint violates city’s lead paint residential threshold; no threshold for commercial uses
Survey and Planning Grants

- CT DECD offers Planning and Pre-Development Grants for historic structures.

- Provides matching reimbursement to municipalities to hire a consultant to complete:
  - Historic Structures Reports
  - Feasibility or Adaptive Reuse Studies
  - Structural Soundness Studies
  - Condition Assessment Reports
  - Architectural Plans and Specifications

- Latest Funding Rounds Announcements
  - NEW: February 25, 2022 Grant Round 15 (Assessment-only) announced
  - April 22, 2022 @ 3:00 PM Deadline to submit application form
Find an Anchor Funder

- Find an anchor funder that will invest in making the community's desired use a reality
  - Joe Evans: an anchor funder is key before larger foundations will consider getting involved
  - This should be someone with an interest in the specific use or in New Haven
- Options include:
  - The state
  - Local philanthropy
  - A developer
Example of Anchor Funder
Brownfield Municipal Grant Program

• Grants of up to $4 million

• Relevant criteria to increase competitiveness:
  • Shovel-readiness
  • Economic & Community Development impacts of project
  • Projected tax revenues
  • Public-private partnerships
  • Alignment with conservation & development plans
  • Applicant team's experience

• Building and structural issues are eligible for fund use
Example of Anchor Funder: CT Communities Challenge Grant

- Up to $10 million allocated ($1-$10m per project)
- "Improve livability, vibrancy, convenience and appeal of communities throughout the state"
- No additional funds can be allocated to a project from other federal or state sources
- Municipalities, EDAs, or regional council of governments can apply
- 25% match requirement for distressed municipalities*

*New Haven will qualify for the next few years, even though it does not appear on the list
Example of an Anchor Funder: **SHIFT Capital**

- Developer with a strong community-interest focus
- Use a CBA with the city to determine designated community benefits
  - Require a certain amount of community jobs or rights to the building
    - Example: Allow public use of the Drill Hall
    - Example: Allow public use of the grounds/garden
- Brian: One profitable use would be the creation of rentable studio space for studios, biz...
  - Housing a possibility but would require subsidies, might be too large to make it all housing through the LIHTC program
- Using the Drill Hall as "differentiation space" to attract tenants
Example of an Anchor Funder: Local Philanthropy

- Large philanthropy organizations are only likely to get involved if they have a local connection

- Potential local funders
  - Greater New Haven
  - Graustein
  - Rockefeller - Black Expo connection
  - Mellon - Black Expo connection

- Quote from Joe "grant-making to their mission rather than on the construction side" -
  - Large funders may prefer to pay for an exhibit once the building is already redeveloped
Relevant tax credits and subsidies

• Renewable Energy/Energy Efficiency
  • Case studies: Bedford, Navy Yard
    • Navy Yard: CCG PACE funding - $15 million
    • NYSERDA
    • Connecticut: https://energizect.com/your-business/solutions-list/C-PACE
  • Interviews – Joe: The roof may be ideal for solar panels. Possible to unlock funding or excitement for a community solar project

• Historic tax credits (state or federal)
  • Requires minimal or no changes to building façade including windows
  • Brian estimates they could pick up 18% of restoration costs

• Low Income Housing Tax Credits
  • May apply depending on use
Attract secondary funders

- Use the large amount of space to bring in other funders and partners into the mix
  - The right to use the drill space for periodic events may attract some tenants
  - Room for a diversity of uses that may interest different parties
Financial Sustainability

• Create a Pro Forma to determine how much revenue the armory will be able to generate
  • This will also help determine what additional financing the armory may be eligible for
Scenarios

• Finding a revenue-producing use will help sustain the armory

• Using interviews and case studies, we've constructed three potential scenarios
  • Studio rentals
  • Low-income Housing
  • Office Space

• Additional considerations
  • What to do with the drill hall?
    • One option is to keep it as public space.
  • Remediation costs may be higher depending on the use
    • LIH requires more remediation than commercial mixed-use scenarios
  • Tax Credit eligibility may change depending on use and remediation
    • Opportunity zones, historic tax credits, etc.
Simple Pro Forma Example

<table>
<thead>
<tr>
<th>Financial Approach</th>
<th>Sources and Uses of Funds, Operating Pro Forma</th>
</tr>
</thead>
</table>

**Capital Costs**

Total development costs including soft costs, permits, insurance and contingency are estimated to be approximately $26,000,000. This estimate does not include any brown field remediation costs which we presume will be covered by available State and Federal grants. For the core Not-For-Profit functions, Good Profit will raise $11,000,000 in donations. Equity for the developer entity will be provided from Program Related Investments and individual contributions. Equity contributions are estimated to be $8,000,000 based on conversations with potential investors. Remaining funds will be provided by commercially available market rate loans. We have not included in our assumptions any contribution from the developer of the City Yard site. If such contribution is required as part of the development agreement for that site, it would be used to reduce the amount borrowed funds to the greatest extent possible.

**Annual Operating Pro Forma**

The primary income sources are restaurant rents, vendor stall rents, special event income and sponsorship and other miscellaneous income. We estimate an annual operating profit of $136,000 which will serve to attract investors and guard against unforeseen economic circumstances. The primary annual expenses are debt service, operating expenses for the building and return on investment for the foundations contributing equity through Program Related Investments. Operating expenses are kept low because a substantial amount of the power required by the Armory will be provided by solar voltaic panels.

**Estimated Annual Operating Pro Forma**

<table>
<thead>
<tr>
<th>Income</th>
<th>Expenses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Debt service</td>
<td>$888,000</td>
</tr>
<tr>
<td>Operating Expenses</td>
<td>$300,000</td>
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<tr>
<td>PRI return on investment</td>
<td>$160,000</td>
</tr>
<tr>
<td>Sinking fund</td>
<td>$100,000</td>
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<tr>
<td>Restaurant Rent</td>
<td>$1,317,000</td>
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<tr>
<td>Food vendor rent</td>
<td>$192,000</td>
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<tr>
<td>Other income</td>
<td>$75,000</td>
</tr>
<tr>
<td>Projected Profit</td>
<td>$136,000</td>
</tr>
</tbody>
</table>

**Estimated Capital Costs**

<table>
<thead>
<tr>
<th>Sources</th>
<th>Uses</th>
<th>$25,000,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Construction Costs</td>
<td>$5,000,000</td>
<td></td>
</tr>
<tr>
<td>Donations: sponsorships and grants</td>
<td>$11,000,000</td>
<td></td>
</tr>
<tr>
<td>Program-Related Investments</td>
<td>$8,000,000</td>
<td></td>
</tr>
<tr>
<td>Mortgage</td>
<td>$7,000,000</td>
<td></td>
</tr>
</tbody>
</table>

| Total | $26,000,000 | $25,000,000 |
Revenue Generation: Studio rentals

- Likely a good market in NHV
  - Estimated returns: $9-$13/sq ft per year
  - 50-60 tenants would make this self-sustaining
Revenue Generation: Low Income Housing

- Steady need, no need to search for tenants? But management costs processing the paperwork on eligibility --> wash

- Space is a bit big to be entirely LIH (because it's affordable the revenues are held low so need subsidy)

- Zoning as of 2010 limits 22 dwelling units per acre, so the Armory could have max 44 units

- Subsidies could help make this profitable

- Could use drill hall for parking?
  - Solves parking at the cost of some flex space
Revenue Generation: Office Space

- Limited, lack of parking
- Use Drill Hall for indoor parking?
  - Solves parking, cost of flex space
Affordable Housing

- LIHTC
  - 9%
  - 4%
  - CT
Case Study Appendix
Case Study 1: West Newton Amory
Context

- 33,000 sq ft
- Built 1912
- 0.75 acres
West Newton City-Led Development Process

Concept Phase:
• 2018 – report of Facility Condition conducted by State (DCAMM – see next slide)
• 2019 - per City Ordinance, issue referred to Real Property Reuse Committee
• Real Property Reuse Committee asked Mayor to create Joint Advisory Planning Group (JAPG)
• State-grant funded affordable housing consultant hired to work with JAPG
• Based on JAPG report and feasibility analysis, committee recommends redevelopment into 100% affordable housing
• City solicited proposals for 100% affordable housing redevelopment
• 7 proposals

Approvals Phase:
• Metro-West Collaborative selected (Newton-based non-profit AH developer)

Design, Construction and Sales Phases yet to be seen
• Ribbon Cutting scheduled for 2025
West Newton Armory Report of Facility Condition

<table>
<thead>
<tr>
<th>Asset</th>
<th>Asset Code</th>
<th>Total Expenditure</th>
<th>Gross Area (SF)</th>
<th>% of Site</th>
<th>Common $ Dist.</th>
<th>Total Capital Need</th>
<th>CRV Rate ($ / SF)</th>
<th>CRV Value</th>
<th>FCI Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>Common Asset</td>
<td></td>
<td>$0</td>
<td></td>
<td></td>
<td></td>
<td>$1,221,813</td>
<td>$1,261</td>
<td>$37,982,159</td>
<td>0.03</td>
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<tr>
<td>West Newton Armory</td>
<td>447M11040</td>
<td>$1,221,813</td>
<td>30122</td>
<td>100%</td>
<td>$0</td>
<td>$1,221,813</td>
<td>$1,261</td>
<td>$37,982,159</td>
<td>0.03</td>
</tr>
</tbody>
</table>

Building Systems Projected Expenditures

- Site Systems: $37,550
- Security Systems: $176,713
- Structural Systems: $0
- Roofing Systems: $63,700
- Exterior Elements: $227,900
- Mechanical: $137,500
- Electrical: $53,000
- Plumbing: $25,000
- Fire & Life Safety: $0
- Conveyance Systems: $0
- Interiors: $400,000
- Accessibility: $100,450

Total: $1,221,813

Source: DCAMM, 2018
Case Study 2: Bedford Union Amory
Bedford – Many Sources of Funding

<table>
<thead>
<tr>
<th>Development Costs</th>
<th>Condominium</th>
<th>Rental &amp; Community</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross SF</td>
<td>54,623 sf</td>
<td>336,555 sf</td>
<td>391,178 sf</td>
</tr>
<tr>
<td>Sellable/Rentable SF</td>
<td>46,296 sf</td>
<td>275,684 sf</td>
<td>321,980 sf</td>
</tr>
<tr>
<td>Land</td>
<td>$2,458,035</td>
<td>$15,144,975</td>
<td>$17,603,010</td>
</tr>
<tr>
<td>Hard Costs</td>
<td>$13,109,520</td>
<td>$56,214,110</td>
<td>$69,323,630</td>
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<tr>
<td>Soft Costs</td>
<td>$4,772,557</td>
<td>$4,531,947</td>
<td>$9,304,504</td>
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<tr>
<td>Financing Costs</td>
<td>$ -</td>
<td>$17,323,127</td>
<td>$17,323,127</td>
</tr>
<tr>
<td>Total Cost</td>
<td>$20,340,112</td>
<td>$93,214,159</td>
<td>$113,554,271</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Construction Capitalization</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>First Mortgage</td>
<td></td>
</tr>
<tr>
<td>Second Mortgage</td>
<td></td>
</tr>
<tr>
<td>Third Grant</td>
<td></td>
</tr>
<tr>
<td>Fourth Grant</td>
<td></td>
</tr>
<tr>
<td>Equity</td>
<td></td>
</tr>
<tr>
<td>Historic Tax Credit Equity</td>
<td></td>
</tr>
<tr>
<td>LIHTC Equity</td>
<td></td>
</tr>
<tr>
<td>Deferred Developer’s Fee</td>
<td></td>
</tr>
</tbody>
</table>

| Total | $20,340,112 | 100.00% | $93,214,159 | 100.00% | $113,554,271 | 100.00% |
Bedford-Union Political Difficulty

The original plan for the Bedford Union Armory changed several times as a result of political resistance.

The plan for selling a portion of the armory off as condos was struck down, in favor of more affordable housing.

With so much need, settling on a plan necessarily means excluding some needs. Voters have even said "I'm not going to vote for this plan, but please go ahead with it anyway because we need SOMETHING!"
Case Study 3: Philadelphia Navy Yard
Philadelphia Navy Yard

- Former military facility redevelopment
- 1200 acres
- Philadelphia Industrial Development Corporation began redevelopment in 2000
  - Public-private development organization
- Constructed in 1776
Navy Yard Revenue Streams Examined

- How are they making money?
  - Over 120 employers currently locate at the Navy Yard
  - They employ over 15,000 people
  - They take advantage of a variety of tax credits

- Financing through renewable energy
  - Navy Yard: CCG PACE funding - $15 million
Tax Credits to locate at the Navy Yard

- Keystone Innovation Zone*
- Keystone Opportunity Zone
- Real Estate Tax Abatements **
- Federal and State Historic Tax Credits
- Research and Development Tax Credits
- City of Philadelphia Job Creation Tax Credits***

*Innovation zones do not appear to exist in Connecticut

** New Haven may be hesitant to enact real estate tax abatements given the large share of real estate already tax exempt.

***Job Creation Tax Credits are available at the state level in CT, but not from New Haven
Who qualifies for Keystone Innovation Zone (KIZ) benefits?

- Technology firms
- Firms less than 8 years old
- Firms located within the Navy Yard

Note: Innovation Zones don't exist in Connecticut currently, but some benefits could be relevant.
What benefits are included in KIZ?

- Up to $100,000 in tax credits per company
- Priority review of low-interest loan financing for specific uses
- Access to World-Class Universities
- Access to PA DCED programs for early-stage companies offering technologically innovative products and services

Note: Innovation Zones don't exist in Connecticut currently but some benefits could be relevant
Supplemental Materials
A Timeline of Armory's History

1930-1945: CT Guard
1970-1977: Black Expo
2009: Guard leaves; Ownership transfer to NHV
2010: Svigals Report
2012-2017: Artspace
2018: Deemed Unsafe
2021: National Register Status
Stakeholders in Goffe St Armory Redevelopment

Stakeholders with distinct priorities, visions, needs, and histories:

- Whalley Community Management Team
- ArtSpace
- New Haven Correctional Center
- City of New Haven
- Individuals who use Goffe Street Park (informal)
- Whalley Residents (informal)
- Other Organizations and Publics with vested interests
The Drill Hall: A Space of Possibilities