

HARTFORD - BRAINARD AIRPORT PROPERTY (BAP) STUDY: 2022/2023

STATE OF CONNECTICUT

DEPARTMENT OF ECONOMIC AND COMMUNITY DEVELOPMENT

August 10, 2023



BEJ Planning

AGENDA

PUBLIC WORKSHOP 5 – AUGUST 10, 2023



- Introduction and Schedule Overview
- Study Update
 - Economic
 - Environmental
 - Regulatory
- Townhall Questions and Answers

INTRODUCTIONS

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SUBJECT MATTER EXPERTS



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Regulatory

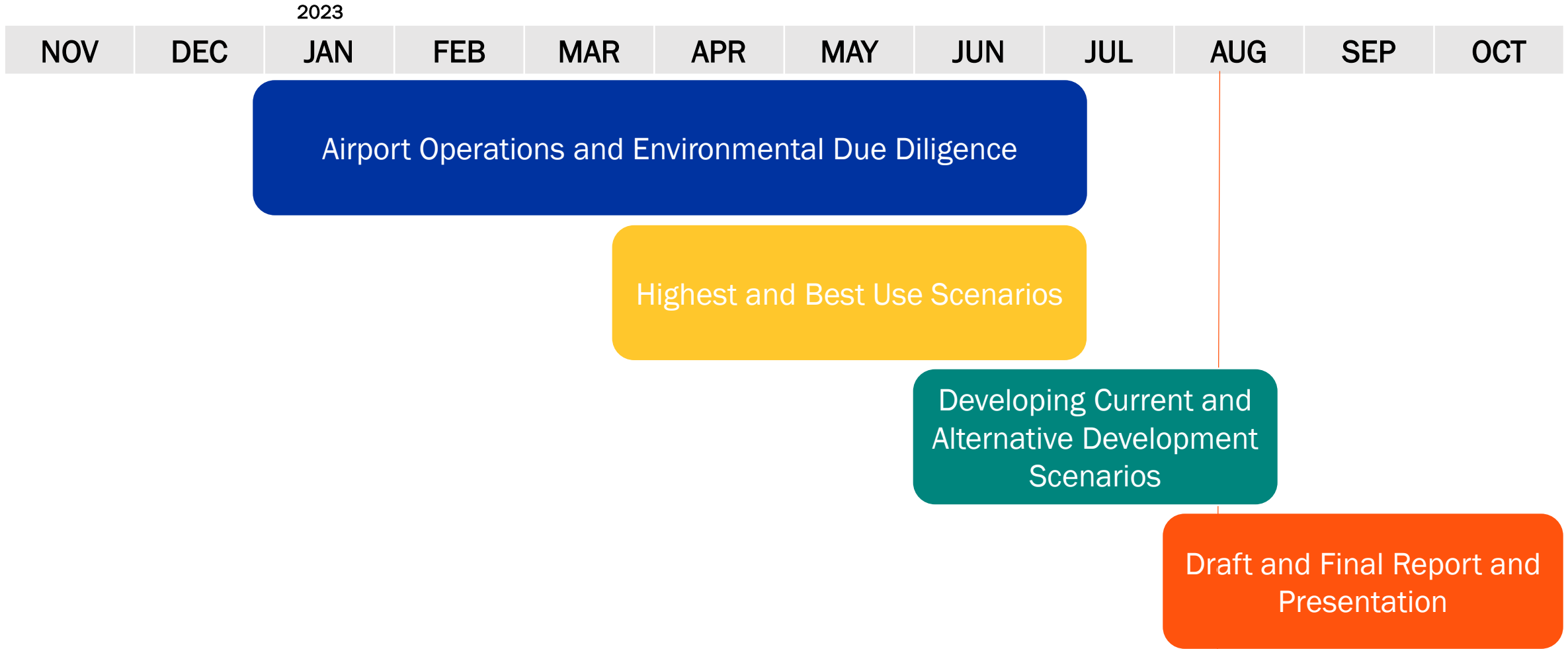
LEGISLATIVE MANDATE PUBLIC ACT NO. 22-118, SECTION 426

STUDY COMPONENTS

The study shall assess the following:

- 1) The economic impact of the current use of the property to the state and to the region surrounding the property;
- 2) The economic impact of alternative uses of the property, including commercial, residential, and recreational opportunities, to the state and to the region surrounding the property;
- 3) Identification of any environmental or flood control obstacles to the development of alternative uses of the property, including the conducting of any required testing of the site and the possible avenues and associated costs to render the property environmentally developable;
- 4) Identification of any federal, state or local governmental obstacles, including existing contractual obligations, to the development of alternative uses of the property, the possible avenues to remove each such obstacle and the associated costs of pursuing each avenue; and
- 5) The highest and best use of the property, if not its current use, taking into consideration the findings of subdivisions (2) to (4), inclusive of this subsection and the goals set forth in subsection (a) of this section.

PROJECT SCHEDULE



Workshops

BFJ PLANNING

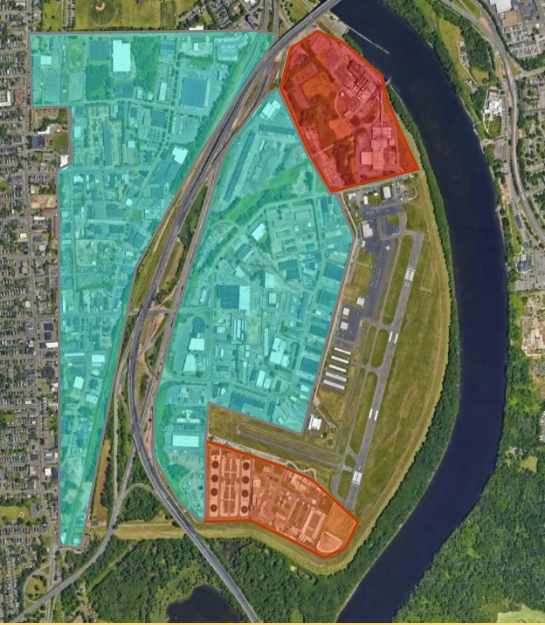


STUDY OPTIONS

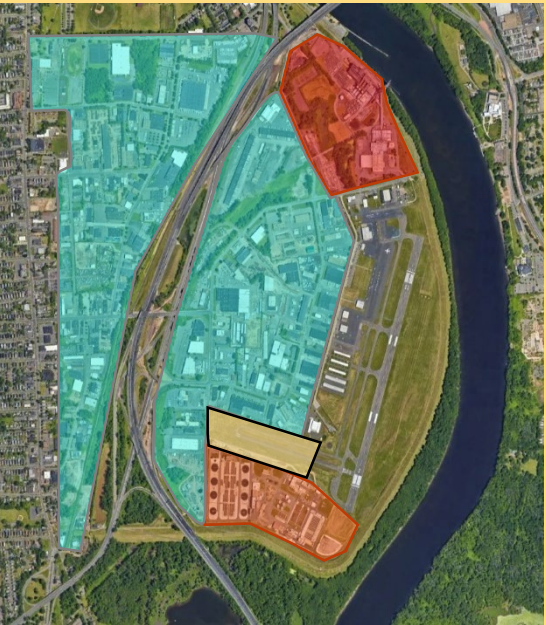


STUDY DECISIONS PATHWAYS

Option #1
Airport Remains
Open



Alternative Use
Option #2
Airport Remains
Open but Closes
Runway 11-29



Alternative Use
Option #3
Airport Closes



SITE CONTEXT

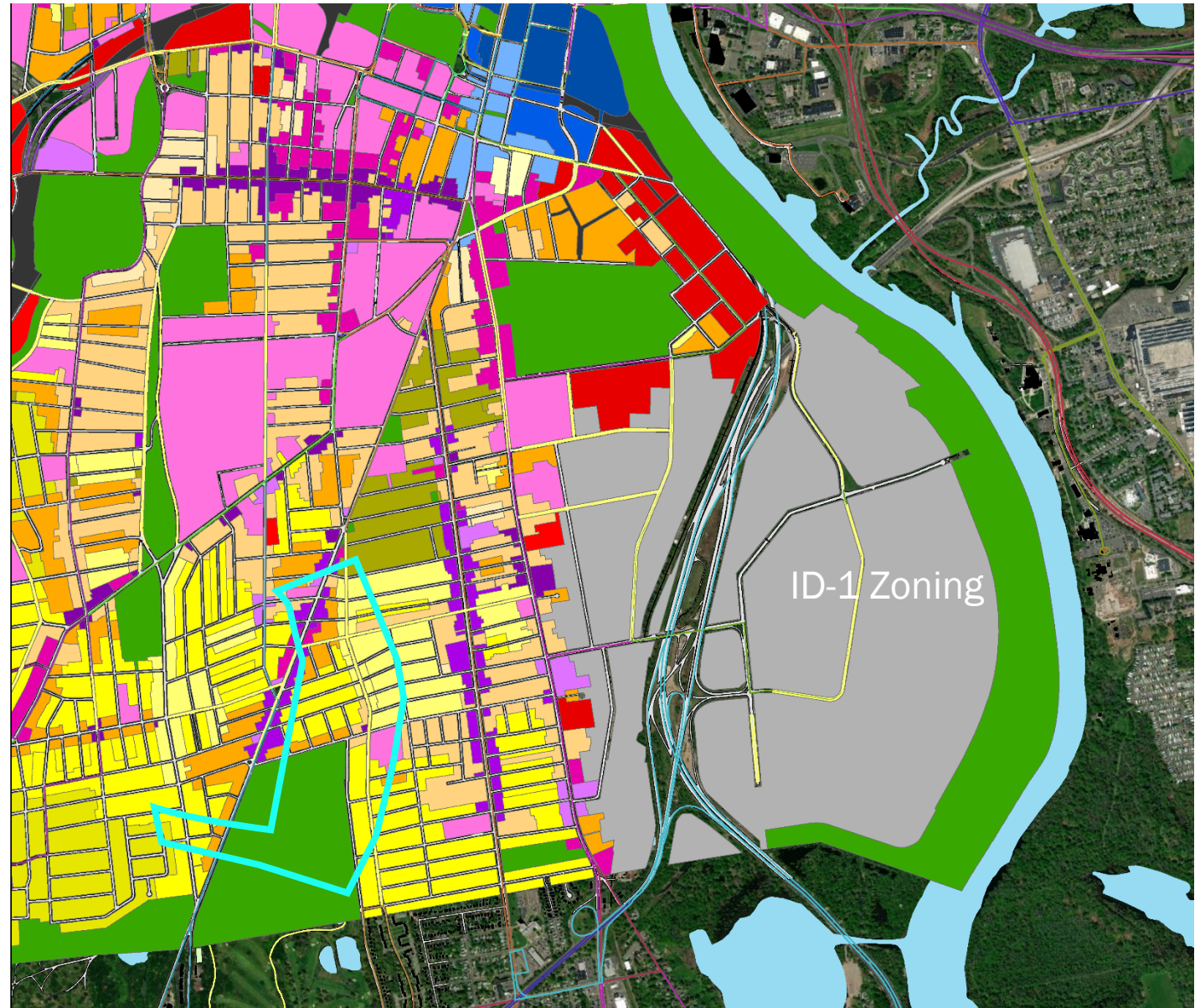
EXISTING ZONING ON PROPERTY

ID-1 industrial district

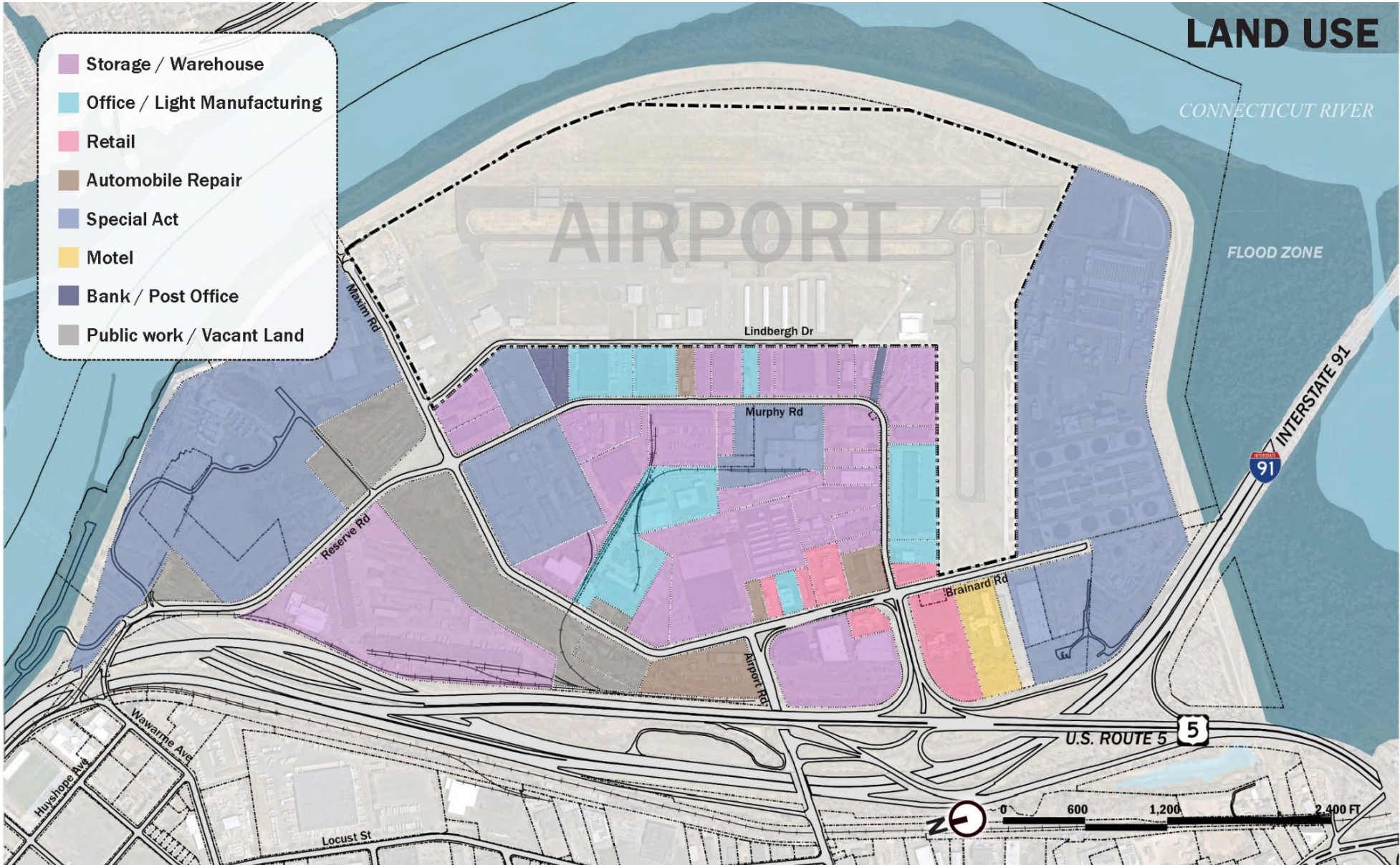
The purpose of the ID-1 industrial district in the city is to provide for medium to heavy industry characterized by a minimum of noise, odor, glare, and pollution, and by of this district to encourage the continuance and expansion of industry of this kind and its creation, and to develop a more compatible relationship between such industry and surrounding residential areas.

Connecticut River Overlay

The Connecticut River Overlay is intended to improve access and enjoyment of the Connecticut River through carefully planned, use-specific development that is sensitive to the ecology of an urban waterway.



SITE CONTEXT





MIRA Site Looking South



MDC Site Looking North



Cross Wind Runway - Looking East



Top of Levee - Looking West



269 Maxim



Premier Flight Center
www.premierflight.com

H3

H3

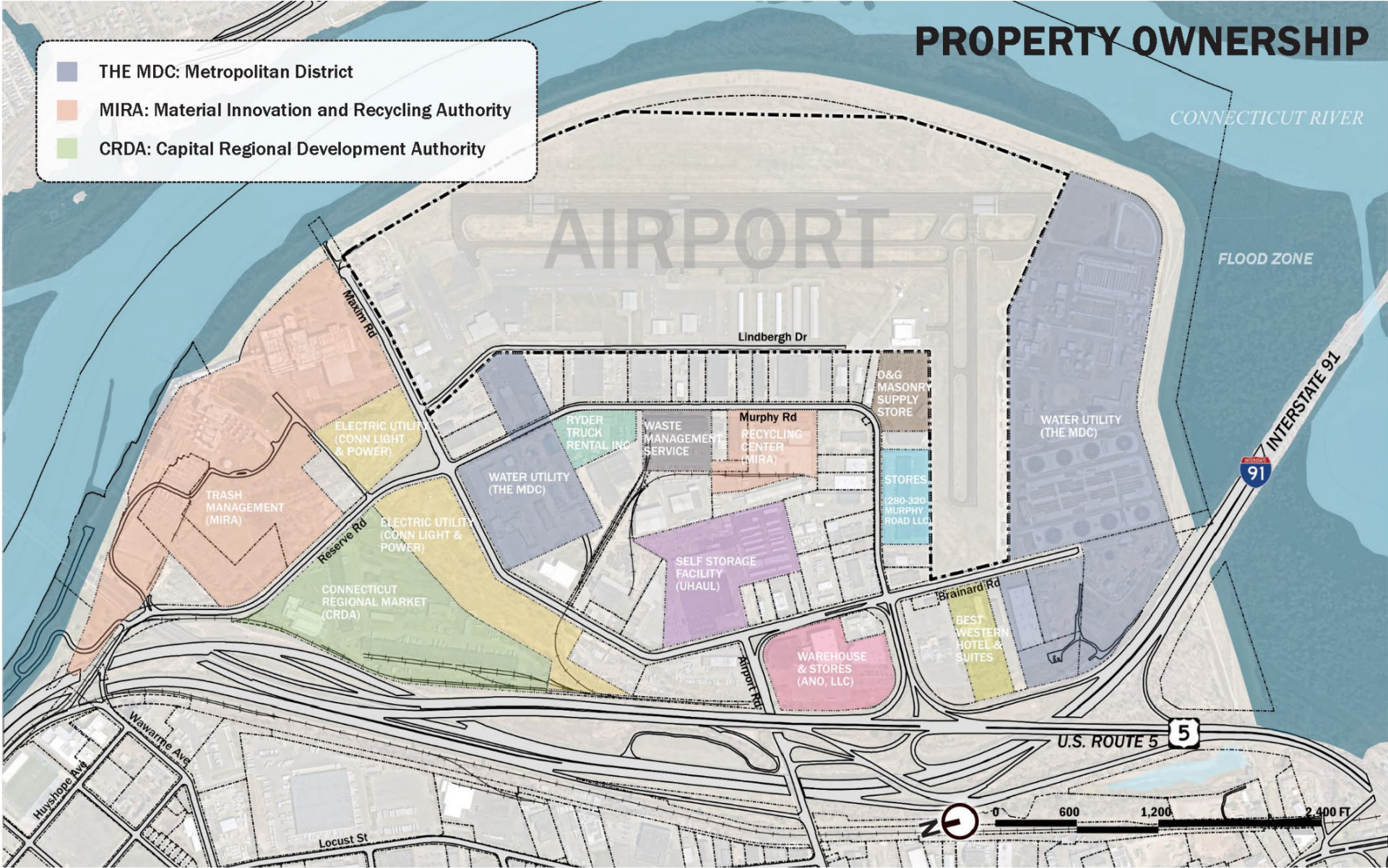
7A

Premier Flight Center



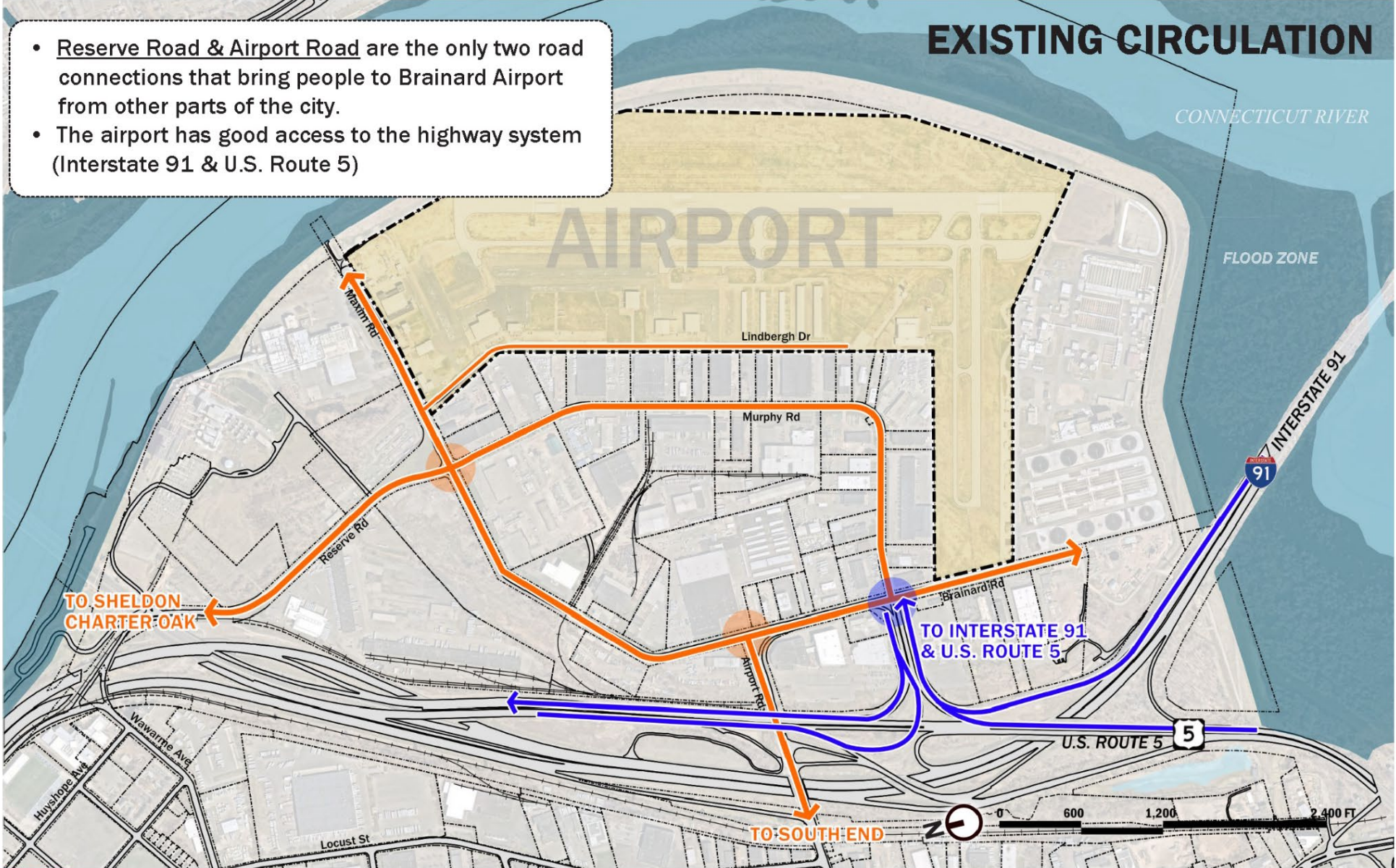
Fresh Point

SITE CONTEXT



SITE CONTEXT

- Reserve Road & Airport Road are the only two road connections that bring people to Brainard Airport from other parts of the city.
- The airport has good access to the highway system (Interstate 91 & U.S. Route 5)



AIRPORT OPERATIONS

REGULATIONS

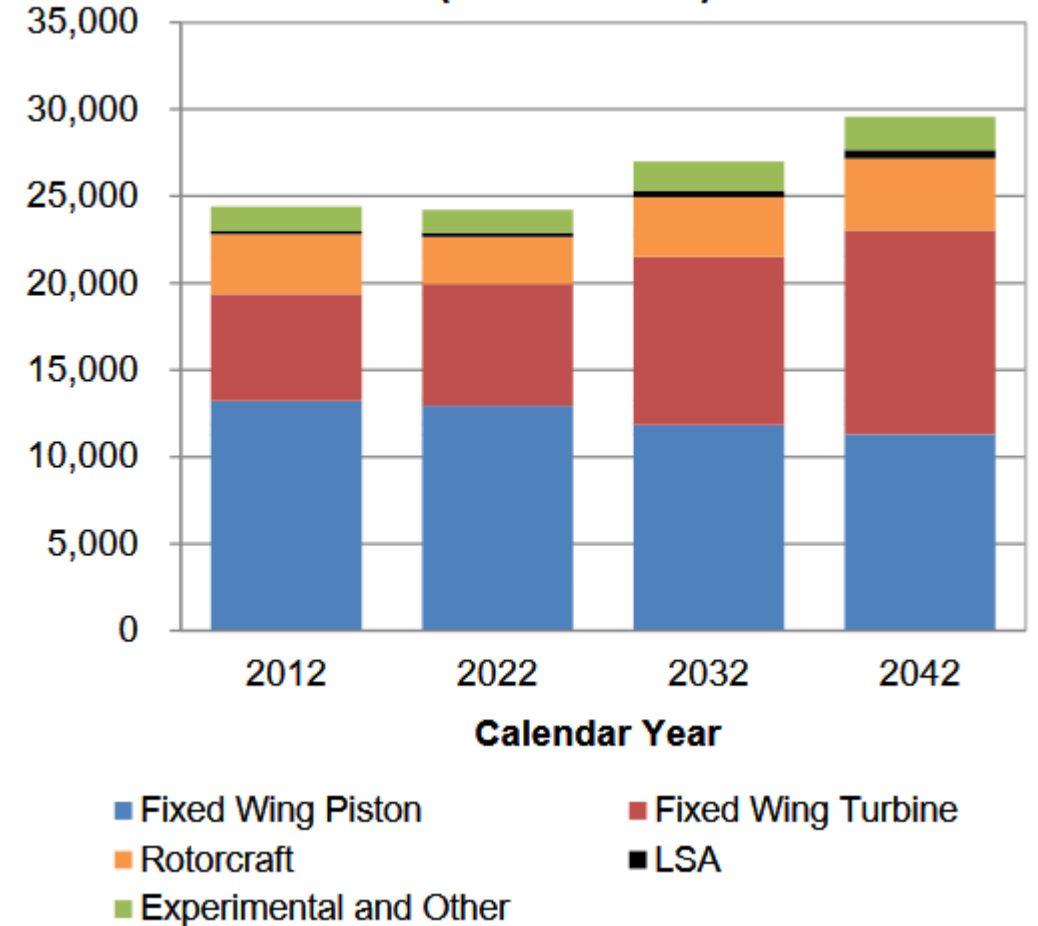


CURRENT OPERATIONS

FISCAL ANALYSIS

- Moderate growth in aircraft activity, consistent with national trends
- Sufficient airfield and terminal area capacities to accommodate increased traffic levels
- Runway 2-20 can be extended to 5000' if the lagoons at the Runway 2 end can be acquired
- Runway 11-29 provides limited utility given its length and slight incremental crosswind coverage

General Aviation Hours Flown
(in thousands)



CURRENT OPERATIONS

IMPROVEMENTS

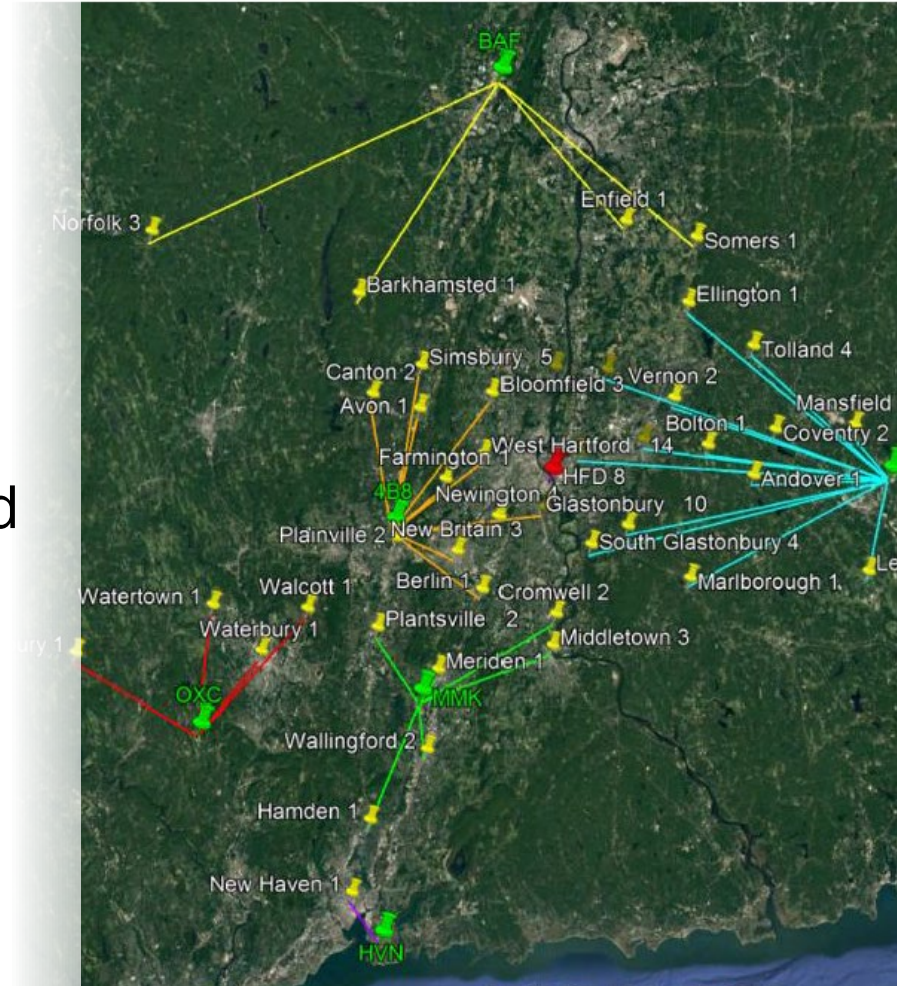
- During the next 20 years, CAA has indicated that the Airport will need some \$22 million total investment
 - CAA - \$2.4 million
 - FAA - \$19.4 million
 - Private sector - \$2.2 million (hangars)
- Runway 11-29 - \$5 million
- Runway 11-29 life-cycle benefit/cost ratio = 0.52
- Airport expected to continue to operate at a deficit of about \$400,000 annually, excluding SERS payments
- Potential to establish an eVTOL vertiport to serve airports/cities in a 100 n.m. range



AIRPORT CLOSURE

FISCAL/REGULATORY ANALYSIS

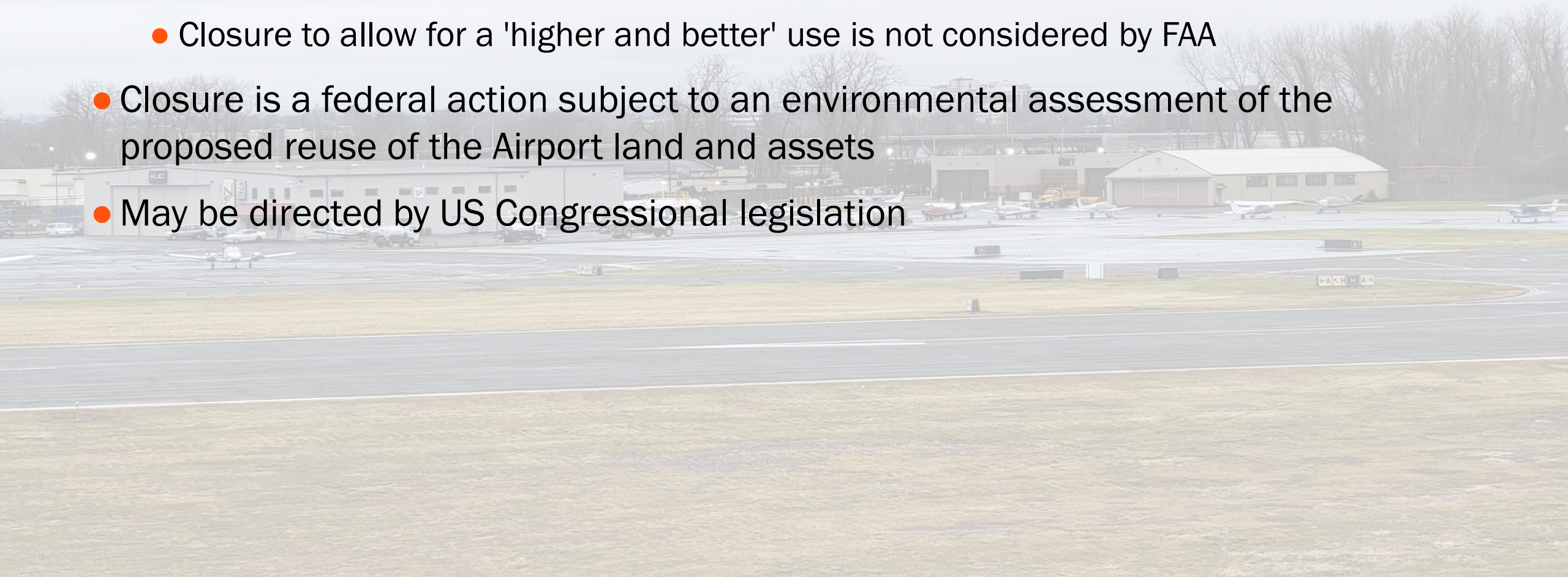
- Reposition 138 based aircraft
 - Primary receiving airports likely include Robertson Field, Windham Airport and Meriden Markham Municipal Airport
 - Capital costs (hangars) -- \$7 million
- Sale of Airport land and assets must be redistributed to other airports
 - Offers potential for airport improvements more quickly, particularly for in-demand hangar facilities
- Redistribution of aircraft generates de minimis environmental impacts
 - Aircraft noise impacts eliminated in Wethersfield



AIRPORT CLOSURE

FISCAL/REGULATORY ANALYSIS

- Repayment of unamortized grants to FAA – nearly \$2 million
- Subject to an FAA finding that closure results in a net benefit to civil aviation
 - Closure to allow for a 'higher and better' use is not considered by FAA
- Closure is a federal action subject to an environmental assessment of the proposed reuse of the Airport land and assets
- May be directed by US Congressional legislation



AIRPORT REMAINS OPEN WITH 11-29 CLOSURE

- Based on wind conditions and input from the air traffic control tower staff, Runway 11-29 is used infrequently
- Costs to improve Runway 11-29 versus the benefit it provides for flight operations yields a benefit/cost ratio of 0.52
 - Reduces total Airport operating costs and offsets annual operating loss
- Closure of Runway 11-29 affords an opportunity for other uses
 - Aeronautical – eVTOL vertiport, and aircraft tiedown areas and hangars
 - Non-aeronautical – dependent on area economy and demographics

ENVIRONMENTAL

ASSESSMENT



ENVIRONMENTAL SITE ASSESSMENT

RESULTS

- Phase I ESA Identified 1 Recognized Environmental Condition (REC) and 23 Areas of Concern (AOCs) and/or RECs
- Most AOCs Either Directly or Indirectly Investigated
- Site Work Completed June 23, 2023
- Stratigraphy
 - Mapped as alluvium overlying fines (USGS, 1992)
 - Phase II/III ESA observations: brown fine to medium sand and silt of varying depths overlying a silt/clayey silt. Urban debris consisting of asphalt, brick, and concrete were noted at several locations



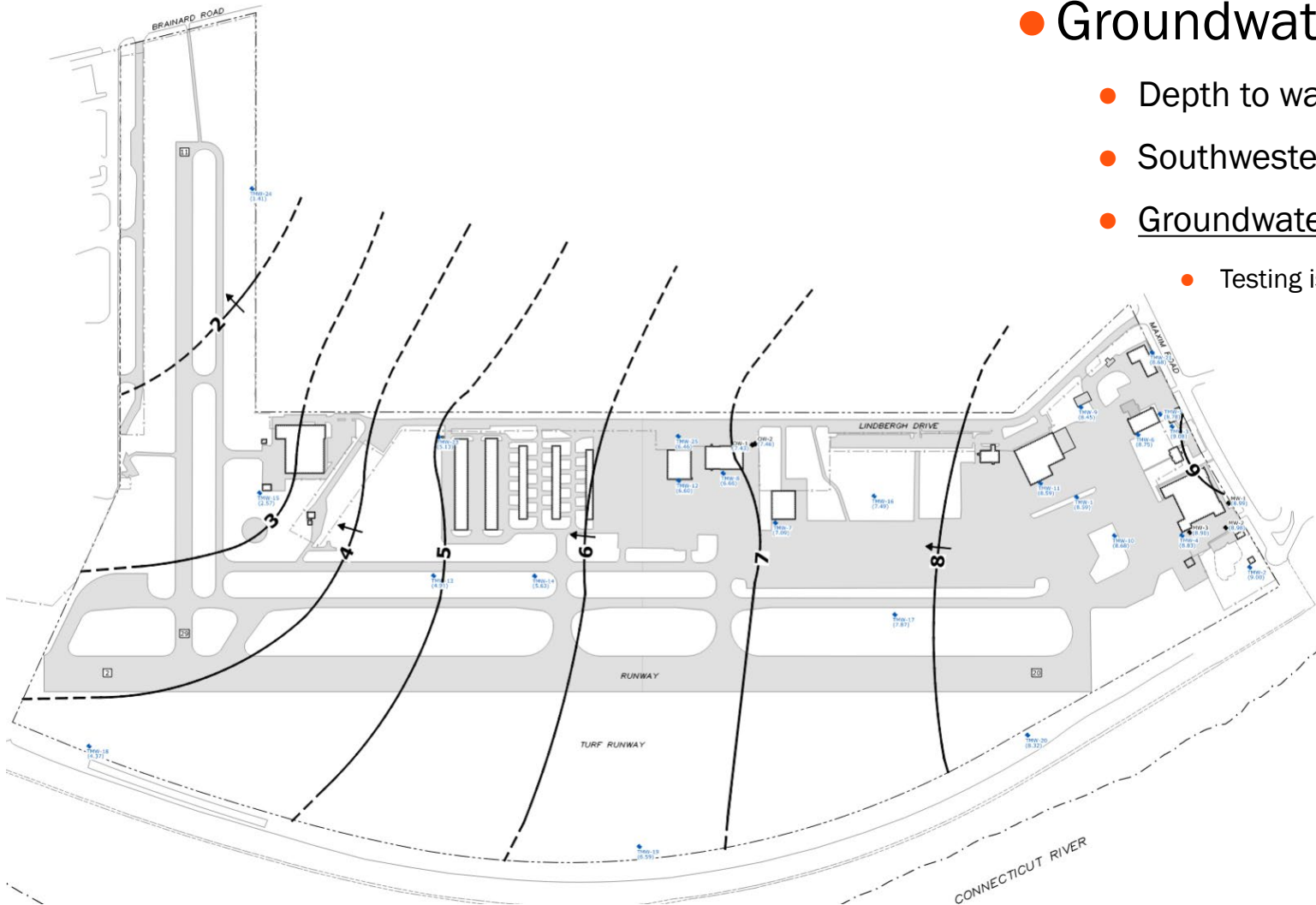
ENVIRONMENTAL SITE ASSESSMENTS

RESULTS



ENVIRONMENTAL CONDITIONS

PHASE II/III ENVIRONMENTAL SITE ASSESSMENT



● Groundwater Conditions

- Depth to water ranges between 6.09 to 11.39 feet
- Southwesterly flow beneath the Site
- Groundwater impacts are currently being identified.
 - Testing is looking at metals, acenaphthylene, VOCs and PFAS

ENVIRONMENTAL CONDITIONS

PHASE II/III ENVIRONMENTAL SITE ASSESSMENT

- Phase II/III ESA FINDINGS has been reviewed by DEEP.
 - Additional soil testing pending
- Next Steps
 - Remedial action plan to look at how any identified conditions would likely be remediated under the development options
 - Cost proposal for any clean-up if warranted for the development scenarios
 - Stormwater and Flood Analysis

FLOODPLAIN

CONSIDERATIONS



FLOODPLAIN CONSIDERATIONS

STUDY METHODOLOGY

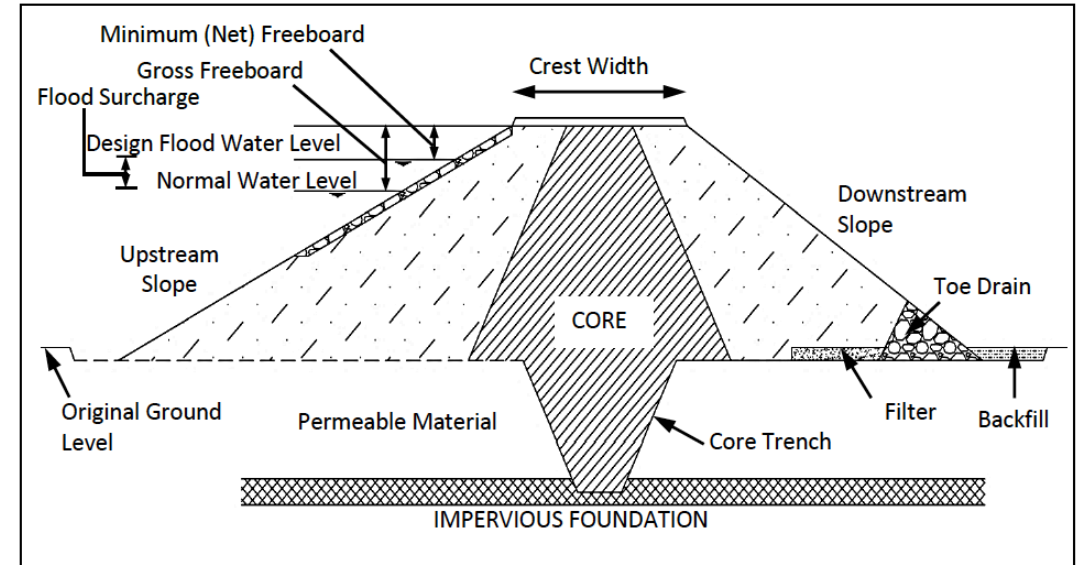
- Data Gathering (Available maps and levee data)
- Site Visit
- Confirm regulatory requirements
- Identify risks
- Develop conclusions and recommendations



FLOODPLAIN CONSIDERATIONS

FLOODPLAIN CONTEXT

- Development Site is Protected by Flood Control Levee
- Base Flood (1% Annual Chance, 100-Year) Elevation = 29.5 NGVD29
- 0.2% Annual Chance (500-Year) Elevation = 34.0 NGVD29
- Top of Levee = Elevation 42.5 NGVD29



ANATOMY OF A LEVEE

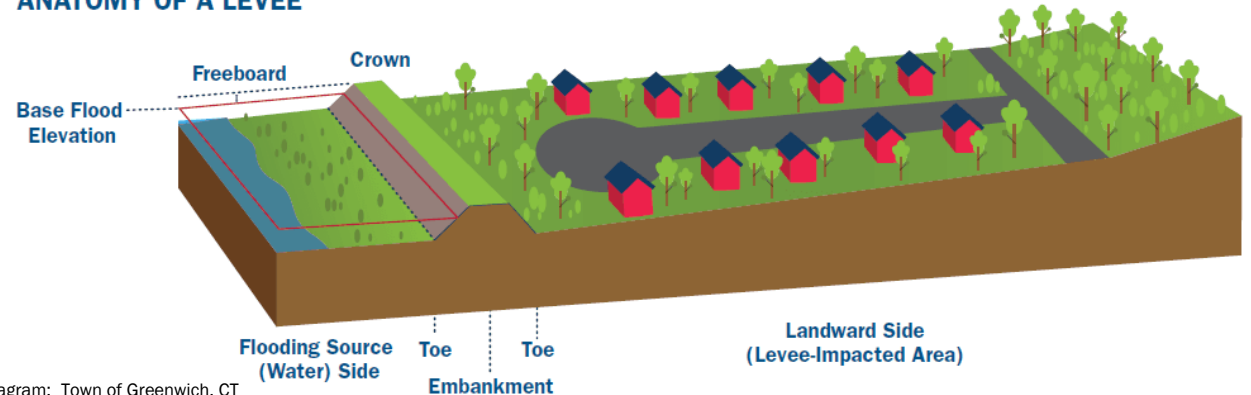
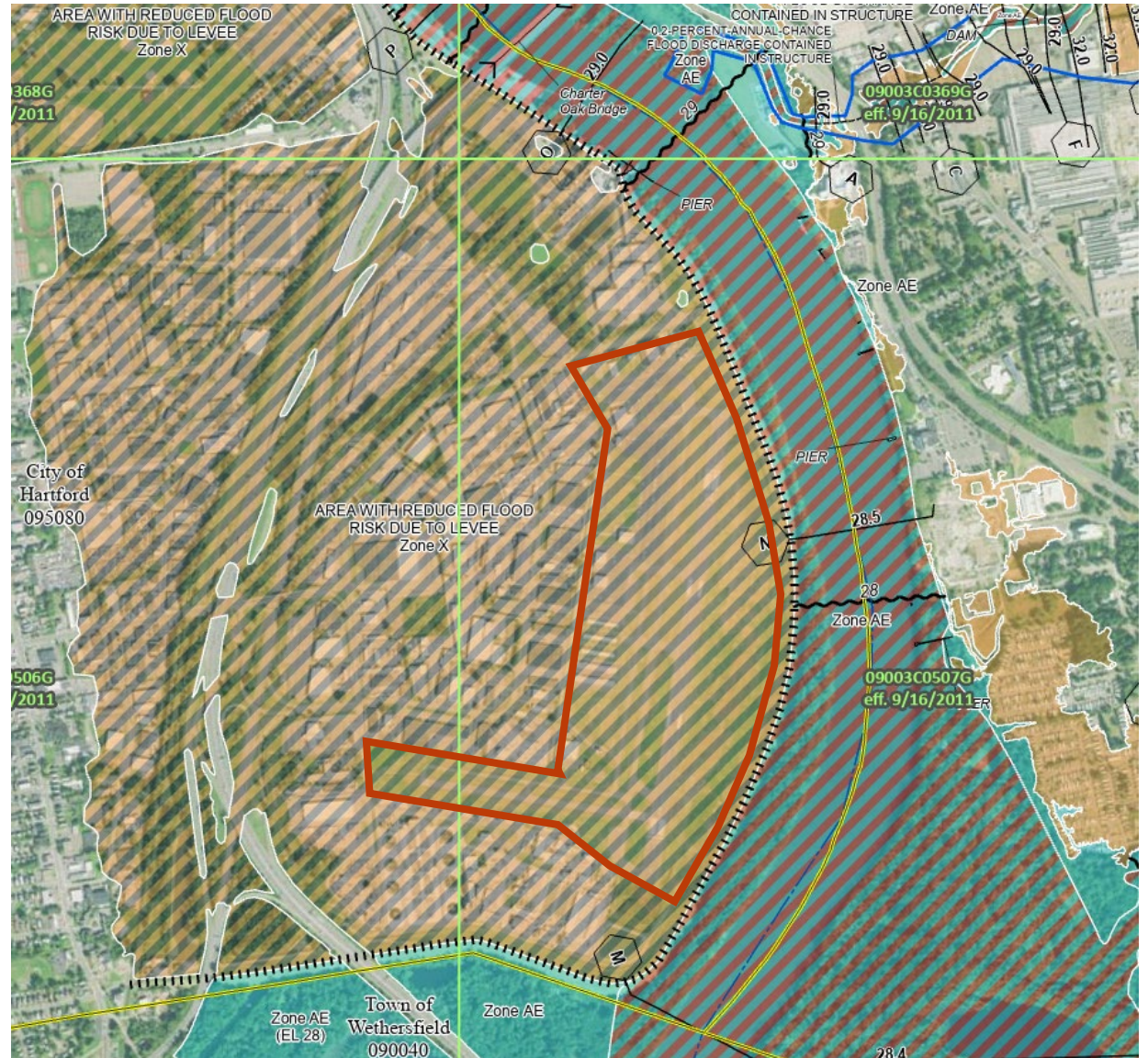


Diagram: Town of Greenwich, CT

FLOODPLAIN CONSIDERATIONS

DATA GATHERING

- Mapped as Zone X
- No mandatory flood insurance purchase requirements
- No minimum floodplain elevation standards
- The levee currently does not meet the ACOE accreditation standards and the Hartford Flood Control Commission is making repairs under a System Wide Improvement Framework Plan



FLOODPLAIN CONSIDERATIONS

CAPITAL IMPROVEMENTS

Project	Priority	Total Est. Cost
EMBANKMENTS/FLOODWALLS		
1. Bulkeley Bridge Underseepage Mitigation	High	\$12,500,000
2. North and South Meadows Dike Toe Drain Installation	High	\$650,000
3. South Meadows Dike Underseepage and Impervious Blanket	Medium	\$5,500,000
4. Floodwall Inspection and Tilting Portion Monitoring	Medium	\$10,000
5. Closure Structure Upgrades	High	\$1,369,000
6. Concrete Flood Wall Upgrades (Joint Repairs)	Low	\$500,000
7. Utility Penetration Abandonment & Modification	Low	\$500,000
PUMPING STATIONS		
8. Pump Station Inspections	High	\$130,000
9. North and South Meadows Pump Station Trash Rack Replacement	High	\$2,000,000
10. Repairs to intake and discharge pipelines at Pope Park, Bushnell Pump, and Armory Pump Stations	High	\$6,000,000
11. South Meadows Pumping Station Valve Improvements	High	\$3,870,000
12. North Meadows Pumping Station Improvements	High	\$4,200,000
13. Bushnell Park Pumping Station Improvements	High	\$2,800,000
14. Keney Lane Pumping Station Improvements	Medium	\$2,800,000
15. Pumping Station Training Program	Medium	\$74,900
16. South Meadows Pumping Station Additional Improvements	Low	\$400,000
17. Armory Pumping Station Improvements	Low	\$2,800,000
18. Pope Park Pumping Station Improvements	Low	\$2,900,000
19. Pumping Station Automation Improvements	Low	\$3,750,000
INTERIOR DRAINAGE & CONDUITS		
20. Weston Street Drainage (Phase 1B)	High	\$300,000
21. North Branch Park River Channel Improvements	Low	\$3,500,000
22. Park River Conduit Upgrades	Low	\$10,000,000
23. Folly Brook Conduit Replacement	Low	\$8,000,000
24. Cemetery Brook Conduit Upgrades	Low	\$1,000,000
TOTAL		\$42,200,000

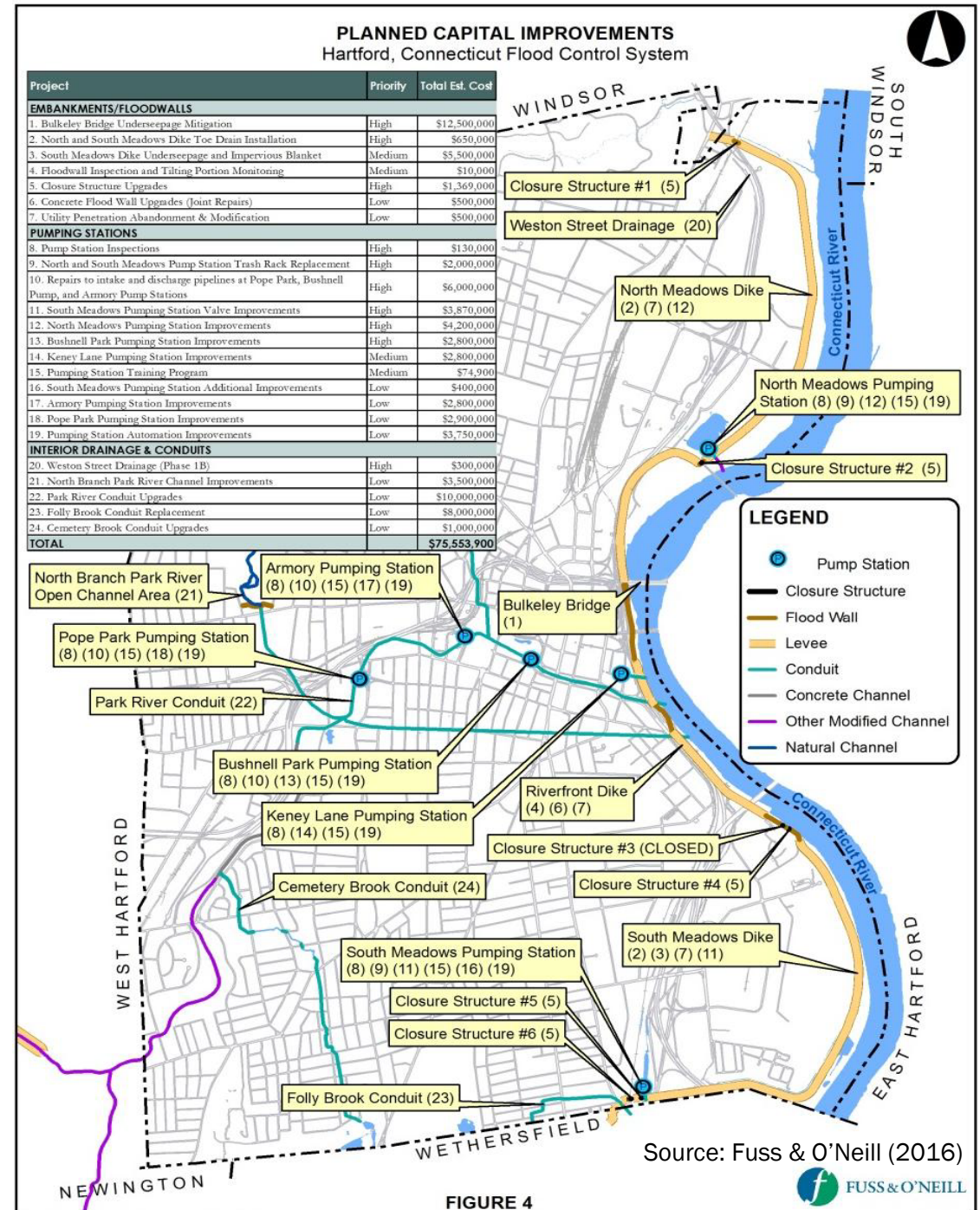


FIGURE 4

ECONOMIC IMPACTS

MARKET SCAN



MARKET SCAN

APPROACH

This analysis comprised a review of regional demographic changes, performance of the local economy, and the current supply of property for the studied uses.



DEMOGRAPHIC TRENDS

- Population and household formation
- Age
- Race
- Income and education



ECONOMIC CONDITIONS

- Employment
- Growth by sector
- Regional competitiveness
- Economic priorities and other emerging trends



REAL ESTATE MARKET

- Inventory and pipeline
- Product types available in the market
- Rent and vacancy rates
- Historical absorption

MARKET SCAN

RESIDENTIAL

Rising interest rates, increasing property valuations, and general market volatility will be the three biggest factors in future multi-family development

- Hartford added slightly more than 900 units to its inventory in 2022, slightly above the annual average over the past five years
- Most multifamily units under construction in Hartford are other uses being converted to residential
- All new residential construction in Hartford needs a public subsidy of some type in order to be marketable

Market Indicators	City of Hartford	CRCOG
Vacancy	6.3%	4.8%
Avg. Rent (\$/SF per month)	\$1.57	\$1.70
New Units Constructed (2018-2023 YTD)	1,800 units (8% of total)	4,300 units (6% of total)
Units Under Construction	430 units* (1,550 units proposed)	1,730 units* (2,650 units proposed)

* - Includes units being converted from other uses

MARKET SCAN

OFFICE

Corporate relocations, loss in office-using employment, and remote working trends have left Hartford with high office vacancy and stifled new development

- Downsizing and relocations from Hartford have pushed the downtown submarket's vacancy above 20%
- HFD site lacks the infrastructure to support new inventory
- Limited new office development in the broader region has primarily been medical office

Market Indicators	City of Hartford	CRCOG
Vacancy	9.9% - 24%*	11.0%
Avg. Rent (\$/SF per year)	\$22.56	\$20.70
New Space Constructed (2018-2023 YTD)	0 SF	346,000 SF (1% of total)
Space Under Construction	0 SF	103,000 SF

* - Office vacancy rates for the City of Hartford vary considerably between sources. CoStar's 2Q 2023 vacancy rate is 9.9% while CBRE's 1Q 2023 Market Report shows a vacancy rate of 24% though this methodology and boundaries of analysis may vary

MARKET SCAN

INDUSTRIAL

Industrial market trends and development pipeline suggest warehousing, manufacturing, or distribution uses may be suitable

- The Interstate Corridor market has healthy fundamentals and seen record-breaking growth in rents, deliveries, and absorption
- Rents have grown at an average annual rate of 5.5% over the past 10 years
- The 2.2M SF Rentschler Field project is a potential competitor

Market Indicators	I-84, 91, and 95 Industrial Corridor	CRCOG
Vacancy	3.6%	4.0%
Avg. Rent (\$/SF per year)	\$6.65	\$6.70
New Space Constructed (2018-2023 YTD)	2.7 million SF (6% of total)	4.8 million SF (5% of total)
Space Under Construction	115,645 SF	957,000 SF

MARKET SCAN

RETAIL

- Rents have grown modestly but retail vacancy rates remain low despite continued deliveries in the region
- Big box retail that could lure customers from a broader area with a distinctive offering may be a possibility at the site
- The area's industrial character will limit new retail performance, but accessory retail could support other uses at HFD

Market Indicators	City of Hartford	CRCOG
Vacancy	2.5% - 4.1%*	3.6% - 4.1%
Avg. Rent (\$/SF per year)	\$20.86	\$16.46
New Space Constructed (2018-2023 YTD)	399,400 SF (5% of total)	1,296,000 SF (2% of total)
Space Under Construction	8,000 SF	215,000 SF

* - Retail vacancy rates for the City of Hartford and CRCOG region vary considerably between sources. CoStar's 2Q 2023 vacancy rate is 2.5% and 3.6%, respectively while NAR's 1Q 2023 metro market report shows a vacancy rate for the Hartford MSA of 4.1%

MARKET SCAN

RECREATIONAL

- Open space is not a market-driven use, but other types of recreation uses may be privately developed
- Stakeholders have reported demand for indoor multisport complexes; however, minimum amount of space and accessibility is critical to serving tournament events that bring visitors from out of town
- Lack of supporting amenities – hotel, restaurant, etc. – may make private development less appealing without accessory uses nearby



OPPORTUNITIES AND CONSTRAINTS

COMPARING USES

Use	Opportunity	Constraint
Residential	<ul style="list-style-type: none"> Increased tax base 	<ul style="list-style-type: none"> Development cost premium Lack of proximate amenities Environmental issue of development between MIRA and the MDC Plant Need to evaluate the capacity of sanitary sewer to accept new/increased flows from any potential redevelopment
Office	<ul style="list-style-type: none"> Increased employment Increased tax base 	<ul style="list-style-type: none"> Weak market Competition with vacant office space downtown
Retail	<ul style="list-style-type: none"> Supports other uses as amenity Increased tax base 	<ul style="list-style-type: none"> Weak market Retail better located in downtown and existing corridors
Industrial	<ul style="list-style-type: none"> Increased employment Increased tax base Compatible with nearby existing uses Relatively strong market 	<ul style="list-style-type: none"> Competition with other regional developments Absorption rate
Recreation	<ul style="list-style-type: none"> Increased recreation opportunities Limited opportunity to drive visitation 	<ul style="list-style-type: none"> Open space incompatible with nearby uses Hartford well-served by parks; additional open spaces limit resources for existing parks Limited market for higher-end indoor facilities

DEMAND FOR DEVELOPMENT

ONE COMPONENT OF ASSESSING HIGHEST AND BEST USE

In addition to continued airport operations, outcomes of the market analysis considered the market potential, location potential, and associated demand for each use.



MARKET POTENTIAL

What are prevailing and to-of-market rents in the region?
What is the vacancy rate?
What types of development are being financed and built?



LOCATON POTENTIAL

What is the size, shape, and orientation of the development?
What are the adjacent uses? Are they compatible with development?
What types of amenities are available or proximate to HFD?



DEMAND

How much space is required by users in the region?
How much can HFD reasonably expect to capture?
How can a thoughtful mix of uses and phasing plan catalyze additional demand onsite?

FINANCIAL FEASIBILITY

PROJECT COSTS AND VALUES

Financial feasibility analysis will translate market potential into development value and compare against associated development costs.

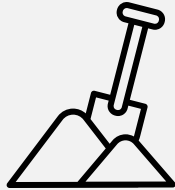
MARKET POTENTIAL
LOCATON POTENTIAL
DEMAND



FINANCIAL FEASIBILITY

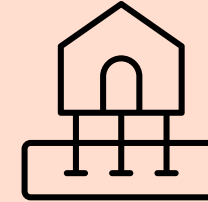
CHALLENGES OF DEVELOPMENT AT HFD

Environmental Remediation



Required to replace contaminated soil from underground storage tanks.

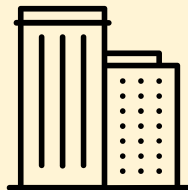
Added Construction Costs – Piles, Water, Sewer



Needed to support vertical development by extending piles to the bedrock.

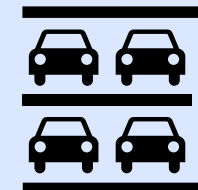
Need to invest in supporting infrastructure

Added Construction Costs – Mid-rise Typology



To enhance value of residential development by providing river views.

Added Construction Costs – Structured Parking



To provide a non-residential podium for flood mitigation purposes.

DEVELOPMENT VALUE

ECONOMIC AND FISCAL IMPACTS OF DEVELOPMENT

Economic analysis will also consider economic and fiscal benefits that development alternatives provide.

ECONOMIC IMPACTS - QUANTITATIVE

- One-time economic impacts of development from construction labor and materials
- Ongoing economic impacts of new residents, retail spending, and employment in development alternatives

ECONOMIC IMPACTS - QUALITATIVE

- Depending on use may include:
- Increased housing supply
 - Supportive job creating spaces for industrial, office users
 - Potential synergies with the airport

FISCAL IMPACTS

- One-time fiscal impacts of development (e.g., sales tax, etc.)
- Ongoing fiscal impacts of new residents, retail spending, and business activity
- Real and personal property taxes

DEVELOPMENT

MATRIX



DEVELOPMENT CONSIDERATIONS

PREVIOUS DEVELOPMENT SCENARIOS

Previous “Development Scenarios or Visions” did not take into account:

- Environmental Remediation
- Market conditions of the region
- Permitting requirements for approval
- FAA Requirements
- Infrastructure improvements
- Capital requirements need to start and finish the project
- True “Development” timelines

DEVELOPMENT MATRIX

Development Matrix for Hartford Brainard Airport				
		Option 1 – Hartford Brainard Airport (Remains Operational)	Option 2 – Hartford Brainard Airport (Crosswind Close)	Option 3 – Hartford Brainard Airport (Close)
I. Acquisition				
	1	Feasibility: Do the anticipated future benefits exceed the expected future costs?		
	2	Underwriting: Can capital be attracted to this development, given the risks and returns of the development?		
	3	Contract: How are title, control, monies, and associated risks transferred from the seller to the buyer?		
	4	Due Diligence: Are the assumptions about development (legal, physical, economic, market) valid, or have they been verified?		
	5	Closing: Have all of the required conditions to close been met, and have all of the required documents been prepared, reviewed, and executed?		
II. Financing				
	1	Projections: What are the amounts and timing of expected capital expenditures, holding costs, and operating expenses, as well as sales, rents, and other income?		
	2	Financial management and reporting: How will the future capital flows be managed, and to whom and in what form will they be reported?		
	3	Capital formation and accumulation: Given the risk, returns, and timing of the capital flows of the development, what is the appropriate capital structure, and how can capital sources be secured?		
III. Market Feasibility and Marketing Strategies				
	1	Projected Market Conditions:		
	a	What are the existing rents, vacancies, and occupancies?		
	b	What is the future demand for the various land uses?		
	c	What competitive properties are under development or permitted for future development?		
	2	Market Strategies:		
	a	What amount of various land uses should be developed on the site?		
	b	How and by whom should they be brought to market?		
	3	Promotion and Advertising		
	a	How, when, and to whom should the development be promoted and advertised?		
IV. Environmental				
	1	Environmental Studies:		
	a	Phase I – Survey of Site Conditions;		
	b	Phase II – Testing of environmental site conditions; and		
	c	Phase III -- Remediation of certain environmental conditions.		
	2	Atmospheric, surface, and sub-surface conditions:		
	a	These conditions should be known, and the effect of these conditions should be evaluated before closing.		

DEVELOPMENT MATRIX

3	Cultural and historic conditions:			
a	Are there historical events, cultural traditions, or religious considerations that can affect the site's development?			
V. Approvals and Permits				
1	Federal			
a	U.S. Department of Transportation			
i	Federal Aviation Administration			
b	Army Corp of Engineers			
c	U.S. Environmental Protection Agency,			
2	State			
a	DECD			
b	DOT			
c	DEEP			
d	OPM			
3	Regional and Intergovernmental Authorities			
a	CAA			
b	CRDA			
c	Greater Hartford Flood Commission			
4	Local – City of Hartford			
a	Zoning Board			
b	Planning			
c	Building			
d	Police			
e	Fire			
f	Board of Education			
5	Private			
a	Ingress-egress easements			
b	Deed restrictions			
c	Property swap with MDC			
VI. Improvements				
1	Planning and design:			
a	Can the desired, permitted, or required improvements be built on or in the space allocated for those improvements			
b	Can the desired improvements be designed to meet market standards of acceptability?			
c	Are the talents of the requisite planners and architects available to the developer?			
2	Engineering			
a	Can the planned or designed improvements be built attractive, timely, and cost-effective?			
b	Can the planned or designed improvement be engineered to meet the current and future standards for sustainability and safety?			
3	Construction			
a	Can the improvements be built on time and budget?			
b	Are the general and sub-contractors available to take on this project?			
c	Are the necessary materials available and affordable?			

DEVELOPMENT MATRIX

VII. Transportation and Accessibility			
1	Off-site		
a	What transportation systems are available to bring people and goods to the property?		
b	What changes or improvements to those systems are required to enable goods and people to the site?		
c	Can these changes or improvements be permitted, designed, and constructed promptly and cost-effectively?		
2	On-site		
a	How will goods, services, and people access their destination once they are on-site?		
b	Are roads, trails, walkways, elevators, escalators, and storage areas adequate to handle the expected traffic among and within buildings?		
c	Can these improvements be designed and constructed in a timely and cost-effective manner?		
VIII. Disposition			
1	Seller's Due Diligence:		
a	What do we have?		
b	What is it worth?		
c	Who wants to buy it?		
d	How do we affect a sale or lease?		
2	Marketing:		
a	How is the property presented to potential, qualified buyers?		
b	What is the appropriate pricing strategy?		
3	Sales or lease Contract:		
a	Price and terms		
b	Conditions to close		
c	Post-closing conditions		
4	Development Agreements		
a	What must occur? (construction specifications or zoning board conditions)		
b	When must they occur? (milestones)		
c	What happens when they don't? (guarantees, self-help, bonds)		

NEXT STEPS



NEXT STEPS

- Drafting Report
 - Finish Economic Calculation
 - Environmental Remediation Costing
 - Development Scenario Pro-Formas

- Website - <https://hartfordbrainardairportstudy2023.com>

