

Memorandum

To: Tom Moore
From: Brian Connors, Deputy Director of Economic Development
Cc: Tim Sheehan, Phil Dromey, Alvin Allen, Marcos Gonzalez
Subject: Build Back Springfield Project Review
Date: April 4, 2022

The Build Back Springfield Review Committee met with members of the Indian Orchard Citizens Council on February 18, 2022 and have since reviewed a request letter for a planned redevelopment of the former Indian Orchard Fire Station on Oak Street in Indian Orchard. The meeting was attended by the following Review Committee representatives:

- Brian Connors, Deputy Director of Economic Development
- Phil Dromey, Deputy Director of Planning
- Alvin Allen, Principal Planner
- Marcos Gonzalez, Project Manager – Economic Development

The Office of Planning & Economic Development has prepared this memo to support a decision by the ARPA Advisory Committee to consent to allocation of funding from the ARPA Build Back Springfield Fund to support this project.

Analysis of COVID-19 Economic Impact

On March 10, 2020, Massachusetts Governor Charlie Baker declared a State of Emergency in response to the emerging and unprecedented coronavirus pandemic.¹ Numerous executive orders followed the initial declaration of a state of emergency. Those orders included restrictions on gathering sizes, shutdown of normal business operations for businesses across the Commonwealth and closure of schools.²

While the emergency measures were necessary to curb the spread of coronavirus and respond to the COVID-19 pandemic, they also had significant impacts for the economy. Massachusetts experienced the highest unemployment rate in the country and Springfield experienced the 2nd highest unemployment rate in the state at over 25%³.

Prior to the COVID-19 pandemic, the economic outlook for residents in Springfield lagged behind the country and the state at large. The percentage of Springfield residents living below the poverty level was approximately 30%, nearly triple the state average and

¹ Commonwealth of Massachusetts, [COVID-19 State of Emergency | Mass.gov](https://www.mass.gov/info-details/covid-19-state-of-emergency)

² Commonwealth of Massachusetts, [COVID-19 State of Emergency | Mass.gov](https://www.mass.gov/info-details/covid-19-state-of-emergency)

³ WBUR, “Unemployment Squeezing Mass. Cities, Communities of Color, August 26, 2020

family median income trailed most Massachusetts cities⁴. An estimated 55% of Springfield residents aged 25 years or older had a high school degree/GED or less in 2010⁵.

According to U.S. Department of Treasury, communities like Springfield, with high social vulnerability have fared more poorly than the national average, with the understanding that underlying social and health vulnerabilities have contributed to more severe public health and economic outcomes for these residents.⁶ Residents in these communities suffered from disproportionate impacts from both the virus and the necessary actions taken by public health officials to contain the spread of the virus.⁷ This is especially true in the census-tracts with the highest concentrations of poverty and social vulnerability.⁸

Springfield's QCTs have experienced high unemployment, limited economic opportunity, and housing insecurity. Nearly half of the population is low income, with the median income in the metro center census tract being \$13,877.⁹

Significantly, with the ARPA Final Rule taking effect on April 1, 2022 it now offers a very clear framework for whether small businesses are considered "impacted" and "disproportionately impacted." Under the Final Rule all small businesses located within Qualified Census Tracts (QCT) are considered "disproportionately impacted" and are thus eligible for a broader list of place-based support, including storefront renovation and other physical improvements.

The former Indian Orchard Fire Station is located in census tract 8001.02, noted as a QCT and has a current per capita income of \$19,365 with nearly 20% of residents living below the poverty line.

The property was built in 1897 and enlarged in 1907, and was designed by Gardner, Pyne, and Gardner, a prominent architecture firm of the period. The station contains a two story brick building including a basement. The historic building, which serves as an iconic structure in the neighborhood with its rear tower, and features over 11,000 square feet of interior space. The City sold three other former Fire Stations over the last decade which were redeveloped into residential and commercial space.

The property was vacated as a fire station decades ago, and then utilized as storage facility and workshop for the City facilities department. That use vacated the property in recent years, and the building has stood vacant since – leaving itself subject to vandalism and neglect. The city did minimal repairs to the building while utilizing it for storage, and as such significant deferred maintenance issues exist.

⁵ Regional Employment Board/MassHire Hampden County Workforce Board, 2017

⁶ ARPA SLFRF Interim Final Rule

⁷ ARPA SLFRF Interim Final Rule

⁸ ARPA SLFRF Interim Final Rule

⁹ American Community Survey Data, U.S. Census Bureau

The property has been put out via Request for Proposals (RFP) on multiple occasions, with incentive funding to assist in the development gap, however no proposal has been deemed feasible or acceptable.

At the conclusion of the most recent disposition process, the local neighborhood organization – Indian Orchard Citizens Council (IOCC) - put forward a concept to work collaboratively on redeveloping the property with the City. IOCC has since applied to the City under this concept, utilizing the city to administer development activities and work together on a development plan.

The applicant has initially proposed a predevelopment scope to include a full building assessment to better understand structural conditions prior to advancing planning efforts. Ultimately IOCC would like to see the building utilized for a mix of community uses including potentially education, arts, health, and public safety related uses.

Addressing the Impacts

The City of Springfield recognizes the impact to businesses, commercial properties, and nonprofit entities in Springfield's QCT's. The necessary closures due to the pandemic sent an economic ripple effect throughout neighborhoods across Springfield. These closures resulted in loss of job opportunities to Springfield's low-income residents living within Qualified Census Tracts, and contributed to Springfield's unemployment rate reaching a record high of 25.9% in June, 2020.

The City of Springfield Development Division has designed the Build Back Springfield program to address a variety of COVID-19 related capital improvement needs associated to these community impacts within Qualified Census Tracts. The key components to the program application were to attract private investment in redeveloping historic properties that were experiencing significant economic instability, increased vacancy, and deferred maintenance and structural concerns. Adaptive reuse of vacant space is a key component of the program.

Projects would only be considered by the program in eligible tracts and be designed to offer benefits to the residents within these tracts. They would provide public services to communities that are underserved by businesses, job opportunities, and the project would be required to address existing disproportionate health, economic and social disparities that were exacerbated by the COVID-19 pandemic and improve health outcomes for the impacted community. Eligible projects within this program could include commercial rehabilitation, soft cost investments in development and/or tenant fit-out for eligible businesses.

The Build Back Springfield Review Committee has reviewed request submitted by IOCC to utilize ARPA funding to advance planning and redevelopment of the Indian Orchard Citizens Council. This will result in the preservation of a significant vacant historic building, as per the program goals, as well as offer significant benefits for local residents through a multitude of new community uses.

The project location is located on public transit lines and walking distance, just two blocks, to the Indian Orchard Public Library.

The following program criteria would be met by the proposed project:

- Located and designed to serve residents of Qualified Census Tracts and would provide an essential public service to residents within Qualified Census Tracts to offer new opportunities for low and moderate income residents
- Would address pre-existing health disparities, exacerbated by the COVID-19 pandemic by low-income residents of a qualified census tracts and would contribute to improved health outcomes for low-income residents within Qualified census tracts through the redevelopment of currently vacant property currently a public safety hazard
- Would activate a long vacant significant building within the Indian Orchard neighborhood, thus improving walkability and public safety
- Preservation of a historic building suffering deferred maintenance issues as well as long term commercial vacancy exacerbated by the COVID-19 pandemic

As noted, businesses and communities within QCTs are a presumed disproportionately impacted community in the ARPA Final Rule by the U.S. Treasury¹⁰ and investments in disproportionately impacted neighborhoods to promote improved economic and health outcomes is an enumerated project recognized by the U.S. Treasury to respond to the disproportionate impact of the pandemic on such communities.¹¹

Final Recommendation

It is our determination that the project proposed would meet the criteria set-forth by the Build Back Springfield Program design and the ARPA Final Rule. It is also our determination that the investment needed in Indian Orchard with increased vacancy and historic properties is essential to the economic well-being of the area. The harm created by long term vacancies in significant historic buildings impact communities far more than cost of this subsidy of ARPA funds and is both reasonable and proportionate to address some of the harm and long-standing disinvestment within Springfield's QCTs and core urban neighborhoods. Without public subsidy to support this investment, the project would not move forward as a significant project financial gap exists and multiple disposition efforts have proven out.

Based on all of the described factors the Build Back Springfield Review Committee is submitting this memo and application to the ARPA Advisory Committee to approve and support an initial predevelopment award of \$50,000 in ARPA funding for IOCC to partner with the City of Springfield on the redevelopment of this important property, with the expectation that a detailed implementation request application will be submitted in the future.

¹⁰ ARPA SLFRF Final Rule Federal Register / Vol. 87, No. 18 / Thursday, January 27, 2022

¹¹ ARPA SLFRF Final Rule Federal Register / Vol. 87, No. 18 / Thursday, January 27, 2022

Photos



