

**Redevelopment Plan – Feasibility Study
Mile Lane Army Reserve Center
Middletown, CT**

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Prepared for:

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I. EXECUTIVE SUMMARY

On August 25, 2005, the Base Realignment and Closure Commission (BRAC) voted to close three U.S. Army Reserve centers in Connecticut, including the Mile Lane Army Reserve Center in Middletown. This announcement set in motion a series of events and procedures whereby the facility was declared surplus by the federal government, operations were shut down and moved elsewhere, and the property transfer process was begun. Under BRAC law, the City of Middletown formed a local redevelopment authority (LRA) to plan the reuse of the property. This report presents the results of the LRA's planning effort, culminating in a Preferred Reuse Plan for the property.

The Mile Lane property contains 23.7 acres owned in fee by the federal government and 21.5 acres of easements on surrounding parcels. The site contains a 15,800 square foot building constructed in 1987 that is in fair to good condition, and which was used by the Army Reserve for training, meeting and administration. The remainder of the hillside site, which was originally built as a Nike missile facility by the Army in the late 1950s, includes a mix of open fields, parking areas and woodlands. It is located on the western side of the City of Middletown in a rural, residential neighborhood.

Under federal BRAC law, the Army must cleanup any environmental contamination on the property before it can be transferred. A report issued earlier this year identified some potential for contamination which the Army is studying further to determine how and when to remediate the property. The BRAC law also specifies several methods by which surplus property can transfer, including the use of a Public Benefit Conveyance (PBC) for a variety of purposes. The LRA is required to develop a feasible reuse plan through a public outreach process, including the need to promote the availability of the property to homeless providers in the region. The Middletown LRA carried out all of the required steps and evaluated a series of alternative uses for the property including public recreational use and the development of a public safety campus.

The Preferred Reuse Plan calls for the construction of a state-sponsored and funded Fire Training School, along with a new City fire station and emergency operations center. Building a fire station at the Mile Lane site provides increased public safety to residents of this section of the City who currently experience an unacceptably long response time. This location also allows for the creation of a regional animal shelter to provide needed kennels and dog runs in a City that currently has no space to shelter lost or abandoned animals. The Mile Lane site also provides a new home for the 9-1-1 Dispatch and Operations Center that has outgrown its cramped location at the Cross Street Fire Department.

The City will utilize state and local funding to develop these uses over a 2-5 year period following acquisition of the property from the Army. Transfer of the property at no cost to the City will be accomplished by a Public Benefit Conveyance with the Department of Homeland Security, Federal Emergency Management Agency (FEMA) serving as the sponsoring federal agency.

The Redevelopment Plan, once approved by the Middletown Common Council, will be forwarded to the Department of Housing and Urban Development (HUD) which must approve the Homeless Submission portion of the Reuse Plan, then onto FEMA and the Army. A decision is expected to take at least 60 days. The Army must then either accept the Reuse Plan and actively begin the process to clean and convey the property, or reject it and work with the LRA on an alternative disposition strategy for the property.

II. INTRODUCTION

A. BRAC Action

On August 25, 2005, the Base Realignment and Closure Commission (BRAC) voted to close three U.S. Army Reserve centers in Connecticut, including the Maintenance Support Facility located on Mile Lane in Middletown. This announcement set in motion a series of events and procedures whereby the facility was declared surplus by the federal government, operations were shut down and moved elsewhere, and the property transfer process was begun. Under BRAC law, the Department of Defense (DoD) first notified other federal agencies of the availability of the property with none showing an interest. It then contacted the local jurisdiction in which the facility is located to begin a localized redevelopment planning effort. The City of Middletown, as the sole municipal jurisdiction impacted by the BRAC action, responded by forming a local redevelopment authority (LRA), which was subsequently approved by DoD's Office of Economic Adjustment (OEA) as the officially recognized planning agent for the property.

This report presents the results of the LRA's planning effort, culminating in a Preferred Reuse Plan for the property.

B. Local Redevelopment Authority

In response to the BRAC decision, the City of Middletown formed a Local Redevelopment Authority (LRA) to oversee the reuse planning efforts. On April 3, 2006, the Middletown Common Council passed Resolution 47-06 establishing the Middletown Base Realignment and Closure Local Redevelopment Authority whose purpose is "to create a comprehensive redevelopment plan for the acceptance through land transfer from the U.S. Army of this base to the City of Middletown."

Appointed to the LRA were the following individuals:

- Sebastian Giuliano, Mayor of the City of Middletown
- Joseph Bibisi, Deputy Mayor City of Middletown Common Council
- Thomas J. Serra, City of Middletown Common Council Majority Leader
- Dr. Michael J. Frechette, Superintendent of Schools
- Geen Thazhampallath, Aide to the Mayor
- William Warner, Director of Planning, Conservation, and Development

Michiel Wackers, Deputy Director of Planning, Conservation and Development was appointed as staff to the LRA. The LRA was officially recognized by the Department of Defense by letter dated May 1, 2006 from Patrick J. O'Brien, Director of the Office of Economic Adjustment, DASA.

The LRA has met in public session on a regular basis since its formation, and has reached out to the community seeking input on the redevelopment of the facility.

III. EXISTING CONDITIONS

A. Property Description

1. Location

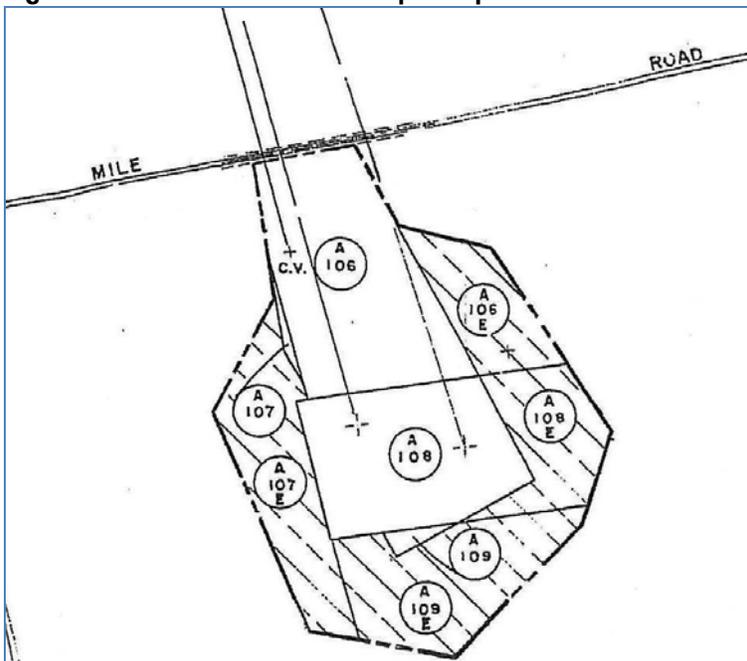
The Mile Lane Army Reserve Center (the “Property”) is located in central Connecticut, approximately 15 miles south of Hartford and 2 miles west of downtown Middletown. The surrounding area is lightly to moderately developed with residential, commercial and agricultural land uses. The Property fronts on Mile Lane, an east-west street off of Route 3 (Newfield Street).

2. Size

U.S. Army deed records indicate that the Property contains 23.72 acres of land that is owned in fee, along with surrounding easements on 21.45 acres, for a total site of 45.17 acres. The parcel was acquired by eminent domain in 1955 from four landowners. Figure 1 shows the relative location of the deed and easement parcels, taken from a 1955 Army map.

The City’s assessment records show a single parcel of 47.2 acres that may include the fee land and one or more easement parcels. Copies of the deeds and assessors records are included in Appendix A. The fee parcel is roughly rectangular in shape, with approximately 400 feet of frontage on Mile Lane and extending southward approximately 1,500 feet. Figure 2 on the following page is taken from the City’s GIS and shows the approximate tax map boundaries. It is assumed that the Army will dispose of its fee interest as well as extinguish any remaining easements on the underlying parcels.

Figure 1- Relative location of acquired parcels



3. Topography

The Property is located on a small hill or ridge, rising more than 100 feet from Mile Lane towards the southwestern corner of the site. The site has been terraced to accommodate buildings and parking areas on the front portion and includes a large (approximately 150 feet by 600 feet) level area in the rear. Figure 3 provides an aerial view of the entire site with topography, as well as the estimated location of the Army's property lines for the fee simple parcel.

Figure 2 – City GIS Parcel Map

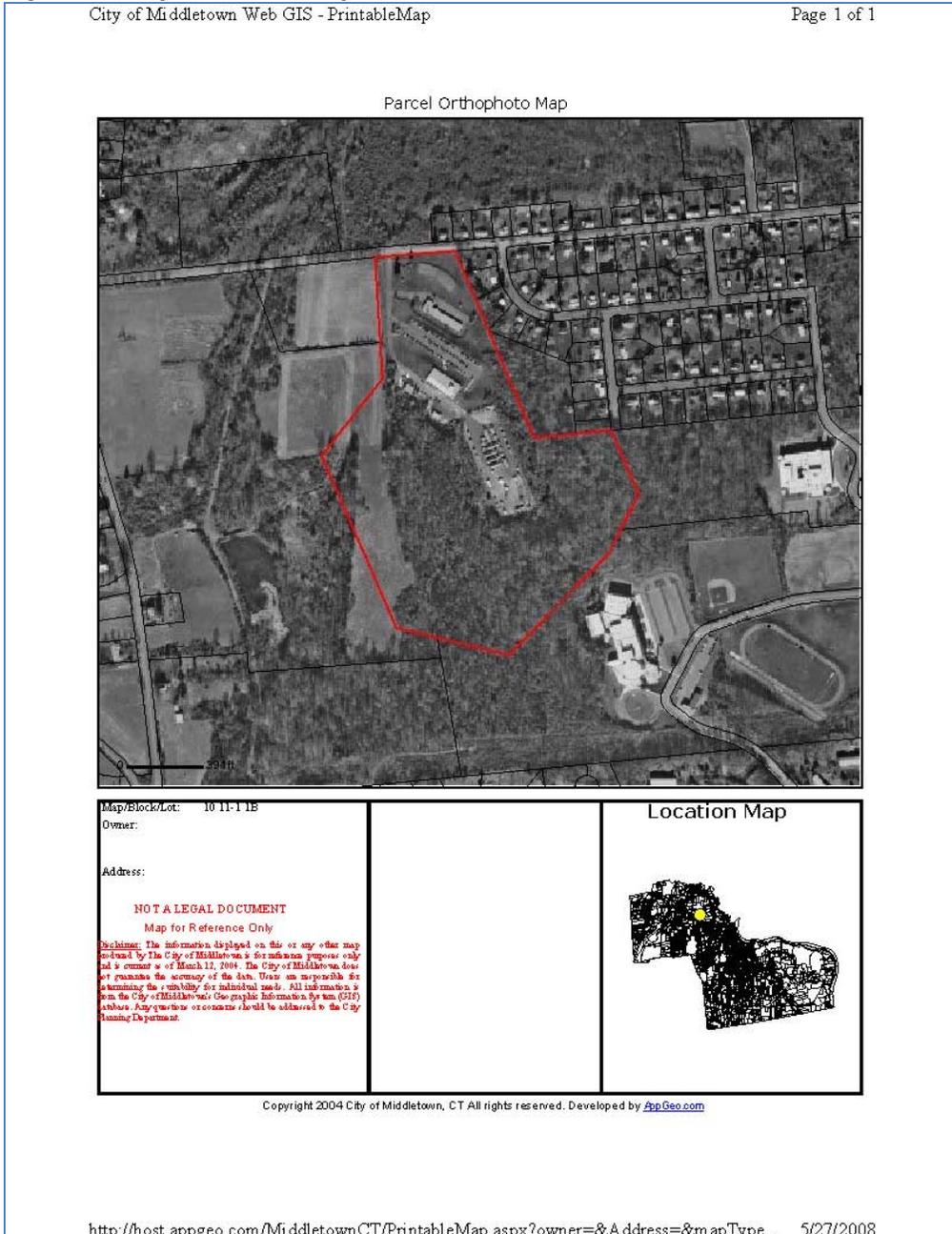


Figure 3 – Baseline Conditions



4. Surrounding Land Uses

The site is bordered to the north and east by a residential subdivision of moderately priced single family homes. Directly north across Mile Lane the land is generally undeveloped with the exception of a few single family homes. To the west is active agricultural land (hay fields). The property abuts two City school properties to the south, including the new High School that is set for completion in 2008.

B. History

The site, originally used as farmland, was acquired by the U.S. Army in September 1955 through eminent domain for the construction of a Nike missile launch site, along with property approximately 2 miles north in Cromwell which served as the missile control center. The Middletown site was developed with three underground missile silos, various support buildings and a barracks for approximately 90 personnel stationed at the base. Construction of the base was completed and operation commenced in 1958. The base was operated by the Army until 1964, then by the Connecticut National Guard until it was decommissioned in 1968. The property was transferred to the Army Reserve in 1970. In 1987, the barracks building was removed and a new Army reserve center was constructed. The remaining original structures were removed during the early 1990s. The three missile silos were reportedly demolished and filled.¹

After the Army decommissioned the site, the property was believed to have been declared surplus and available for transfer under the federal regulations at that time. The City of Middletown approached the Army in 1969 regarding acquisition of the property for public use, possible as a site for schools. However, the Army removed the property from surplus and transferred it to the Army Reserve.

The Army Reserve operated the facility, generally for administrative purposes, until 2006. The building was used for offices, meetings of reservists, training and storage. The portion of the site previously used for the missile silos was used occasionally for mobile equipment storage. The site has been vacant and “mothballed” since.

C. Zoning

The Property is located within the City of Middletown’s R-15 zone, which is a predominately residential land use zone. Allowed uses by right include single family dwellings and farming. Minimum lot size is 15,000 square feet with 100 feet of frontage on an approved street. Uses allowed under special exception include childcare facilities, outdoor recreation, educational facilities and active adult housing. The City’s zoning code (and subdivision regulations) also impose limitations on development based on soil types, wetlands and slopes.

¹ Sources: Final Environmental Condition of Property (ECP) report, dated March 2007, Army Corps of Engineers; and Preliminary Feasibility Study of Various Concepts (internal document), City of Middletown Planning Department.

The City's Plan of Conservation & Development (master plan) includes provisions for a "greenway" between East Street and Newfield Street which includes portions of the property. This would encourage habitat preservation, open space development and possible recreational trails through the property.

D. Facilities Assessment

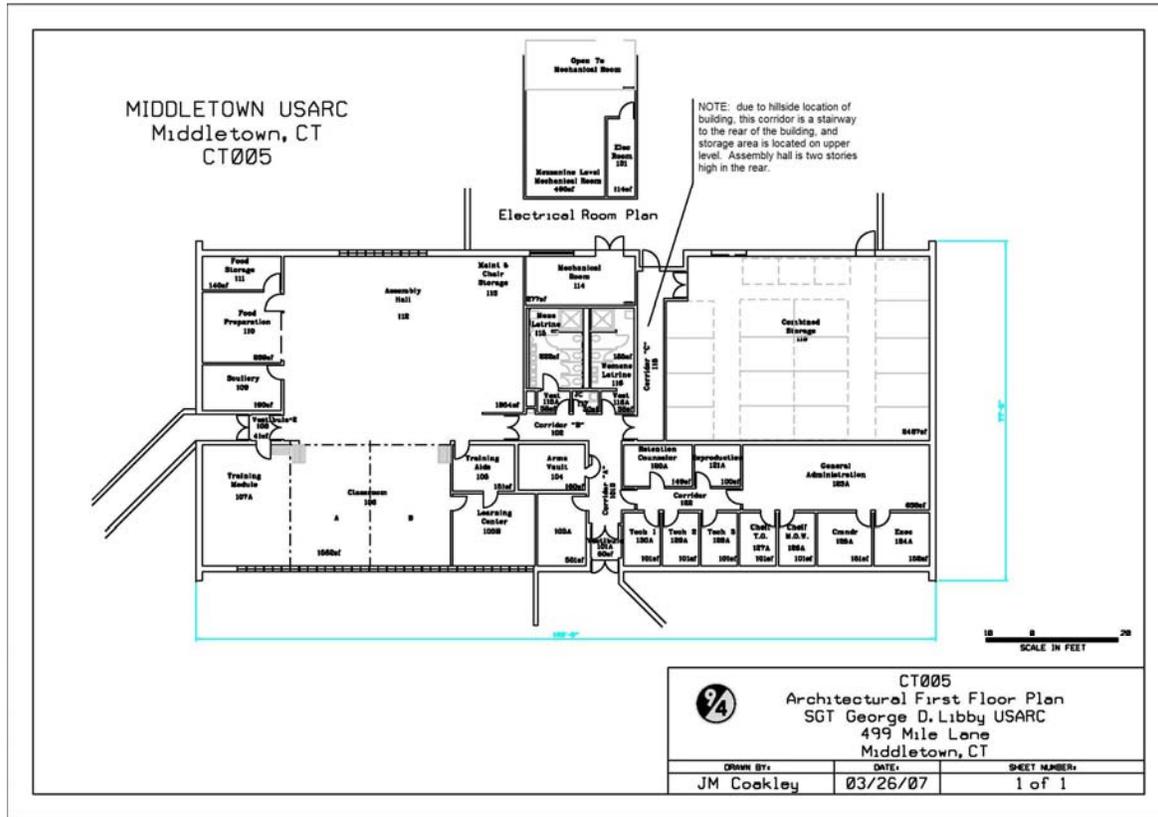
In order to better understand the condition of the 1987 building on the property, a detailed facility assessment of the building's mechanical, electrical and plumbing systems was conducted by as part of the reuse planning by Consulting Engineering Services, Inc. (CES) of Middletown. A copy of the report is attached as Appendix B.

The building is built of concrete block and is built into the slope. It is single story in the front (north side, facing Mile Lane) and rises to two stories in the rear. The building includes offices, a large high-ceiling muster hall, classrooms, a commercial kitchen, male and female bathrooms, along with mechanical and storage areas. Heat is provided by two propane-fired boilers which feed both hot water baseboard-style and air-handling units throughout the building. The building is also air conditioned.

The building and site are served with City water and sewer services, as well as electric and telephone.

In summary, the analysis found that the 15,800 square foot building is in generally good condition and suitable for reuse for a variety purposes. However, many of the building's mechanical systems are at or past the end of their rated 'lives' and may need to be refurbished or replaced. CES estimated the cost for these improvements at approximately \$489,000 or about \$31 per square foot. Figure 4 provides a floor plan of the building as provided by the Army Reserves.

Figure 4 – Floor Plan of Mile Lane Army Reserve Building



E. Environmental Conditions

Consistent with DoD and Army policy, the environmental program at the facility is being conducted pursuant to the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA). Under the CERCLA process, the Army incorporates other applicable or relevant and appropriate federal and state regulations. Under current federal law, the Army cannot transfer the property until all contamination has been remediated (cleaned up or otherwise rendered harmless). The exception to this is referred to as “Early Transfer” and is described in Section IV.D.

In March 2006 the Army published an Environmental Condition of Property (ECP) report for the facilities, as required under Department of Defense regulations. This document, which analyzed previous data regarding the property, concludes with the findings that “potentially polluting materials” had been present on the site, that there was evidence of possible spills and releases of these materials into the environment and that there was the reported ‘presence of volatile organic compounds (VOC’s) and petroleum hydrocarbons in the groundwater’ under the site.

The ECP reports that some remediation of petroleum spills, primarily from underground storage tanks that had previously been used on the facility, had taken place. It further noted that there was no evidence of PCB’s, asbestos containing materials, lead-based paint,

radiological materials or munitions at the site. The more toxic materials that had been used when the missiles were present were believed to have been carefully handled and managed, with no evidence of any release.

The ECP categorizes the property as “Type 7”, requiring further evaluation to determine the extent of the environmental conditions. Additional active investigation of the site has been on-going, including the installation of test wells and other means to quantify the extent of the pollution. The Army has continued to monitor the site and additional information is anticipated to be forthcoming over the next few months.

Although it is not possible to know the extent of the potential hazardous materials at the site or the requirements for remediation before the property can be disposed of by the Army for reuse, the information contained within the ECP is useful in considering reuse alternatives for the property. The clean-up standards that the government must meet is partly dependent on the reuse of the property – for example, residential and educational uses have a higher standard of cleanup than industrial or commercial. The findings of the Army’s further analysis of the environmental conditions at the facility will be important input into the redevelopment strategy.

Excerpts from the ECP, including the Executive Summary, Table of Contents, Introduction and Conclusions are reproduced in Appendix C. A copy of the full ECP is available from the LRA.

Once the Army receives the Redevelopment Plan, it will then begin work on an Environmental Assessment (EA), or an Environmental Impact Statement (EIS), if necessary, for the transfer based on the uses proscribed in the plan. The EA serves as the basis for the clean-up of the property.

F. Personal Property

LRA’s and qualified public benefit conveyance recipients can also receive any personal property items that have been declared excess. In the case of the Mile Lane facility, the personal property inventory (PPI) includes various office furniture and fixtures as well as the fixtures in the small commercial kitchen. A list of these items is contained in Appendix D. Acquisition of the PPI can be included in a PBC or can be separately conveyed through a different mechanism. If the City does not want the PPI, then notice should be given to the Army so that they may remove and transfer these items for disposal by other means (typically through the Defense Reutilization and Marketing Office (DRMO)).

IV. PROPERTY TRANSFER PROCESS

A. Introduction

This chapter of the Mile Lane Redevelopment Plan describes the various methods of transfer available to the Army Reserve under the Base Realignment and Closure (BRAC) legislation and regulations². BRAC is *the process that the Department of Defense (DoD) uses to reorganize its installation infrastructure to more efficiently and effectively support its forces, increase operational readiness, and facilitate new ways of doing business.*³

Information provided in previous chapters of this redevelopment plan has illustrated that the Mile Lane Army Reserve Base has a variety of site conditions, environmental issues and economic characteristics that may warrant multiple approaches for transferring the facility from military control and its reuse for civilian purposes. This chapter provides an overview of the key types of transfer processes and conveyance mechanisms that are likely to be most applicable for redeveloping the property.

Generally, these conveyance methods fall into two major categories that involve options for transferring the property, or portions of the property, at no cost or reduced cost, as well as others that involve acquisition at fair market value. Other options discussed in this chapter involve the potential for early transfer of the facility for civilian use prior to full closure and environmental cleanup by the military.

All of the options noted above are reflective of the military's criteria for disposal of surplus property emanating from the 2005 BRAC evaluation process. These criteria emphasize, among other factors, DoD's intent to expedite the transfer process and to maximize a return on investment for the federal government as part of that process. This indicated desire to accelerate the closure process and transfer the facility to community use means that the military may be more flexible in applying a variety of approaches to hasten this conveyance. However, it is also an indication that the military will "rely on and leverage market forces" to the greatest extent possible, as noted in the Base Realignment and Closure Manual (BRRM). All of these factors have ramifications for the LRA's preparation of a final reuse plan, which will be discussed in this and subsequent chapters of the redevelopment plan.

B. Property Transfer Alternatives

Once the decision has been made through the BRAC process to close a military installation, federal law provides for a number of alternative transfer methods that can be employed by the Department of Defense (DoD) to dispose of the property. The primary methods of transfer most likely to be considered by the Army for the facility are outlined in Table 1 and discussed in more detail in the subsequent portions of this chapter. These methods are based

² The Federal law governing the BRAC process is contained in provisions of Title II of the Defense Authorization Amendments and Base Closure and Realignment Act (Public Law 100-526, 102 Stat. 2623, 10 U.S.C. 2687 note), and the Defense Base Closure and Realignment Act of 1990 (Public Law 101-510, Part A of Title XXIX of 104 Stat. 1808 U.S.C. 2687 note)(reference (c)).

³ Source: OSD web site as reported in the Base Redevelopment and Realignment Manual (BRRM), March 1, 2006.

on information presented in the BRRM, which contains the DoD’s primary guidelines for reuse of BRAC facilities.

Table 1– Property Transfer Alternatives

Conveyance Method	Conditions	Community Planning Considerations
Public Benefit Conveyance (PBC)	<ul style="list-style-type: none"> • The property is conveyed at market value unless a sponsoring agency determines a discount is warranted. • PBC’s for public airports (via FAA) are conveyed at no cost, but all subsequent proceeds must be used for approved airport purposes. • The property must be used for public purposes (schools, airports, healthcare, recreation, etc.) • Sponsoring agencies may impose additional land use controls 	<ul style="list-style-type: none"> • Market value is an objective of the sponsoring agency – an appraisal will most likely be needed • Consideration should be given to how the reuse plan will affect market value and ultimately the price paid to the sponsoring agency
Economic Development Conveyance (EDC)	<ul style="list-style-type: none"> • Conveyance can only be made to the approved LRA. • The military department is required to seek market value. However, the military can grant an EDC without consideration if proceeds support economic development for 7 years • Proceeds not used for economic development can be recouped by the military 	<ul style="list-style-type: none"> • Market value will need to be determined – an appraisal must be completed • If LRA develops property it must determine there are enough qualified investments (e.g. new infrastructure) to warrant a discount
Negotiated Sale to Public Entities	<ul style="list-style-type: none"> • Property can only be conveyed to public entity for a public benefit • Same benefit cannot be obtained from sale or PBC conveyance • Congress must approve transaction • If property is sold within 3 years all profits revert to the military 	<ul style="list-style-type: none"> • Market value will determine final sale price for LRA or other public body – an appraisal must be completed
Advertised Public Sale	<ul style="list-style-type: none"> • Property is conveyed by the military through a public bidding process • Military must <u>consult</u> with LRA before taking this approach • The military’s objective will be to seek sale to highest responsible bidder 	<ul style="list-style-type: none"> • Because this process requires a bid process, market value is assumed to be part of this process • The establishment of minimal land use controls in the reuse plan may encourage more rapid, market-driven redevelopment, if so desired by the LRA
Environmental Responsibilities Transfer/Sale (Early Transfer)	<ul style="list-style-type: none"> • Property is conveyed through a two-step bid process, typically to a third party developer or to the LRA • The military then requests a covenant deferral from state governor • After deferral is approved, military can enter into a binding purchase agreement 	<ul style="list-style-type: none"> • Because this process requires a bid process, market value is assumed to be part of this process • State will assume responsibility for oversight of remedial actions for contaminated sites • The establishment of minimal land use controls in the reuse plan may encourage more rapid, market-driven redevelopment, if so desired by the LRA • Consideration should be given to acquiring additional environmental insurance to protect involved parties from future liability
<p>Source: <i>Understanding Key Issues in DoD’s Base Redevelopment & Realignment Manual</i>, An Infobrief from the Association of Defense Communities, May 2006</p>		

One of the first steps in the disposal process is the “screening” of the property to determine if other federal agencies have use for any or all of the facility. In the case of Mile Lane, no other federal users identified an interest in the facility within the allotted timeframe, which resulted in its designation by the DoD as “surplus” property. In light of this fact, disposal of

the property can potentially occur under one or more alternative methods of transfer that will be dependent upon the type of end user (i.e. public or private) and the intended use.

1. Public Benefit Conveyance

One of the more useful methods of property transfer for a variety of public uses is the Public Benefit Conveyance (PBC). A PBC can be used to convey real or personal property to state and local governments, and certain non-profit organizations, for public purposes at no cost or reduced cost. These purposes include schools, parks, public health facilities, law enforcement, emergency management response, correctional facilities, historic monuments, self-help housing, and wildlife conservation. If this method is selected by the LRA, and approved by the DoD, a federal sponsoring agency may request assignment of the property for purposes of conveying the property to a designated eligible recipient. The sponsoring agencies are responsible for selecting qualified applicants and determining the amount of the discount (if any) from the fair market value of the property. It should be noted that some uses, such as law enforcement, emergency management response, correctional facilities, historic monuments, and wildlife conservation, do not require a sponsoring agency and can be directly transferred from the DoD to an approved recipient. The primary PBC approaches that are potentially useful in redeveloping the property are summarized below.

Public Safety – Water and sewer systems, as well as medical facilities, can be transferred without cost as a PBC through the endorsement of the U.S. Department of Health and Human Services. Property for use by law enforcement or fire protection may be transferred through the Department of Justice or the Department of Homeland Security (through the Federal Emergency Management Agency).

Education – The U.S. Department of Education can convey land and facilities to public and private non-profit educational institutions on a discounted basis over thirty years. The educational entity actually fulfills the obligation to the Federal Government for the property at the rate of three and one-third percent annually through constructive educational use. Title to the property is conveyed up front, subject to educational use restrictions, and reverter or buy-out provisions.

Open Space/Parkland – The U.S. Department of the Interior is the sponsoring agency for PBCs of open space and outdoor recreational facilities including state and national parks, historic sites and other similar properties.

Airports – The Federal Aviation Administration is the sponsoring agency for airport and aviation-related property transfers from the military to public airport operators. These PBC's are done *at no cost* as long as the property is used for approved purposes and all revenues generated from the facilities are used to support the airport.

2. Disposal of Property for Use by Homeless

As part of the initial screening process for reuse and disposal of a BRAC property, consideration must be given to potential use of the property to provide housing and/or service for the homeless. Property that has been identified for potential use to the

homeless can then be conveyed to either an organization that is a representative homeless provider, as approved by the U.S. Department of Housing and Urban Development (HUD), or the LRA. If the property is conveyed to the LRA, it must then make it available to the homeless provider for no cost. The LRA would be responsible for monitoring the use of the property and ensuring that the homeless provider complies with the legally binding agreement that must accompany all such conveyances.

In accordance with base closure law, the LRA must solicit Notices of Interest (NOI) from state and local governments, representatives of the homeless, and other interested parties in the vicinity of the installation that may be eligible for a Public Benefit Conveyance related to the property. The LRA must give notice as to the timeframe in which NOIs will be accepted for submittal and hold hearings to allow interested parties to provide input into the reuse planning process.

The interests of homeless providers in surplus military property plays an important role in the BRAC process. The federal Department of Housing and Urban Development must approve the LRA's Reuse Plan, which must demonstrate that these interests were taken into account throughout the planning process.

3. Economic Development Conveyance

Transfer of all or portions of the property could potentially occur by means of an Economic Development Conveyance (EDC) from the Army. Only the LRA is eligible to acquire property under an EDC. The LRA must demonstrate that the proposed uses for the property will generate sufficient jobs to justify an EDC conveyance, and that the proposed land uses are realistically achievable given current and projected market conditions. In most cases, the Army will be required to seek fair market value consideration for the EDC conveyance, although it is authorized on a case-by-case basis to grant an EDC for no consideration (typically only used in economically distressed and/or rural areas).

4. Negotiated Sale

A negotiated sale can only be transacted with a public body if a public benefit, which would not be realized from a competitive advertised sale or authorized public benefit conveyance, will result from the negotiated sale. The grantee may not pay less than fair market value based upon a highest and best use appraisal of the property. In addition, final approval of the sale must be authorized by Congress. If the property is sold within three years following a negotiated sale, the grantee may be required to remit all proceeds in excess of its initial acquisition costs.

5. Public Sale

If the LRA, after preparing a reuse plan, determines it is in the best interest of the community not to be directly involved in redeveloping the site, it can recommend that the Army dispose of the property through a public sale. The actual method of sale could include sealed bid, Internet auction, or on-site auction to the highest bidder. Under such an approach, the DoD would make a determination whether to sell the entire site or as

subdivided parcels. Property acquired by a private organization or individual is subject to local land use and zoning controls.

6. MILCON Exchange

This relative recent transfer authority allows the military department to convey a BRAC property to a third party in exchange for the construction of equally valued facilities at some other location(s). The acquiring entity can either do the construction itself (or through agreement with other firms) or may be able to simply put the money up for the military to go out to bid for the new project, without having to go through the MILCON budget process. The value of the exchange is at the property's fair market value (based on an appraisal). The reuse of the property will be guided by market forces and by the land use regulations (zoning) that come out of the reuse plan or that are already in place.

7. Interim Use Leases

The ultimate goal of the military, with regard to BRAC facilities, is to dispose of any surplus property as promptly as possible. One means of facilitating an early or expedited transfer is through execution of an interim lease. Prior to deed transfer there may be opportunities for the LRA to obtain access to certain land parcels or facilities on an interim use basis that could allow redevelopment to proceed prior to actual installation closure and transfer. There are many examples from previous BRAC rounds where the LRA assumed responsibility for operation of the base's infrastructure in order to facilitate establishment of a master lease agreement that allowed for subleases of specific structures or sites, for civilian uses. This, in turn, created short-term revenue-generating activities and/or helped to minimize the operating and maintenance costs of the properties.

If the Army determines that the interim use of the property would facilitate state and local economic efforts, and not interfere or delay the final property disposal, it may be inclined to grant such a lease. Further, the Army may accept less than fair market value if it determines that such acceptance would be in the public interest and fair market rent is unobtainable or not compatible with such public benefit. Before entering into a lease, the military must consult with the Environmental Protection Agency (EPA) and the State of Connecticut Department of Environmental Protection to determine whether environmental conditions on the property are acceptable, as discussed subsequently under the section related to early transfer authority, for execution of such an agreement.

C. Appraisals and Fair Market Value

It should be noted that the Army, or in the case of a Public Benefit Conveyance (PBC) the sponsoring agency, is required to obtain one or more fair market value appraisals of the property prior to conveyance. Therefore, any transfer of property by means of an EDC, negotiated sale, or public sale, as well as certain PBCs, will necessitate preparation of an appraisal. Appraisals must be based on the highest and best use of the property, taking account of all property conditions that are relevant to fair market value. The final determination of fair market value is made by the Secretary of Defense, or a designee such as the Secretary of the Army, and cannot be negotiated by the LRA. Appraisals obtained by the DoD are typically not shared with the LRA, sometimes leading to the need for the LRA to

obtain its own independent appraisal as a basis for conveyance negotiations if there is disagreement as to value.

Determining market value can often appear to be a rather subjective judgment since arriving at a highest and best use for a property is dependent upon a number of assumptions that reflect *potential* future conditions that may exist at the property. Market value is heavily dependent upon assumptions related to market conditions, availability of resources, tenants, environmental contamination, capital costs, building code violations and zoning regulations. An analysis of highest and best use is required to determine the highest economic return that is typically based on the four following tests.

- What uses are *physically possible* for the site in that they could function adequately for their intended purpose?
- What uses are *legally possible* based on compliance with all applicable land use regulations and laws?
- Which uses are *financially feasible* in terms of their ability to provide an adequate return on investment?
- What is the *maximum productivity* of the physically, legally, and financially feasible uses, in terms of generating the highest return?

Based on these criteria, it is evident that the local reuse planning process can have a significant impact on determining highest and best use and ultimately market value. Detailed plans that provide proposals for high-density development, for example, may result in higher market value than less detailed or lower density redevelopment plans. While this possibility should not necessarily preclude planning for more intensive land use, it is important that any plan accurately reflect redevelopment potential from an economic perspective, since this planning is likely to affect the purchase price that will have to be recovered by either the community or a private developer.

D. Early Transfer of Property

Under certain circumstances, the military may have unfinished responsibilities regarding a BRAC installation that could preclude immediate transfer of property or otherwise affect the clear-title status of the facility. In the case of Mile Lane, such a situation will exist with regard to remediation of contaminated sites at the facility where final cleanup and long-term monitoring by the Army is expected to continue into the future.⁴ Provisions of the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA) require federal agencies to complete all environmental remediation actions for contaminated sites before transferring property by deed to a nonfederal entity. Baseline environmental conditions at the property are described in the Environmental Condition of Property report which was summarized in Chapter III.

An amendment to CERCLA in 1996, however, provided an alternative approach that allows for early transfer of contaminated sites prior to full remediation. Furthermore, through the

⁴ The Army's clean-up schedule will be based on the results of the Environmental Assessment (EA) that will be completed, once the Reuse Plan is done, such that future land uses are identified.

course of the last several BRAC rounds, the DoD has made significant efforts to expedite the transfer of such sites, including approaches that involve privatization of all or portions of the environmental cleanup process. An early transfer of a military base with privatized environmental remediation typically requires the following interrelated agreements, which are described in more detail below.

- An environmental services cooperative agreement (“ESCA”)
- A guaranteed fixed-price (“GFP”) contract
- Environmental insurance
- Enforceable agreement(s) with the state environmental regulatory agency and/or U.S. EPA

As part of the transfer agreement, the DoD can oversee the entire cleanup process or enact a subsidiary agreement with either a local, county or state government agency, as well as a private entity that represents the interest of a BRAC installation, to oversee cleanup and restoration activities. The governor (or EPA at a Non-Priority List (NPL) site) typically expects that such an agreement be negotiated prior to approving an early transfer through a Covenant Deferral Request.

1. Environmental Services Cooperative Agreement (“ESCA”)

The Defense Environmental Restoration Program (DERP) authorizes DoD to enter into agreements with any state or local agency to carry out aspects of DoD’s responsibilities under DERP, including the identification, investigation and cleanup of contamination. Military departments have begun entering into “environmental services cooperative agreements” with LRAs to provide LRAs funds to complete DoD’s remaining environmental cleanup responsibilities at property being considered for early-transfer. The ESCA describes exactly what responsibility is being transferred to the LRA and what responsibility is being retained by the military department. The military department retains its underlying liability for environmental cleanup under CERCLA.

2. Guaranteed Fixed-Price Contract

Theoretically, an LRA could decide to engage an environmental contractor under a traditional time and materials contract to perform the environmental cleanup transferred under the ESCA. However, few if any LRAs are willing to take the risk that the ESCA grant will be sufficient. Consequently, the LRA typically engages an environmental contractor to remediate the site for a fixed price, under a Guaranteed Fixed Price Contract (GFPC), backed by a “cost-cap” or “stop-loss” insurance policy. The GFPC for remediation is a performance-based scope of work to be delivered for the guaranteed price regardless of the cost.

3. Environmental Insurance

As part of any real estate transfer process involving a site that has been subjected to environmental contamination, strong consideration should be given to obtaining environmental insurance. As noted previously, under the provisions of CERCLA, the federal government is responsible for cleaning up any contamination that can be

attributed to DoD activities. In addition, BRAC properties are afforded a second level of protection under the National Defense Authorization Act through which, the DoD indemnifies transferees and lessees of base closure property from legal action for releases or threatened releases of hazardous substances resulting from DoD activities. Although these measures do provide a considerable level of protection for reuse of contaminated sites, the acquisition of environmental insurance may also be warranted to offer further assurance to future owners against potential liability.

Early transfer transactions typically involve the purchase of two interrelated environmental insurance policies. As noted above, the first is a “cost-cap” or “stop loss” policy. These types of policies protect the environmental contractor against cost overruns for the scope of work the contractor is obligated to perform. These policies can also be structured to protect the LRA by allowing a substitution of contractors if the first contractor has defaulted on its obligations. The second type of environmental insurance is a liability policy, referred to as “a pollution legal liability” policy or “environmental impairment liability” policy. These policies generally combine a number of different types of coverage, but two of the most important are first party claims for cleanup of “unknown” contamination and third party claims for damages arising from the contamination. Other coverage can be included for issues such as tenant interruption or loss of rental value.

The application of an environmental insurance policy to a BRAC site such as Mile Lane is a complex transaction, since there can be a number of parties involved in the remediation and redevelopment who are subject to various inherent environmental risks as part of the property transfer process. These parties can include the LRA, local and county governments, contractor, consultant, project manager, as well as the financial company, developer, or purchaser. In light of this fact, insurance carriers have developed appropriate policies that help to manage these risks in an effort to protect all participants from known and unknown exposures at a given site. The selected policy should be in place as soon as the LRA or other insured entity incurs any liability as a result of any transfer or conveyance mechanism, including the execution of a lease. Prior to selecting the appropriate policy, a risk management program should be developed that recognizes and balances the proposed transfer structure, reflects acceptable levels of risk for the parties involved and is flexible enough to adapt to unanticipated future changes. In addition, selection of a qualified insurer is an important part of this process.

4. The Enforceable Agreement(s) with the State and/or EPA

The military departments and the governor, who must approve the early transfer request, expect the parties assuming responsibility for the remediation to enter into a consent agreement (or similar enforceable agreement) with the state agency that acts as the lead regulator at the base (Connecticut Department of Environmental Protection). A consent agreement sets forth the processes that must be followed to receive a determination from the state agency that all necessary remedial action has been completed. The consent agreement also sets forth a schedule for cleanup. It may also require the parties to enter into a separate land use covenant imposing interim land use restrictions on the property during the cleanup. The consent agreement also stipulates penalties for noncompliance.

V. PUBLIC OUTREACH

A. Property Screening

On May 25, 2006 the LRA published an official notice soliciting interest from public and non-profit organizations eligible to receive surplus military property through a Public Benefit Conveyance. A copy of the notice, as run in the Hartford Courant newspaper⁵, is included in Appendix E. The deadline for receipt of these notices was September 1, 2006 (92 days). The notice also indicated that a public workshop would be held on June 21, 2006.

Copies of the notice were sent by mail to 11 local homeless provider organizations and e-mail copies were sent to these and other potentially interested organizations, including adjacent communities. A copy of the list of those contacted is included in Appendix E.

No homeless providers responded to the solicitation. The only formal (written) interest was from a private real estate development company which inquired about the possibility of constructing housing (possibly low income), retail or other uses on the site. They were informed by the LRA of the BRAC process and invited to submit a more formal request, but no follow-up was received.

At the public workshop, only three members of the public attended, representing Habitat for Humanity, a not-for-profit affordable housing organization. They were provided with an overview of the BRAC process and inquired if the City would be interested in receiving a proposal. However, no proposal was subsequently submitted.

In September 2007, the LRA requested from HUD an extension of the date for completion of the Redevelopment Plan to December 2008 and inquired whether a new public notice would be required. In a letter dated October 3, 2007, the LRA was informed by the HUD Regional Office in Hartford that it was not necessary to re-advertise the notice.

B. Evaluation of Notices of Interest

In order for a state/local agency to acquire property via a Public Benefit Conveyance (PBC), the LRA must carefully evaluate the intended use and weigh the proposed benefits against the broader goals and objectives of the redevelopment. Due to the special focus placed on applications from homeless service providers under the BRAC laws, these “Notices of Interest” (NOI) require a somewhat different approach than other potential users.

Based on the experience of other LRA’s around the country, the following criteria were suggested for evaluating all NOI’s for a PBC transfer:

- Each submittal should contain all the required information requested in the published Notice of Interest Application.

⁵ The Hartford Courant is the largest daily newspaper in the state of Connecticut, with average daily circulation of approximately 176,000.

- Degree to which the proposed use is compatible with and supports the overall civilian reuse plan for the property, as expressed in the LRA's goals and objectives statement.
- Extent to which the proposed use(s) involve a cooperative regional and/or multi-agency approach.
- Organizational and financial capacity of the applicant(s) to carry out the proposed proposal.

Additional criteria identified for evaluating NOI applications submitted by housing-the-homeless providers concerning potential reuse of the property include:

- Extent to which the proposal includes the necessary "legally binding agreement" commitments that will ensure the property will benefit the homeless in the future on a permanent basis.
- Degree to which the proposed housing-the-homeless use is compatible with and supports the overall reuse plan for the property.
- Degree to which the application achieves the local needs-objectives identified in the Middletown and Middlesex County "Continuum of Care" and Consolidated Plan.
- Degree to which the proposed housing-the-homeless application can be "co-located" with other related uses on the site.
- Extent to which the proposed program serves to "ensures a balance between economic redevelopment, other development, and homeless assistance."
- Things that must be kept in mind during this discussion include:
 - Site location and neighborhood
 - Interim and Long-term uses
 - Other possible methods of conveyance
 - Special requirements of certain uses (i.e. security).

C. Continuum of Care

Services to the homeless in the City of Middletown and Middlesex County are undertaken by various agencies and organizations under the umbrella of the Continuum of Care (CoC), a HUD sponsored process for coordinating services and allocating funding. There are more than 40 organizations that are included in the CoC which provide a wide variety of services to the homeless population, including 11 homeless providers. The lead agency for the Middletown/Middlesex County CoC is the River Valley Services (Yvette Harris 860-262-5352). Most homeless services are provided in the City of Middletown, as the major population center for the County.

There were approximately 82 year-round emergency shelter beds in three shelters in Middletown, 122 transitional housing beds and 183 permanent supportive housing beds (an increase of 16% over 2006). As of the latest CoC annual report (2006) a total of approximately 311 homeless persons (231 households) were counted in the coverage area, of

which 22 were unsheltered. The primary unmet need reported in the CoC's 2007 HUD Application was for additional permanent supportive housing for families.

A copy of the 2006 Continuum of Care HUD population inventory, excerpts from the CoC's 2007 HUD Application and other relevant data for Middletown/Middlesex County is included in Appendix F.

D. Housing the Homeless NOI

All appropriate housing the homeless service providers in the Middletown/Middlesex County area were proactively contacted by the LRA regarding the availability of the Mile Lane Army Reserve Center. None submitted follow-up inquiries or a Notice of Interest. Therefore, no Legally Binding Agreements (LBS's) were received or considered.

The site itself is distant from all essential supportive services required by this population and does not have access to public transportation. The Army Reserve facility, although it has a small commercial kitchen, is not readily adaptable to housing uses without major renovation. The cost of renovating this structure or constructing new facilities is typically beyond the reach of service providers, who instead have been successful in acquiring existing housing units in or near downtown Middletown (where services are located) and converting them to long-term supportive and transitional housing to meet local needs. Use of the Mile Lane facility for other homeless support activities, such as a food bank, medical clinic, etc., would require extensive capital outlays for renovations, as well as substantive on-going funding for transporting clients from downtown Middletown and other areas of Middlesex County to this location. Providers indicated during the outreach effort that this would not be considered an appropriate use of existing funding.

Since no Housing the Homeless NOI's or subsequent LBA's were received, the redevelopment plan for the site does not include a housing the homeless element.

E. Other NOIs

In response to the LRA's proactive outreach to state and local governments and non-profit organizations, it received two initial inquiries from other city agencies for use of the Mile Lane property. One was from the Middletown Fire Department for a regional fire training center and new firehouse to serve the west side of the City. The other was from members of the City of Middletown's Board of Education to consider the site as a location for a consolidated preschool/kindergarten facility. This latter concept was subsequently dropped from consideration after internal discussions by City and school administrators analyzed the long-term costs and feasibility of such a facility, and the uncertainty resulting from the environmental condition of the property.

Another use for the site that was mentioned by the public was for recreational purposes, including construction of playing fields and tennis courts that could be used by the new High School and nearby elementary school, as well as walking/jogging trails to connect the schools, neighborhoods and the city's green space network. The public safety and recreational concepts serve as the basis for the Redevelopment Alternatives which follow.

Follow-on requests for information were received from the City's Office Emergency Management for the location of an Emergency Operations Center, and from the Police Department regarding the potential use of a portion of the site for a regional animal control facility. Although this latter use might not directly qualify for a public benefit conveyance, it is a use that may be compatible with one or more of the alternatives that have been developed.

VI. REDEVELOPMENT ALTERNATIVES

The Middletown LRA requested that three alternatives be evaluated in the Redevelopment Plan for the Mile Lane ARC. These included acquisition of the property for educational, public safety and open space/recreational uses. The educational use concept was eliminated from consideration by the City due to the potential costs and the impact on the City's taxpayers. Each of the remaining alternatives are discussed and analyzed in the following sections. The financial feasibility of each is also discussed, based on the estimated cost to construct the facilities and the potential sources of funding for them.

An analysis of the economic and fiscal feasibility of each alternative follows.

A. Open Space & Recreation

One alternative the City requested was to use the entire site for recreational purposes, both active and passive. This could range from preservation of the site for conservation purposes to maximizing the active recreational potential for city residents.

The Alternative envisioned here utilizes the existing Army Reserve building as a community recreation center and includes a variety of tennis courts and playing fields. The upper level terrace (former missile silo field) could support a regulation soccer field as well as a half, or junior league, field along with perhaps a couple of basketball courts. A total of 15 tennis courts can be fit onto the more level portions of the property. The plan also incorporates walking trails and connections to the schools and the adjacent neighborhood. An overlook park could also be developed at the highest elevation point on the property. These uses would utilize the Army fee property as well as some of the surrounding easement parcels. Figure 5 provides a plan view of this alternative.

Acquiring the property through a Public Benefit Conveyance under this alternative can be achieved through the federal Department of the Interior, National Park Service acting as the sponsoring agency for the transfer of recreational facilities under the "Federal Lands to Parks" program. Such acquisitions, which are only available to local or state governments, are typically done at no cost. It may be developed for one or more recreational activities. The facility may serve a variety of local recreational needs or, if appropriate, the land may remain undeveloped for passive recreational use, as long as it is open to the public.

Land acquired through the Federal Lands to Parks Program must be used for public park and recreational use in perpetuity. The City would be responsible for the costs of preparing the application which may include, for example, the preparation of land surveys, title searches and site development plans, as well as all improvements costs to the property. By acquiring property through the Federal Lands to Parks Program, the City must commit the funds necessary to properly develop, operate, and maintain the property for public park and recreational use, and to protect natural and cultural resources protected under related established federal laws in perpetuity.

Figure 5 – Open Space & Recreation Alternative

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It is assumed that the City would acquire only the Army's 23.7 acre fee simple land and that the easements on the surrounding parcels would be dropped. Some of the development shown in Figure 5 – Open Space & Recreation Alternative, such as the tennis courts on the easterly (top) edge of the property, would occur on land currently owned by the City (see Figure 3). Some of the development (walking trails on west side of parcel) may require negotiations with private abutters and/or underlying land owners.

B. Public Safety Use

The City of Middletown is considering use of the Mile Plan property for a multi-use facility serving the existing and emerging public safety needs of the City and region.

1. Fire Training School/Fire Station/Emergency Operations Center

Early on in the BAC planning process, the City's Fire Department indicated an interest in the Mile Lane facility for a regional fire training center. The State of Connecticut currently has seven regional fire training facilities and a State Fire Academy in Windsor Locks. Bond funding has been proposed to renovate or replace several of these regional schools, including the one in Middletown. State funding for the planning and construction of these schools is available. The development of a new fire training school would also include a new fire station for Middletown which would provide for enhanced response times for residents and businesses on the west side of the City. The state has issued programmatic concept plans for a prototypical regional fire training school which were used as the basis for this alternative. This includes a building for conducting classroom training and administrative purposes, a garage for housing equipment and a variety of specialized fire training areas and facilities.

The existing building can serve as the central training/administrative facility for the regional fire training center. The upgrades to the mechanical systems recommended in the Facilities Assessment report (Appendix B) will be the only cost associated with this part of the facility, except for some additional furniture and fixtures. A new maintenance garage/shop will need to be constructed as well as the specialized training facilities.⁶ There is ample room on the Mile Lane site for all of these functions, as well as for a new City firehouse to be located just off Mile Lane on the north side of the property. Included in the public safety conceptual design is a new Emergency Operations Center and room for potential future public safety uses. Figure 6 indicates a preliminary layout sketch of the regional fire training center and Middletown public safety center on the property.

Under this Alternative, the City would acquire the property through a Public Benefit Conveyance with the Department of Homeland Security, Federal Emergency Management Agency (FEMA) serving as the sponsoring federal agency. This use would qualify for a 100% discount of the fair market value. The City must formally submit a completed Excess Federal Real Property Program Application for Public Benefit Conveyances including supporting documentation to FEMA (see Appendix G). After receiving this information, FEMA will then determine if the requested excess Federal real property is required for emergency management response use. The application process designed to ensure that the

⁶ In the conceptual design plans from the State, the maintenance facility could be incorporated into the fire station.

applicant's proposed use of the Federal real property is for emergency management use as an integral part of applicable State, local and Tribal government plans.

Although the Army would still be responsible for cleaning up any environmental contamination found on the property, use as a Public Safety Facility would likely be considered a similar use to what previously occurred on the site. This would likely reduce the cost (and time) for the Army and the clean-up process (such as pumping and stripping of groundwater) would not be detrimental to the new use by the City.

The tennis courts on the easterly (top) side of the property shown on the Public Safety alternative are located on City-owned land encumbered with an easement owned by the Army. These are located adjacent to the City's new High School that is under construction and nearing completion, and the courts would be included in the school's adjacent athletic field complex.

2. Animal Control Facility

The Middletown Police Department requested that the need for a new animal control facility be considered as a possible use for the Mile Lane site. The City currently utilizes the Town Pound in neighboring Portland, an undersized facilities (only five fenced kennels) that does not meet current Department of Agriculture minimum requirements for kennels. With a population of nearly 50,000 residents, the City needs an updated Animal Care and Control Facility. The City's police officers have had as many as thirteen dogs impounded at once and are bound by state statutes to hold animals for at least eight days.

A regional facility would serve Middletown, Cromwell, Portland, Haddam/Higganum and possibly other towns interested in participating. There are no such public facilities in the region that meet state and federal requirements.

A typical design to meet the City's needs would include 24-30 kennel runs (approximately 4 feet wide by 20 feet long that have both inside and outside access) along with associated office area, kitchen/food prep and storage space. It would also include a cattery (room for cat and small animal cages) and a common room for meetings, educational purposes, adoption, clinics and other such uses. A fenced outdoor dog play area and parking for staff and visitors would also be included. General estimates of the space requirements for this type of facility would be:

- Office, public areas 1,600 square feet
- Kennels 2,400 square feet
- Outdoor play area 4,000 square feet
- Parking 12 spaces

This program could be accomplished in a total site of approximately 30,000 square feet (roughly 200 feet by 150 feet). The Mile Lane site is large enough to accommodate an Animal Control Center either by itself or in concert with the other public use alternatives discussed in this report.

An Animal Care and Control Facility as envisioned by the City, may not qualify by itself for a Public Benefit Conveyance (PBC) under the existing BRAC mechanisms. As detailed in the Property Transfer Alternatives section, PBC's are typically used for public safety uses consistent with the missions of the Department of Homeland Security, or for existing facilities that uniquely meet a local public need (such as jails or fire stations). However, since the facility is operated by the Middletown Police Department, it is included in the FEMA-sponsored Public Safety PBC along with the Fire Training Center and Emergency Operations Center. The facility, which utilizes only a small fraction of the available area of the Mile Lane parcel, would also be used in the case of a large scale emergency such as flooding of the Connecticut River, to house animals on an emergency shelter basis.

A facility as envisioned could easily be accommodated as part of the Public Safety alternative described above and shown in Figure 6 – Regional Fire Training Center and Public Safety Alternative. In fact, there would also be room for future expansion of the facilities by rearranging the parking needs for the fire training center. The location shown is away from the adjacent neighborhood to reduce any noise issues and can share parking and other requirements with the fire training facilities.

C. Feasibility of the Alternatives

Each of the alternatives shown and discussed in the previous sections differ in terms of the potential costs, and possible funding for the City to acquire, construct and operate the particular scenario. This section discusses the economic impacts of each. Estimated construction costs were obtained from Marshall Valuation Services (Marshall & Swift) which publishes regionalized cost data by building type⁷ and from estimates provided by the State of Connecticut. The costs shown are approximations only and should be considered “ball-park estimates” for comparison purposes. Actual costs for building construction, site preparation and other associated expenses may vary. None of these estimates account for any environmental clean-up or mitigation costs to be incurred by the City, although this may be required.

1. Alternative A – Open Space & Recreation

The costs to redevelopment of the Mile Lane property for recreational purposes could range from relatively low to substantial, depending on the facilities provided. The plan shown in Figure 5 includes conversion of the existing building into a formal recreation center, which in addition to the estimated building systems costs would require some level of refurbishment to accommodate the needs of the City’s recreation department. The site plan includes approximately 120,000 square feet of playing fields, 15 tennis courts, 2 basketball courts along with walking trails and an overlook on the property’s high point. Table 2 provides a general estimate of costs to acquire and develop the Mile Lane property for the recreational purposes shown on in Figure 5.

If retrofitting the existing building into a recreation center is not considered feasible, the cost to demolish the structure is estimated at approximately \$80,000 to \$100,000. In addition, the tennis courts located near the existing High School (5-6 courts) would potentially be funded from the school department’s athletics budget.

This alternative would also entail City expenditures to operate and maintain these facilities. The City’s recreation department or others would need appropriate staff resources and budget to support this concept. These costs should be researched and included in the study.

⁷ *Marshall Valuation Service*, 1st Quarter 2008. Costs include hard and soft costs (limited) and are based on representative samples of actual cost contracts nationwide, adjusted for time and locale. Additional assumptions have been made by RKG Associates regarding the costs for each alternative.

Table 2

Alternative A - Open Space/Recreation		Note
Playing Fields	\$ 720,000	a.
Basketball Courts	\$ 162,000	b.
Tennis Courts	\$ 750,000	c.
Parking	\$ 310,000	d.
Walking Trails	\$ 50,000	e.
Recreation Center		
System Upgrades	\$ 489,000	f.
Retrofit	\$ 396,000	g.
Soft Costs	\$ 432,000	h.
Total	\$ 3,309,000	

Notes & Assumptions:

- a. 120,000 SF @ \$6/sf
- b. 20 courts @ \$8,100 each
- c. 15 courts @ \$50,000 each
- d. 155 spaces @ \$2,000 per space
- e. 10,000 linear feet @ \$5/ft
- f. Per CES report
- g. 15,800 SF @ \$25
- h. @ 15%, includes contingency

Source: Marshall Valuation Services, RKG Associates.

This alternative assumes that the property can be obtained by the City at no cost under the Federal Land to Parks program. The City will need to fund costs associated with the public benefit conveyance such as title, survey, legal, planning and design costs which could add several hundred thousand dollars to the overall budget.

The existence of environmental contamination on the site may add additional costs to the City to develop this Alternative. Transfer of the property under a Public Benefit Conveyance assumes that the environmental condition of the property is fully remediated prior to transfer and/or construction. As detailed in Chapter III-E, the site is believed to be contaminated and additional testing and clean up will be required. The Army is required to clean the site prior to transfer under federal law. Uses that have the potential to expose the public to contamination would require that the environmental clean be done to the highest standards (those typically applied to residential uses). Historically, the Department of Defense has been reluctant to pay for clean up beyond the standard under which the facility had been used, which in this case would most likely be considered an industrial use. The difference in clean up costs (and time) between industrial and residential standards can be very large, and potentially the City would be required to fund this cost differential. This would be subject to negotiation between the Army and the City.

2. Alternative B – Multi-Use Public Safety Facility

This alternative includes a Fire Training School and an additional fire station to serve the City's west side, along with a new Emergency Operations Center and an Animal Control Facility. Under this scenario the existing building would be retrofitted to accommodate the Fire Training Center program's training needs, a new maintenance facility would be built along with the specialized training buildings and related facilities. In addition, a new 12,000 square foot, 2-3 bay firehouse would be constructed along Mile Lane which would also be the general location for a new emergency operations and communications center. This center can use the site's height to mount emergency antennae. The plan also provides an area for possible future public safety needs, such as a police station or additional training facilities.

Because they would be located on the easement land that belongs to the City, 5-6 tennis courts could also be built near the new High School (probably with school funds), and walking trails could be established along the perimeter of the site to connect the schools with the surrounding neighborhoods.

One advantage of the existing property to accommodate this Alternative is the existing fencing around much of the Army property, which could be used very much "as-is" for the Fire Training Center.

One possible source of funding for the Public Safety alternative is the State of Connecticut. In 2004, the legislature passed a bond issue to replace the existing fire training facilities with seven regional fire schools in the state. These funds were to be drawn down as needed by the host communities as sites were acquired and programs developed, and were originally estimated to make approximately \$9 million available for each school. These funds have reportedly not been used except for a recent issuance to support the redevelopment of the New Haven facility. The funds can be used for construction and equipping of a fire training facility as well as for augmenting local fire response capabilities.

This alternative assumes that the property would be acquired by the City from the Army under a Public Benefit Conveyance through the Department of Homeland Security, Federal Emergency Management Agency. The City and/or Fire Department will need to submit a separate application to initiate this process.

The estimated cost of this facility is shown in Table 3.

Table 3

Alternative B - Public Safety Concept		Note
Retrofit Existing Building	\$ 189,600	a.
System Upgrades	\$ 489,000	b.
Maintenance Garage	\$ 366,000	c.
Training Area	\$ 2,945,000	d.
Equipment	\$ 750,000	e.
New Firehouse	\$ 1,431,000	f.
Emergency Operations Center	\$ 1,708,000	g.
Parking	\$ 48,000	h.
Recreational Area	\$ 60,000	i.
Soft Costs (15%)	\$ 1,198,000	j.
Contingencies (10%)	\$ 799,000	k.
Total	\$ 9,983,600	
<i>Non-Program Costs</i>		
Tennis Courts	\$ 250,000	l.
Walking Trails	\$ 25,000	m.
Other Costs	\$ 275,000	
Notes & Assumptions:		
a. 115,800 SF @ \$12/sf		
b. Per CES report		
c. 5,000 SF @ 121/sf		
d. per State Study, inflated to 2008\$		
e. per State Study, inflated to 2008\$		
f. 12,000 SF @ \$119/sf		
g. 10,000 SF @ \$171/sf		
h. 2,000 SF @ \$24/sf		
i. 10,000 SF @ \$6/sf		
j. Engineering, permits, etc. @ 15%		
k. @ 10%		
l. 5 courts @ \$50,000		
m. 5,000 linear feet @ \$5/ft		
Source: Marshall Valuation Services, State Fire School, RKG Associates.		

3. Animal Control Facility

As requested by the Middletown Police Department, the site could easily accommodate an animal control facility that would meet the needs of the City or could be expanded into a regional facility. A facility as discussed in the earlier section is estimated to cost approximately \$510,000, as shown in Table 4, and can be accommodated in an area adjacent to the Fire Training School, as shown in Figure 6 – Regional Fire Training Center and Public Safety Alternative This cost does not include any specialized equipment, furnishings or staffing but does include office and exam space, a public area and good quality indoor/outdoor kennel runs for approximately 24 animals. There is also space available for

expanding the facility if needed. This use is compatible with the other Public Safety uses planned for the site under Alternative B.

Table 4

Animal Control Facility		Note
Office/Kennel	\$ 359,000	a.
Fenced play area	\$ 24,000	b.
Parking	\$ 24,000	c.
Soft Costs (20%)	\$ 81,000	d.
	<u>\$ 488,000</u>	
Notes & Assumptions:		
a. 4,000 SF @ \$118		
b. 4,000 SF @ \$6		
c. 12 spaces \$2,000		
d. Includes contingency		
Source: Marshall Valuation Services, RKG Associates.		

VII. PREFERRED REUSE

A. LRA Decision

Preliminary alternatives were presented to the LRA on June 23, with the refinements discussed in the previous chapter presented on July 29, 2008. Discussion with the LRA members present (a quorum was not available) indicated a strong preference for Alternative B – Public Safety. On August 18, 2008 the LRA met again and, after hearing input from several members of the public and discussion among LRA members, a quorum of the members voted unanimously to support Alternative B as the preferred Redevelopment Option for the Mile Lane property. A resolution to adopt the Preferred Reuse Plan and to submit the Plan to the various Federal agencies will be presented for a vote of the Middletown Common Council on September 2, 2008.

B. Implementation

Following approval of the Reuse Plan, the LRA will undertake the following steps to implement the conveyance of the Mile Lane property and redevelop the site:

- Complete and submit the Homeless Submission to HUD
- Complete and submit the Excess Federal Real Property Application for Public Benefit Conveyance (OMB Form 60-25/OMB No. 1660-0080) to the Department of Homeland Security, Federal Emergency Management Agency
- Forward copies of the Reuse Plan to the Army, via the Base Transition Coordinator
- Open discussions with the Army regarding the status of the environmental analysis and clean-up schedule
- Open discussions with the State of Connecticut's Fire Marshall Office, legislators and the Governor's office regarding funding for the Fire Training School.

Once HUD approval is obtained, the Army can then process the PBC request and schedule the deed transfer for the 23.7 acre fee parcel and initiate releases for the remaining easements on surrounding parcels.⁸ Negotiations regarding the terms and conditions of transfer can then begin between the City of Middletown and the Army.

C. Environmental Cleanup

Under federal law, the Department of Defense is responsible for the cleanup of any contamination found on the site (resulting from the government's occupancy and use of the property). The Final Environmental Condition of Property Report released in March 2008 identifies the extent of known contamination (see Chapter III-E above). Additional environmental analysis is being performed by the Army that will provide the necessary

⁸ A separate request to extinguish the easement on Parcel 108E was submitted to the Assistant Secretary of the Army (Installations & Housing) on August 15, 2008 in order to facilitate construction of tennis courts on City land as part of the new High School athletic complex under construction on the abutting property.

information for developing a plan and time table for cleaning the site. The City of Middletown needs to be party to all discussions between the Army, the Army Corps of Engineers and their consultants regarding the clean-up plan, in order to facilitate the rapid conveyance and redevelopment of the property.

An Environmental Responsibilities Transfer (Early Transfer for Environmental Cleanup), where the City (or a third party) takes responsibility to complete the clean up for a fixed cost provided by the government, should be considered by both the Army and the City. Although a complex process, this approach may allow for a very quick transfer that will allow the Public Safety uses described in the Preferred Plan to begin construction immediately, saving time and costs to both parties. The extent of contamination on the site (primarily the possibility of ground water contamination) may be easily remediated. The City of Middletown has the knowledge and capability to manage such a cleanup in a cost effective and timely manner. The City should obtain legal counsel on this issue.

VIII. APPENDICES

A. Property Deeds

B. Facilities Assessment Report

C. Excerpts from Environmental Condition of Property Report

D. Personal Property Inventory

E. Public Outreach Notice and Distribution List

F. Middletown/Middlesex County Continuum of Care Reports & Data

G. HUD Homeless Submission

H. FEMA Excess Federal Property Application Form