

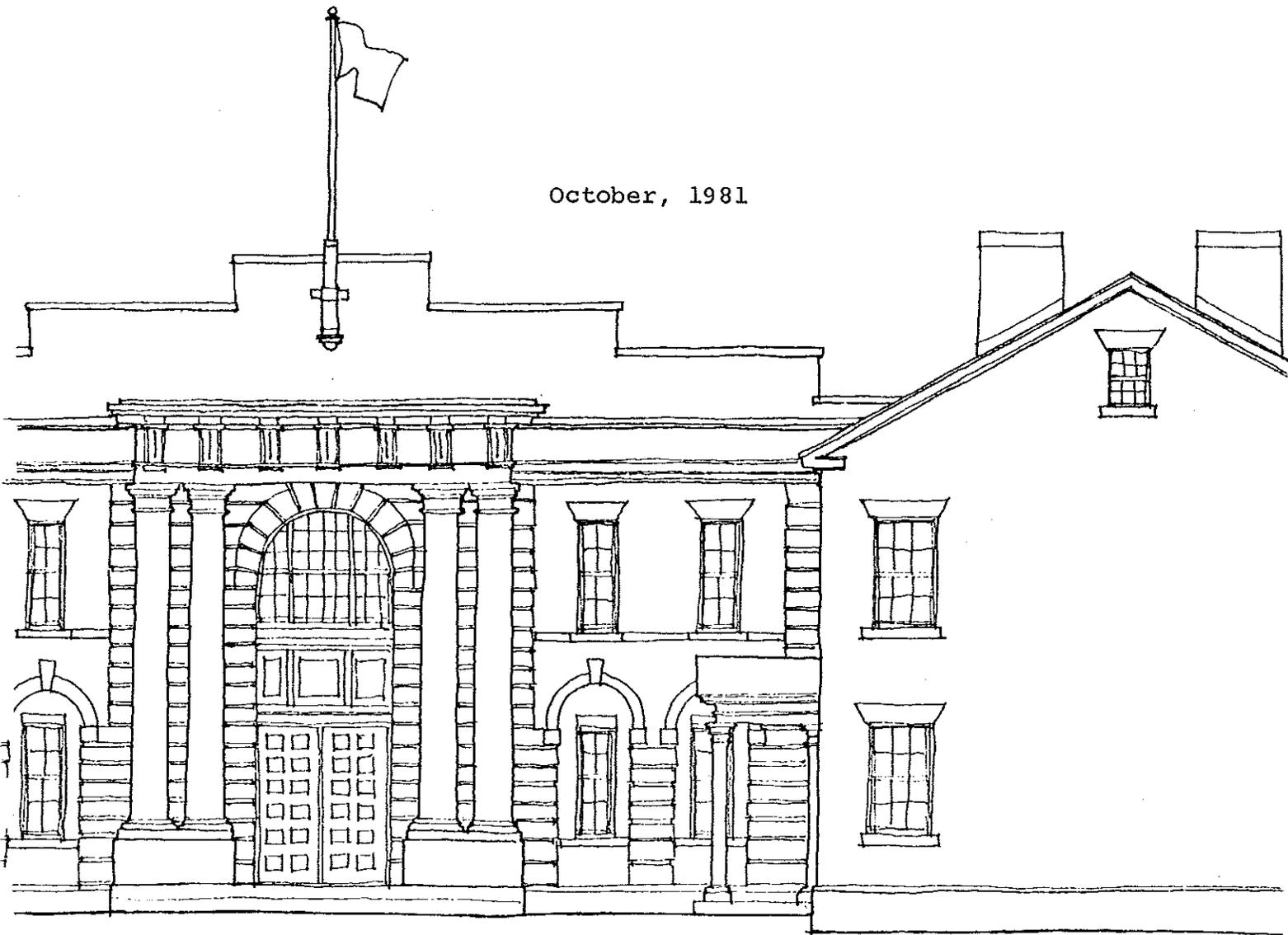
SMITH EDWARDS ARCHITECTS

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FEASIBILITY STUDY

National Guard Armory
Middletown, Connecticut

October, 1981



MIDDLETOWN NATIONAL GUARD ARMORY
FEASIBILITY STUDY

TABLE OF CONTENTS

	<u>PAGE</u>
INTRODUCTION	1
LOCATION PLAN	2
I. <u>SUMMARY OUTLINE</u>	3
II. <u>CONCLUSIONS</u>	5
III. <u>PROPOSED ARMORY PROJECT SCHEME</u>	10
IV. <u>PROPOSED PARTNERSHIP</u>	29
V. <u>EXISTING CONDITIONS</u>	42
VI. <u>ANALYSIS OF PROJECT ALTERNATIVES</u>	67

MIDDLETOWN NATIONAL GUARD ARMORY MUSEUM COMMITTEE

Established by the Middlesex County Chamber of Commerce
to investigate the rehabilitation and reuse of the
Middletown Armory.

COMMITTEE MEMBERS:

John F. Pickett, Chairman

Robert G. Comstock

Ellen G. D'Oench

Kenneth T. Hampton

John Martin

John F. Reynolds III

John W. Shannahan

The Late General John L. Hoar

Assistant Adjutant General (Retired)
Connecticut Air National Guard

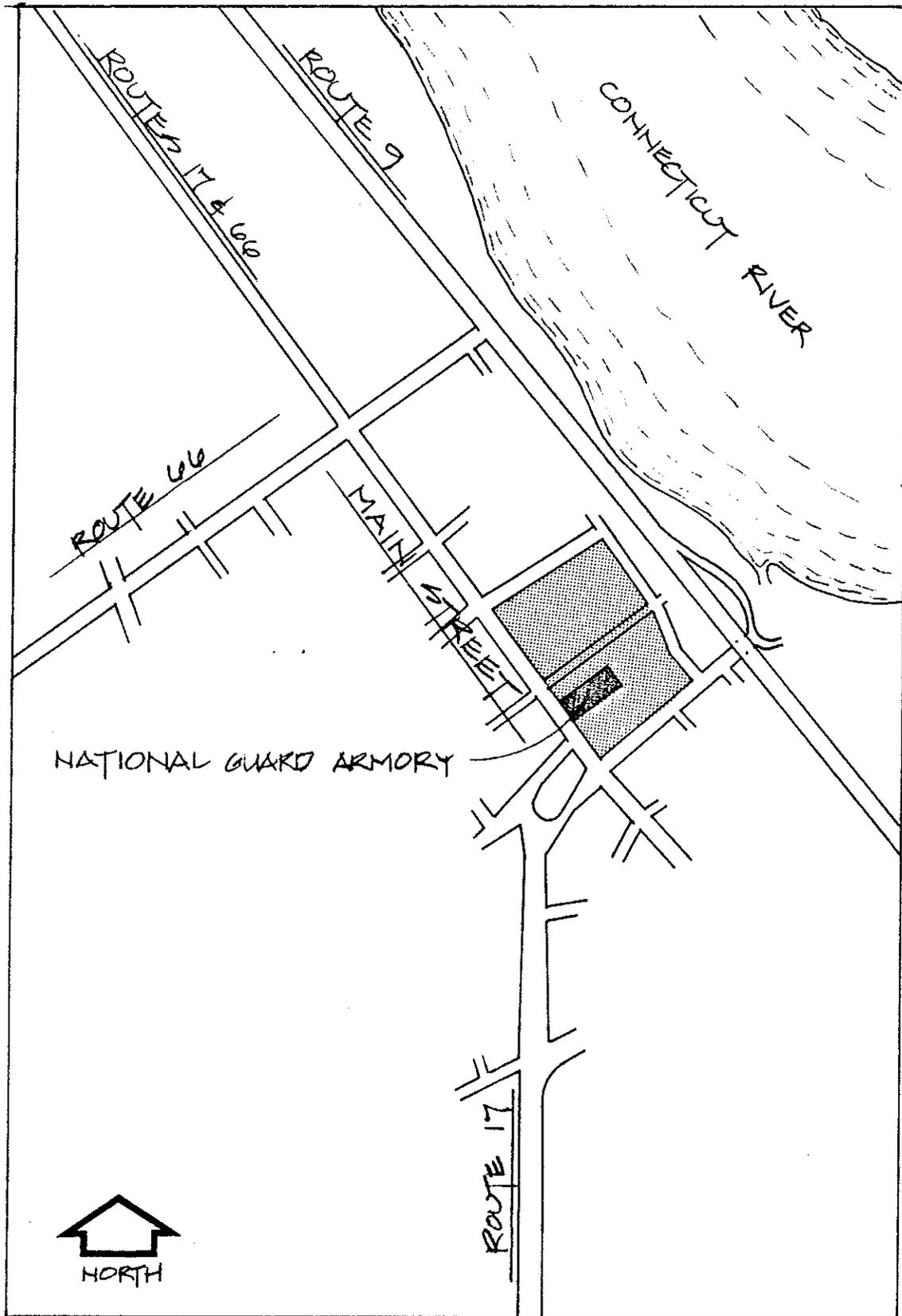
INTRODUCTION

This study has been prepared at the request of the Middletown National Guard Armory Museum Committee. Funds for this study were made available from the City of Middletown, State of Connecticut Department of Economic Development and the U. S. Department of Commerce Economic Development Administration. It is an initial report on the feasibility of an economically viable project for the reuse and rehabilitation of the existing Armory facility on Main Street. It concludes that a successful self-sustaining project providing public benefits will result from the implementation of the recommendations presented. This Study has been approved by the Committee and makes it available for consideration by others, especially the City of Middletown and the State of Connecticut upon whose interest and support the future of this project depends.

Jared I. Edwards, Smith Edwards Architects pc

October, 1981.

MIDDLETOWN NATIONAL GUARD ARMORY
FEASIBILITY STUDY



LOCATION MAP (1" = 750')
MIDDLETOWN, CONNECTICUT

MIDDLETOWN NATIONAL GUARD ARMORY
FEASIBILITY STUDY

I. SUMMARY OUTLINE

- The present State Armory facility in Middletown has the potential to become a new focus for tourism and retail activity on Main Street by its renovation as a self-sustaining reuse project, combining retail market use, commercial office use and non-profit public use.
- Utilizing the Armory's unique features, it is proposed to create a public Market Hall out of the Drill Shed as well as restore the historically and architecturally important front wings for the public and for office uses.
- This market use providing for a possible forty-four vendors would create a strong attraction for visitors as a regional center for the sale of produce, antiques and crafts. Combined with commercial office use, it would provide the financial stability required to undertake the project.
- To achieve this end, a Public/Private Partnership should be established including the State, the City and a Citizens Advisory Committee which would initiate the project, arrange title transfer, and oversee the successful completion of the Armory rehabilitation.
- The Partnership should strive to provide the maximum incentives and assistance for the project in order to attract private developers who would compete to undertake the actual project.
- Thereby working with private real estate development interests, the Partnership would cause the Armory's status to be changed and implement the recommendations of this Study to provide the people of Middletown with the following public benefits resulting from the completed project.
 - Preservation of an architecturally significant building;
 - A stronger image of Middletown as a regional market center;
 - Increased tax revenues for the City;
 - A new, exciting retail market activity in Main Street's south end;
 - A stronger market for commercial office use in the renovated older buildings already established in that area;

MIDDLETOWN NATIONAL GUARD ARMORY
FEASIBILITY STUDY

I. SUMMARY OUTLINE (Continued)

- Badly needed minimum cost space for non-profit use;
- Given the obsolescence of the facility and its deteriorating condition, its recent designation as a historic property and the identification of this potentially successful mixed use project with its many public benefits, now is the time to act on this proposal for the reuse of the Middletown Armory.

II. CONCLUSIONS

The following conclusions are presented by the Committee and Smith Edwards Architects from their examination of the Middletown National Guard Armory and the opportunities which are available for its proposed rehabilitation and reuse. They are presented as follows under several headings which represent separate sections of this Study. The more detailed investigation and analysis of the conditions and available options are presented in the following Sections of the Study.

THE PROJECT

The National Guard Armory should be rehabilitated in order to preserve it as a significant building in Middletown, a distinguished landmark on Main Street, incorporating the historic Watkinson House.

As a recommendation of its reuse, this Study proposes that the title of the Armory be transferred from the State and that the structure be renovated by a private developer to provide a project with a mixed use, combining a public retail market use with commercial office use and a special non-profit public use.

In Section III, the proposed market scheme is presented with drawings, descriptions and financial projections presented for consideration.

The proposed retail use as presented in this Study is in the form of a Market Hall with a possible forty-four vendors which could be used for the sale of food produce, antiques or crafts depending on the skill and imagination of the entrepreneur/manager responsible. This market use has been tried successfully in many places and creates a strong magnet for visitors from a broad area geographically as well as satisfying a present need in the City.

The proposed public non-profit use recommended to be included in the project is suggested to occupy a publicly accessible and highly visible location on Main Street in the architecturally significant front buildings. In addition, it is to benefit by having its operating costs paid for by the other commercially successful uses in the project. Among several potential public non-profit uses examined in this Study, in Section VI, could be a possible information center, specialized museum or gallery.

II. CONCLUSIONS (CONTINUED)

THE PROJECT (Continued)

Many alternative combinations of uses have been studied which prove to be either too commercial, such as hotel use or too private, such as housing, or too marginal economically, such as a sports arena or public meeting facility. It is the proposed project which appears to be the most potentially successful as well as providing the most public benefits.

It must not be forgotten that there are four primary reasons for proposing a development project for the Armory, the first is to preserve and enhance this historic property, the second to generate tax revenues, the third to create a focus for expanding tourism in the greater Middletown region, and finally to provide a self-sustaining financially stable project.

THE PARTNERSHIP

In order for the City of Middletown to maximize the public benefits of this project, a Public/Private Partnership should be established initially with the State, the City, and a Citizens' Advisory Committee as principals. Section IV of this Study presents a complete description of the purpose of the Partnership as well as the role of each principal.

The Partnership should arrange for the property title transfer, propose the development scheme for the reuse of the Armory with the most public benefits, select the developer for the project and oversee its completion.

This Partnership is proposed based on the awareness that the project will succeed only if there is a correct mix of public and private interest involvement to assure that the project when completed will provide the desired public benefits.

The primary contributions to the Partnership by the City of Middletown and the State of Connecticut should be the necessary assistance required to make the project go. The single most important assistance should be a low acquisition cost for the Armory to be passed on to the developer.

Because of the project's public benefits it must be realized the future financial success of the project is more important than the realization of some financial gain by either the State, or City on the property transfer.

II. CONCLUSIONS (Continued)

THE PARTNERSHIP (Continued)

The Partnership should be given maximum public support to assure success for the proposed development project.

By combining their powers, the City and the State can bring to the project this maximum public support. There are two forms which this can take, both "non dollar" support and economic development grant monies. Several types of "non dollar" support and grant sources are outlined in Section IV. Consideration should be given to the support available from the proposed Convention and Visitors Commission and the City's Economic Development Task Force.

Of the two public principals of the Partnership, the State is providing a strong stimulant to tourism and economic growth in the area as well as reducing its military establishment's operating costs. The City is benefiting by putting the property back on the tax rolls, stimulating further economic development in the south Main Street area and boosting the commercial attraction of the City as a market center.

THE DEVELOPER

In order for the project to proceed there must be a private developer to undertake the actual project and become the manager of the completed facility. This developer would be selected by the Public/Private Partnership based on his qualifications and approved proposal for the project. Once selected, the developer should become a fourth principal of the Partnership as described in Section IV.

It is unreasonable to expect either of the other principals to act as developer. Similarly, no non-profit organization could probably function in that capacity due to lack of experience.

II CONCLUSIONS (CONTINUED)

THE EXISTING CONDITIONS

The Middletown Armory is an architecturally significant building built in 1921, incorporating the older house built in 1810.

It was placed on the National Register of Historic Places in 1980 as a part of the Metro South Historic District and in recognition of its architectural distinction.

As a result of the recent changes in the tax laws, this designation provides considerable increased incentives to private developers who undertake this type of project.

The building has been examined structurally and mechanically proving that it is critical now to repair and rebuild the facility while it is still in fair condition, rather than allow it to deteriorate further to a point when it can no longer be saved.

The continued deterioration of the structure, its very high annual operating costs and its obsolescence as a military facility are known to the State.

The State Military has unsuccessfully sought funds for repairs for many years and, since 1973, has been planning for alternative facilities.

It is unlikely that the necessary State funds can be provided at this time and if they are, the expenditure would be questioned because of the Armory's limited duration as a military facility.

If the State Military were to designate the Armory to be "surplus property", it could be disposed of to the City of Middletown.

THE IMPLEMENTATION SCHEDULE

It is time that the State of Connecticut take action on this matter and initiate the disposition of the Armory to the City of Middletown for a nominal cost.

The Committee now seeks to promote the Study's conclusions and initiate the implementation of the proposed project.

MIDDLETOWN NATIONAL GUARD ARMORY
FEASIBILITY STUDY

II. CONCLUSIONS (CONTINUED)

The following schedule is recommended to
be followed:

- Stage One - Initiate Partnership
- Stage Two - Complete Planning
- Stage Three - Complete Title Transfer
- Stage Four - Select Developer
- Stage Five - Implement Construction of the Project

III PROPOSED ARMORY PROJECT SCHEME

TABLE OF CONTENTS

	<u>PAGE</u>
1. <u>SUMMARY</u>	11
2. <u>DRAWINGS</u>	
A. Proposed Site Plan	12
B. Proposed Basement Plan	13
C. Proposed First Floor Plan	14
D. Proposed Second Floor Plan	15
E. Proposed Building Section	16
3. <u>SCOPE OF PROJECT</u>	
A. Proposed Use	17
B. Table of Areas	19
C. Proposed Construction	20
Building	
Parking	
D. Estimated Construction Budget	22
4. <u>PROJECT COST BUDGET</u>	
A. Development Budget	25
B. Pro Forma and Capital Requirements	26
5. <u>PROJECT ANALYSIS</u>	27

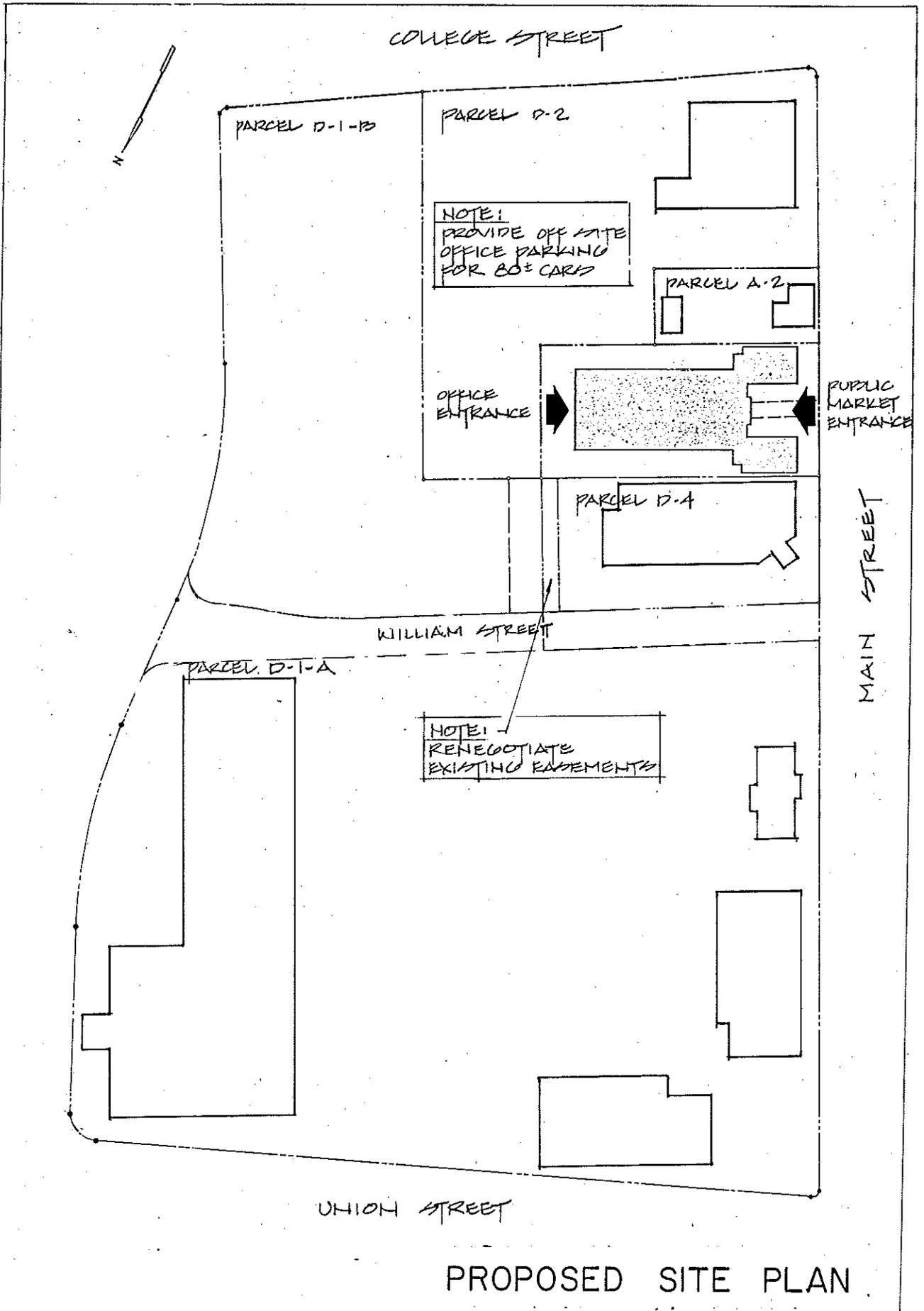
MIDDLETOWN NATIONAL GUARD ARMORY
FEASIBILITY STUDY

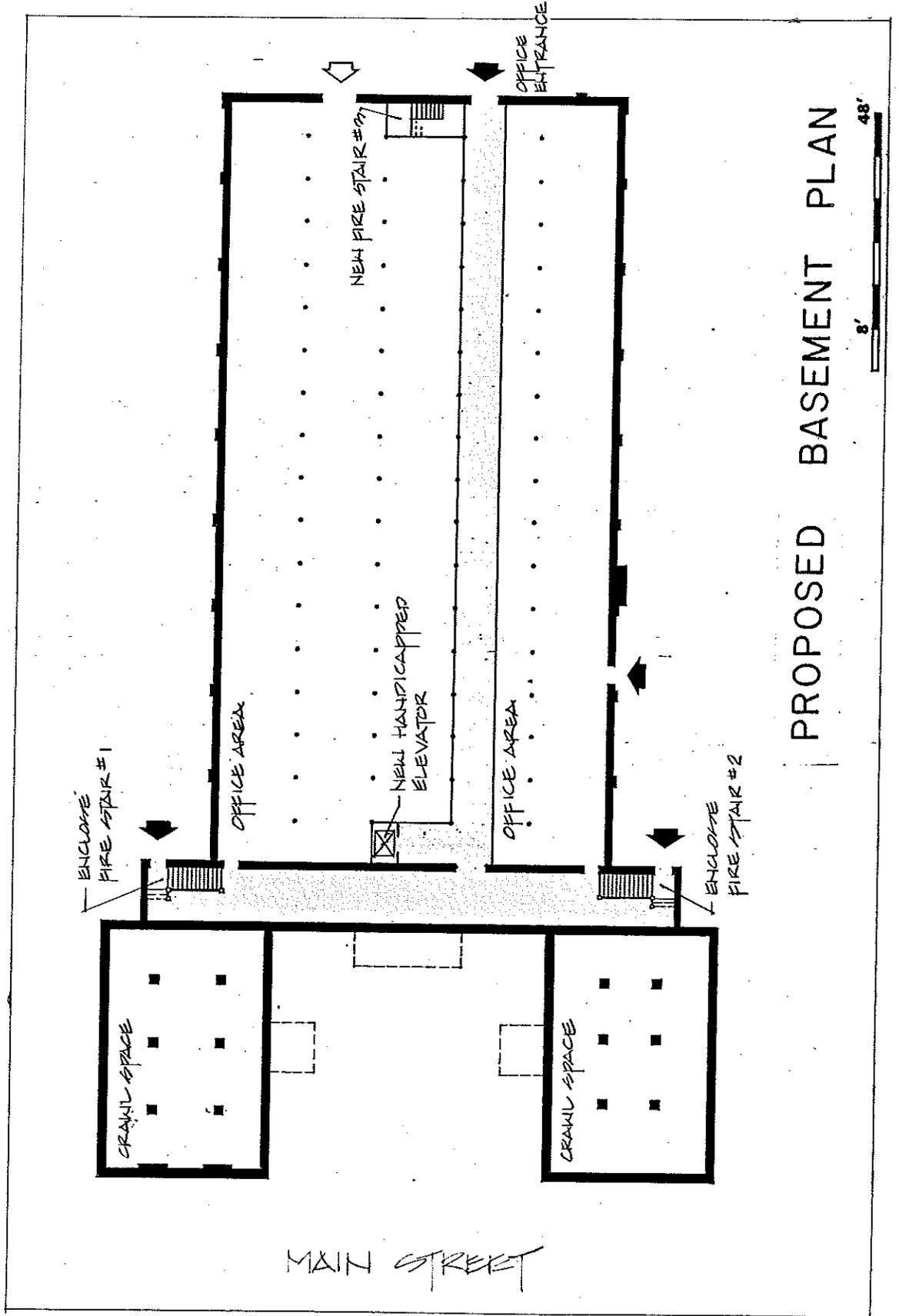
III. PROPOSED ARMORY PROJECT SCHEME

1. SUMMARY

After analysis and comparisons between many alternate schemes, this Study recommends an economically viable mixed use for the rehabilitation project for the Middletown National Guard Armory. The public benefits of this project include the proposal of a special market type retail use of the Drill Hall and some non-profit areas for the first floors of the front wings. The specific nature and use of this subsidized area might allow for an information center, museum, gallery or library use. These uses combine to provide public and quasi-public use of the first floor of the present Armory. The balance of the building will be used as commercial office area. The projected rental structure for these uses provides a cash flow projection of approximately \$400,000.00 to carry the cost of this \$1.8 million project. This assumes that the building is acquired for a minimum amount, that parking is provided off the site, and that taxes generated are at one-third of full value. This assistance to the project is subject to variations within established parameters. Therefore, for the purposes of this presentation these and other assumptions have been made. The extent of the project is based on an "indepth" examination of the existing conditions and the work required to improve them. The resulting proposed project construction scope of work and estimated costs have been fully developed. Unless otherwise stated the financial projections are based on the present conditions of project financing, mortgage lending and market rate costs. The complete presentation of this proposed scheme is included in the following section.

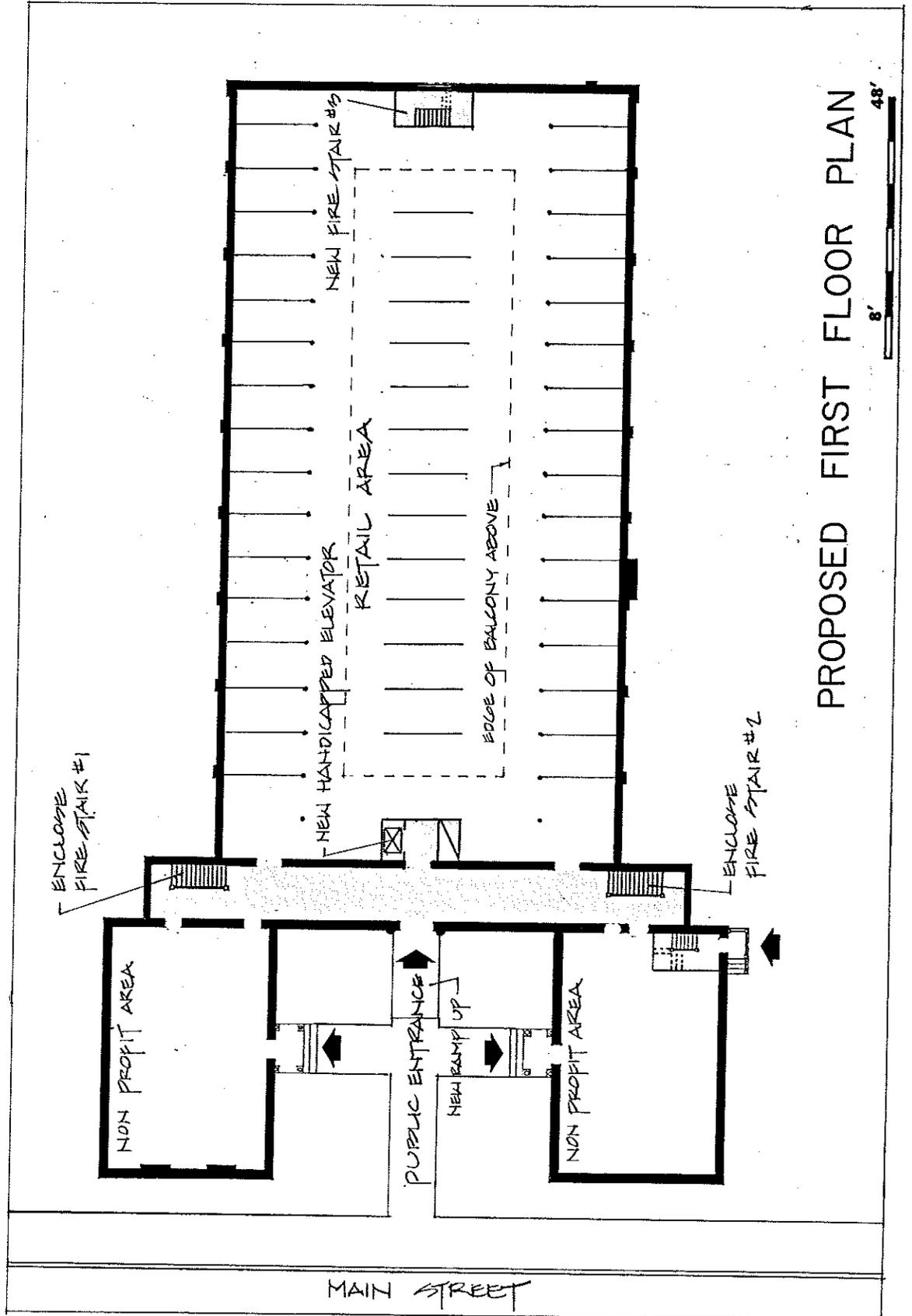
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FEASIBILITY STUDY

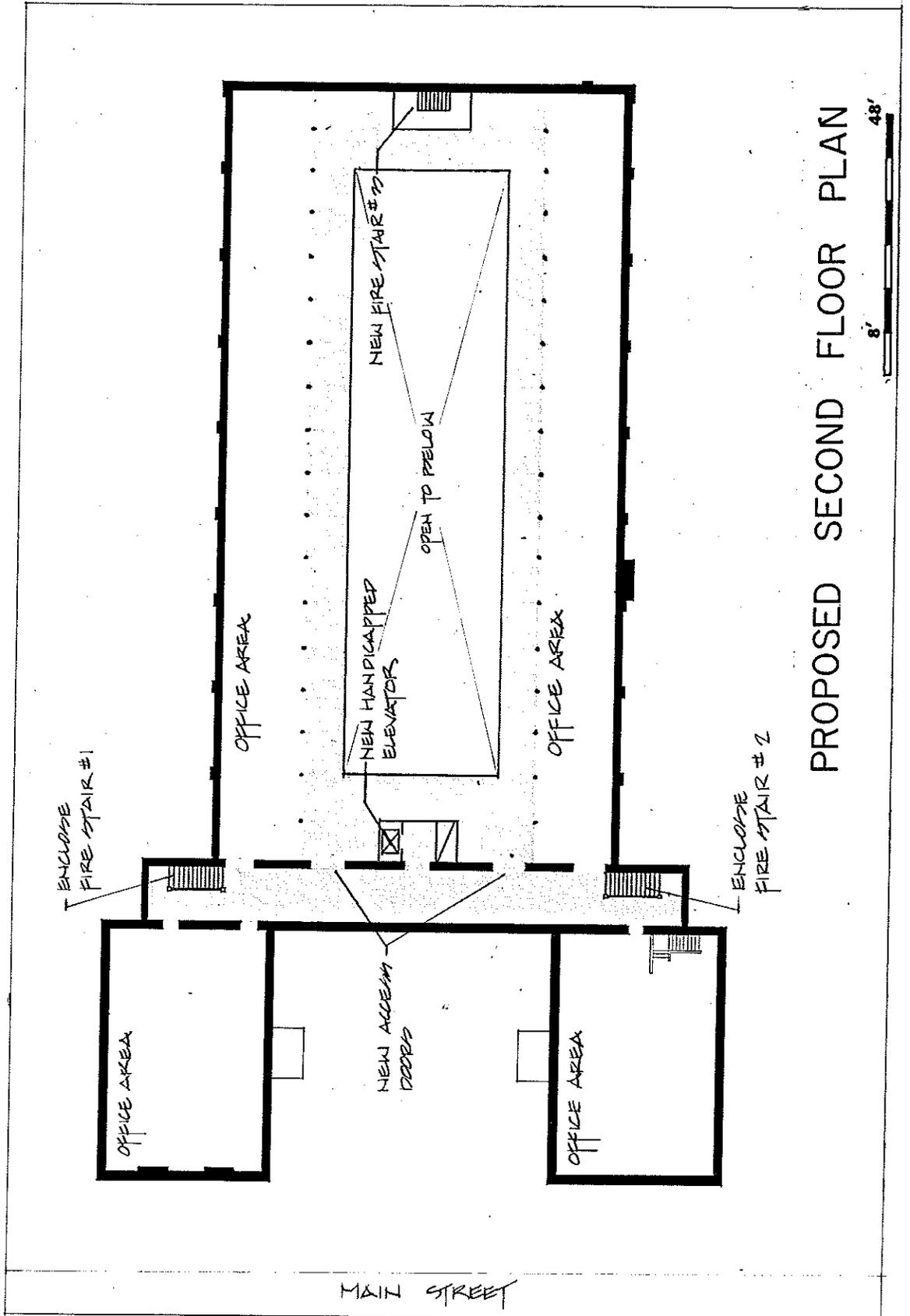


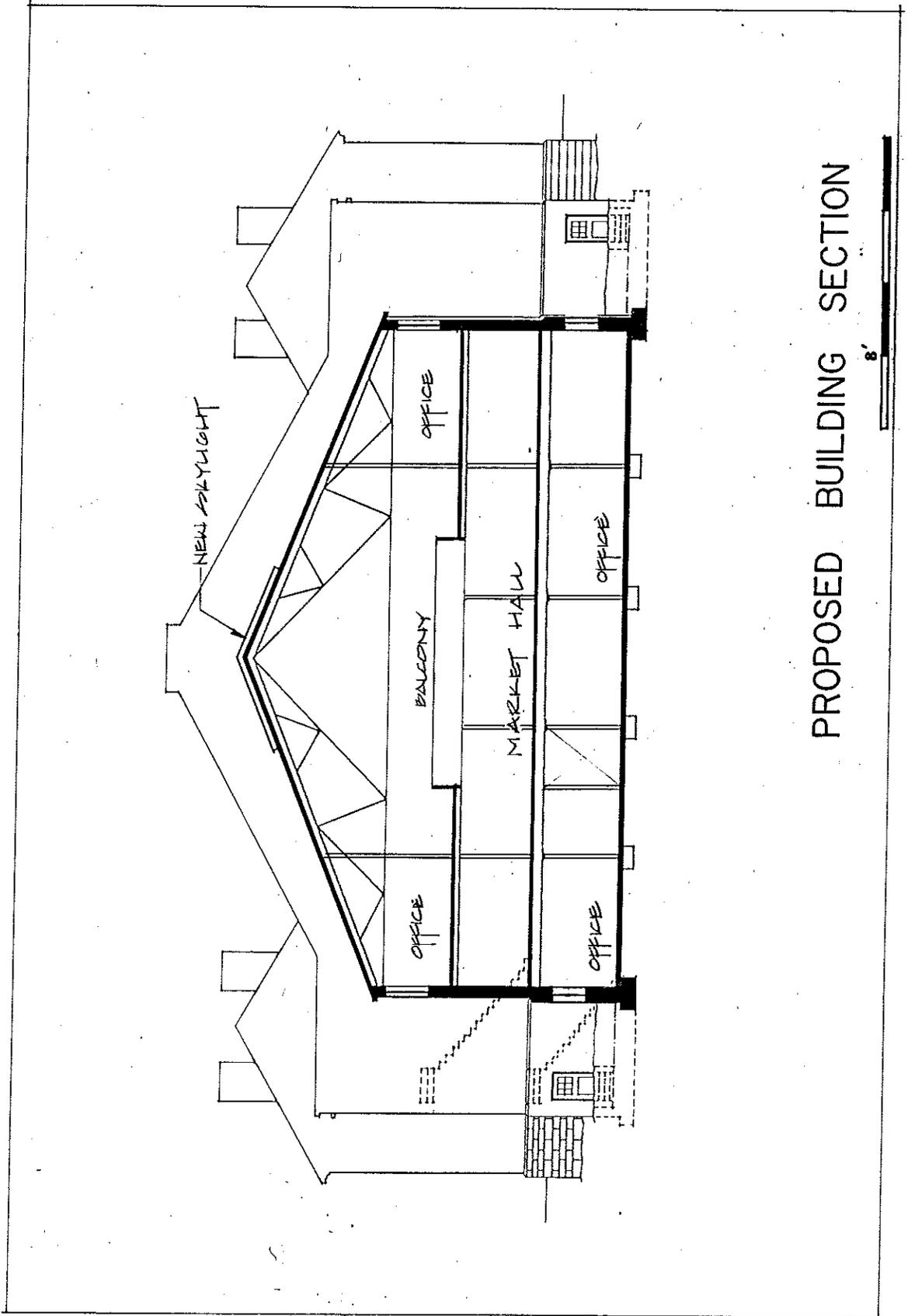


PROPOSED BASEMENT PLAN

MAIN STREET







PROPOSED BUILDING SECTION



III.3 SCOPE OF PROJECT

A. PROPOSED USE

The proposed project is based on a mix of uses which can best provide for a economically viable project with opportunities of use which are both exciting and of public benefit. The uses proposed include office and retail use which can provide sufficient revenues to allow there to be some available non-profit use as well. Generally the proportions of uses call for slightly more than half the rentable area to be commercial office use, about one third for market use and the balance for non-profit use.

The proposed non-profit areas are designated for one or both of the front wings, either both first floors separated by the court or the first and second floor of one wing. These wings, their public visibility from the street and the historic importance of the north wing (Watkinson House) recommend this use location.

The proposed retail use is based on the considerable public interest in Markets which are unique concentrations of vendors who serve a variety of commercial interests. The opportunity of creating a Market Hall out of the Drill Hall first floor is a strong idea. Based on successful conversions of similar buildings, including unused churches, around the world, this proposed use has been well tested. Based as it is on a regional market rather than local, it could be enormously successful given the skill of the entrepreneur/manager in combining market use to include farm produce, antique shows, flea markets, craft fairs, et al. The proposed scheme suggests that as many as forty-four vendors might be accommodated on the Drill Hall first floor.

The proposed commercial office use is the financial backbone of this proposed project. It is based on the appreciation of professional class tenants for unique architectural character. This traditional relation of professionals to market uses is supported by the established interest of similar professionals in the historic structures rehabilitated in this area of south Main Street. It is not anticipated that an excess of office areas of this type will be provided by existing projects. They will provide a greater density of high rental offices which will create a

III.3 SCOPE OF PROJECT

A. PROPOSED USE (Continued)

further demand for additional similar rentals. These office areas are proposed to be provided in the basement areas as well as the second floors, particularly the gallery spaces being proposed as new construction above the Drill Hall first floor.

Specific needs for the project are included such as required exitways, fire safety provisions, elevator and handicapped access. The parking requirements are assumed to be provided by others as a necessary part of the package which is to be worked out by the public/private Partnership.

B. TABLE OF AREAS

PROPOSED AREAS:	<u>Circulation</u>	<u>Net Usable Rental</u>			<u>Total</u>
		<u>Non-Profit</u>	<u>Retail Use</u>	<u>Office Use</u>	
<u>PROPOSED USES:</u>					
<u>1. Basement</u>					
a. Front Wings	-	-	-	-	
b. Drill Hall	2220	-	-	9060	
c. Total	2220 s.f.	-	-	9060 s.f.	11,280 s.f.
<u>2. First Floor</u>					
a. Front Wings	-	2650	-	-	
b. Drill Hall	1225	-	10055	-	
c. Total	1225 s.f.	2650 s.f.	10055 s.f.	-	13,930 s.f.
<u>3. Second Floor</u>					
a. Front Wings	-	-	-	2650	
b. Drill Hall	3650	-	-	3980	
c. Total	3650 s.f.	-	-	6630 s.f.	10,280 s.f.
4. TOTALS	7095 s.f.	2650 s.f.	10055 s.f.	15690 s.f.	35,490 s.f.

III.3 SCOPE OF PROJECT

C. PROPOSED CONSTRUCTION

The exterior improvements required for this project are as follows:

Note: No parking is included in this work scope.

1. Repair of the existing slate roofs, remove and replace the Drill Hall roof, repair or replace all flashings, gutters, and rain leaders. Provide new Drill Hall skylight.
2. Repoint and repair all brick, cast stone and stone masonry.
3. Restore, replace and repair the existing windows, doors, trim and architectural elements.
4. Remove Drill Hall windows, infill with new insulated window wall and new windows.
5. Provide all new doors, windows, exterior stairs and ramps required.
6. Provide new walks, drives, fences, exterior lighting, site security improvements as required.

The interior improvements required for this project are as follows:

7. Provide structural reinforcement as required for front wing first floor framing and roof trusses, Drill Hall roof trusses, first floor framing and basement column footings.
8. Provide the new structure complete as required for the new second floor in the Drill Hall, designed for the required loads and fire protection.
9. Install a new elevator and shaft, elevator lobby and HVAC chases as required providing the necessary fire protection and handicap provisions.

III.3 SCOPE OF PROJECT

C. PROPOSED CONSTRUCTION (CONTINUED)

10. Provide a new rated fire stair in the Drill Hall and enclose the existing stairways to provide the necessary exitway requirements.
11. On Drill Hall walls, in front wing attic and on Drill Hall roof provide the required insulation appropriate for energy conservation to meet State and City codes.
12. Provide new interior storm windows for the windows in the front wings.
13. Provide the interior finishes, floors, walls and ceilings and interior partitions as required for the proposed layout.
14. Provide the public toilets, tenant toilets and plumbing systems complete.
15. Provide the heating and cooling systems with heat pumps roof mounted to service all the areas and tenant requirements.

Provide the electrical service, power and lighting distribution, light fixtures, and security systems as required to service all the areas and tenant requirements.

III.3 SCOPE OF PROJECT

D. ESTIMATED CONSTRUCTION BUDGET

1. Exterior Improvements

a. Stabilization Repairs

\$ 305,000

10% Contingency

31,000

\$ 336,000

\$ 336,000

b. Restoration

\$ 68,000

10% Contingency

\$ 7,000

\$ 75,000

\$ 75,000

c. Energy Conservation
Renovations

\$ 34,000

10% Contingency

\$ 3,000

\$ 37,000

\$ 37,000

\$448,000

III.3 SCOPE OF PROJECT

D. ESTIMATED CONSTRUCTION BUDGET (CONTINUED)

2. Interior Improvements

a. Renovation Costs

1. Structural Reinforcement	\$ 14,000	
2. New Elevator and Shaft	\$ 54,000	
3. Enclosed Exit Stairs	\$ 7,000	
4. New Exit Stairs and Exitways	\$ 14,000	
5. Exterior Wall Modifi- cations; New Windows, Window Enclosures and Wall Insulation	\$102,000	
6. New Second Floor in Drill Hall	\$116,000	
7. Modified Mechanical, Heating, Ventilating, Air Conditioning and Electrical	\$ 75,000	
	<hr/>	
	\$382,000	
10% Contingency	\$ 38,000	
	<hr/>	
	\$420,000	\$420,000

III.3 SCOPE OF PROJECT

D. ESTIMATED CONSTRUCTION BUDGET (CONTINUED)

2. Interior Improvements (Continued)

b. Tenant Finishes

1. 15,000 Square Feet x \$13.60 = \$204,000

2. 20,000 Square Feet x \$ 6.80 = \$136,000

\$340,000

10% Contingency \$ 34,000

c. Total Estimated Construction Costs \$1,242,000

III.4 PROJECT COST BUDGET

The following cost analyses and projections were prepared by Howard Nannen, principal of the Hartford Restoration Company and are for comparative purposes only.

A. DEVELOPMENT BUDGET

<u>Assumed Acquisition Cost</u>	\$	1
<u>Construction (35,490 SF x \$35/SF)</u>	\$1,242,150	
<u>Legal</u> (Development Entity Organization, Property Transfer, Mortgage Documents, Closings, Title Insurance)	\$	26,000
<u>Architecture/Engineering</u> (8% of Construction)	\$	99,000
<u>Accounting</u>	\$	10,000
<u>Equity Syndication</u> (8% of Equity est. at \$450,000)	\$	36,000
<u>Marketing</u> (Promotion/Advertising/Literature Leasing Commissions 5% of gross rent - 3 yrs.)	\$	45,000
<u>Carrying Costs During Development</u>		
Utilities (\$.80/SF 1 yr.)	\$	28,000
Property Taxes (\$100,000 current value x .34 mills)	\$	3,400
Insurance (Property/Liability)	\$	20,000
<u>Working Capital</u>	\$	25,000
<u>Construction Mortgage Fee</u> (1% x 1,350,000)	\$	13,500
<u>Permanent Mortgage Fee</u> (1% x 1,350,000)	\$	13,500
<u>Developer's Profit (5% Project Cost)</u>	\$	90,000
<u>Construction Period Interest</u> \$1,350,000 Loan; \$675,000 borrowed on average over 1 year @ 20% interest	\$	135,000
TOTAL		<u>\$1,801,551</u>

III.4 PROJECT COST BUDGET

B. 'PRO FORMA' AND CAPITAL REQUIREMENTS

1. Gross Rental Income

Non-profit space (assume no rent and no expense for 2,650/sf)	- 0 -
Rentable Office Space: 15,690 sf @ \$14/sf	\$ 219,660
Rentable retail space: 10,055 sf @ \$17/sf	170,935
	<hr/>
Vacancy - 5% of gross	\$ - 19,530
	<hr/>
Effective Gross Income	\$ 371,065

2. Operating Expenses

Heat (\$0.70/sf gross area less non-profit area)	\$ 22,990
Electricity (power, lights, AC: \$1.00/sf gross area)	32,840
Insurance	20,000
Maintenance/Repairs (5% effec. gross income)	18,550
Management (5% effec. gross income)	18,550
Property Taxes (1/3 full value taxes)	12,000
Advertising	5,000
Accounting	7,000
Legal	6,000
Janitorial (\$0.60/sf gross area less non-profit)	19,700
	<hr/>
	\$ 162,630

3. Net Operating Income

\$ 208,435

4. Project Economic Value: (net operating income
capitalized at \$0.12)

\$1,736,000

5. Mortgage Financing: (75% of project economic
value)

\$1,303,000

6. Debt Service: 14% Interest, 40 year term

\$ 183,250

7. Cash Flow

\$ 25,185

8. Capital Requirements

Project Cost	\$1,801,000
Less Mortgage	1,303,000
	<hr/>
Equity Required	\$ 498,000

9. Return on Equity - 5.0%

III.5 PROJECT ANALYSIS

The following assumptions, evaluations and observations presented were developed during the preparation of the proposed scheme. They describe the parameters of this project which will contribute to the success of any proposal, including the options available which will be evaluated and selected by the public/private Partnership for the final project. These comments were prepared by Howard Nannen, principal of the Hartford Restoration Company.

1. Rent projections (\$14/sf office, \$17/sf retail) seem optimistic. To the extent these rents are overly optimistic viability is decreased and vice versa.
2. Property taxes estimated at one-third of full value taxes after reconstruction. To the extent taxes can be reduced below even this level, economic viability is improved. For instance, an arrangement under which the property is leased from the City with lease payments made in lieu of taxes could be favorable, particularly if lease payments were based on some percentage of profits in excess of those projected.
3. Mortgage interest rate and term of amortization has direct impact on viability. To the extent terms are improved from those used in the analysis viability is improved and vice versa. An arrangement with the permanent mortgage lender in which base interest rate and terms are better than those assumed in the analysis with the lender participating in excess profits would be favored. Sources of partial or total public financing should also be explored. State economic development money may be applicable as may CDBG or UDAG loan monies.
4. Reduction in project costs on any line item would help.
5. Return on equity projected is not high, but unacceptable for this type of project, if substantial tax benefits are available to the developer through income tax incentives under the 1976 Tax Reform Act as recently extended in application to historic structures. In addition, with favorable negotiations along

III.5 PROJECT ANALYSIS

5. (Continued)

the lines of one or more of the above recommendations, attractiveness of this project to a developer would be enhanced.

6. The acquisition price on which this project is based is assumed to be available due to the highly visible public benefits identified. Any sales price change will have to be offset by savings in other line items or direct assistance.
7. The proposed project is also based on the assumption that the parking requirements for the project will be provided off the actual project site and are not included.

IV. PROPOSED PARTNERSHIP

TABLE OF CONTENTS

	<u>PAGE</u>
1. Summary	30
2. Proposed Partnership	31
3. Proposed Role: State of Connecticut	33
4. Proposed Role: City of Middletown	35
5. Proposed Role: Citizens Advisory Committee	38
6. Proposed Role: Private Sector Interest	40

IV. PROPOSED PARTNERSHIP

I. SUMMARY:

This potentially successful development project has been examined and studied in order to present in this report the recommendations and findings which make this a unique opportunity for the City of Middletown. This study recommends the establishment of a partnership between the public and private sectors which can realize the potential in this proposed project. The principals, their roles in the partnership, and a project schedule are presented as recommendations. These are based on the findings in the balance of the report which describe the economic viability, potential uses, and architectural rehabilitation opportunities of the existing Middletown National Guard Armory and its site. This report's conclusions are based on an awareness that the project will succeed only if there is a correct mix of public and private sector involvement to assure that the project will provide highly visible public benefits. And it also recognizes that a successful conclusion can be achieved by the cooperation, skill and imagination of those who will be implementing this study.

IV. PROPOSED PARTNERSHIP

2. PROPOSED PARTNERSHIP:

In order for the future of the Armory to be secure and in the public's best interest, it is recommended that there be established a partnership of principals who can together work for a successful realization of the purpose for this project as well as work out any differences between them. This Partnership will be empowered to develop and implement any options at the successive stages of the project in order to complete the work as expeditiously as possible and not compromise the resultant public benefits. The activities of this Partnership shall at all times be a matter of public record and not provide an opportunity for its public purpose to be utilized for unjustifiable gain.

It is proposed that there be three principals at first who may be joined later by a fourth. The initial three are the State of Connecticut, the City of Middletown and a Citizen's Advisory Committee, formed as a steering committee for the Armory project. They would be responsible for the change of ownership of the property, its change of use, its rehabilitation, its economic viability and its increased benefit to the public. In the process of considering the options for each of these, it may become desirable to introduce a new principal to join the original three. This partner may represent Private Interest which might be required to realize the purpose of this project by providing incentive and funding which are not then available in the public sector.

The nature of this project rests in a hard financial analysis of the alternative uses for the Armory site and facility. The project is unlikely to be successful unless it is economically viable, and this is dependent directly on the activity of the public sector, the State, and the City to provide the facility, the incentives, the direction, the acceptable use and direct financial commitment if it is available. In the final analysis the project must generate dollars in order to succeed.

The Partnership is looking at a project that would not get underway for one or more years when and if the State was in a position to turn it over to the City of Middletown. If the City accepted the title, this would pose the question of what they would do with it. If a non-profit organization was in a position to petition the City to receive the property for public use, it might then be possible that the City would turn over

IV. PROPOSED PARTNERSHIP

2. PROPOSED PARTNERSHIP (CONTINUED) :

the Armory to the organization at little or no cost with possible repairs being made in the transfer. However, an alternative might be that the City would accept the title in order to turn it over to private interest, directing what its acceptable use and final purpose would be, and with sufficient incentives for the developer, to undertake the project on his own, to provide the dollars and development expertise to complete it and in exchange to share the prospective profits realized. These are two alternative general strategies which the Partnership could consider for this project.

The Partnership should explore every opportunity presented to it. It must design the correct mix of public and private sector involvement to get the project underway thus generating the many public benefits to be realized. It has to weigh the responsibilities and availabilities of public funding with the opportunities of utilizing private philanthropy or enterprise. It must make hard economic decisions in order for the project to succeed, and this can be achieved by the skill and imagination of the principals and their dedication to the project's public purpose.

IV. PROPOSED PARTNERSHIP

3. PROPOSED ROLE: STATE OF CONNECTICUT

Initially the State of Connecticut should be a principal in the partnership recommended to be established for this project. It is the present owner of the Armory site and existing facility. If it determined to abandon the Armory's present use, it would be seeking ways to dispose of the property. Following existing precedents, the State would offer the Armory to the City of Middletown and depending on the terms on which the City would accept it, the State would determine at what price, thus critically affecting the financial basis for the project. It is this single critical role that the State of Connecticut will play that recommends that it should participate as a principal in the proposed Partnership.

It is recognized that the State of Connecticut has an unresolved problem with the National Guard's Armory system as it presently exists. It is known that consolidation of the system, thereby abandoning the Middletown Armory, has been under study for some time, but there are no monies presently available to implement any existing plan. This problem is outside of the area of responsibility of the Partnership, but when it is resolved, that will signify the beginning of the activities of the Partnership to implement its plans.

In addition to the disposition of the Armory, the State can play a key role in the financial success of the project. It has the opportunity of investing State funds in the stabilization and repair of the existing facility before it is turned over to the City. It also has the opportunity of making State-Funding available to the project. Though possible, neither of these funding sources is likely since it must be assumed that the State is probably the financier of last resort for this project. However, there is one other financing possibility which the State could provide without incurring additional indebtedness and that is the opportunity to dispose of the Armory to the city at a low cost or no cost. The City could then pass this savings along which in itself could be a significant incentive to the project.

IV. PROPOSED PARTNERSHIP

3. PROPOSED ROLE: STATE OF CONNECTICUT (CONTINUED):

Therefore, the State of Connecticut's eventual disposition of the Armory recommends its role as a principal in the proposed Partnership. It can also assist with the financing of the project either directly or indirectly. It can provide public assurances that the public benefits of the project justify its considerable assistance. And the other principals of the Partnership can also assure the State that the project's publicly viable use justifies its providing financial assistance even if private interest is involved. The State's continued involvement in the Partnership after it plays its part will be only to remain informed of the progress, direction and success of the project.

IV. PROPOSED PARTNERSHIP

4. PROPOSED ROLE: CITY OF MIDDLETOWN

Of the recommended principals for the proposed Partnership, the City of Middletown should be primary with the Citizen's Advisory Committee. As the City has recently recognized by establishing the Economic Development Task Force, it must participate in developing strategies for improving the economic viability of certain areas of the City. The proposed Armory project is key in the establishment of a new anchor for the increased public use of the south end of Main Street. Therefore the proposed Partnership for the Armory is an extension of that role of leadership in the future development of the City.

In the partnership concept recommended, it is the City's role to lead the public sector participation. In addition to the State's limited opportunities to assist the project, the City has within its powers a number of ways in which it can make the project succeed. In conjunction with the Citizen's Advisory Committee, it can cause the successful realization of the project. With the other principals it would be responsible for participating in the change of ownership of the property, its change of use, its rehabilitation, its economic viability and its increased benefit to the public.

A major activity which the City can bring to the Partnership is its willingness to utilize those tools which it and other municipalities use to stimulate economic development. If the City could bring its powers to the project, it could substantially increase the project's economic viability, hence its realization. It could apply various options in a gentle manner which in place of outright subsidy could advance the project. Whatever the final strategy agreed to by the Partnership, the City's first role will be to acquire the Armory from the State and its last role should be to hold strings on the project which control its continuing use.

As a principal of the Partnership, the City is looking at a project that would not get underway for one or more years when and if the State was in a position to turn it over to the City of Middletown. If the City accepted the title, this would pose the question of

IV. PROPOSED PARTNERSHIP

4. PROPOSED ROLE: CITY OF MIDDLETOWN (CONTINUED):

what they would do with it. If a non-profit organization was in a position to petition the City to receive the property for public use, it might then be possible that the City would turn over the Armory to the organization at little or no cost with possible repairs being made in the transfer. However, an alternative might be that the City would accept the title in order to turn it over to private interest, directing what its acceptable use and final purpose would be and with sufficient incentives for the developer to undertake the project on his own to provide the dollars and development expertise to complete it and in exchange to share the prospective profits realized. These are two alternative general strategies which the City might consider for this project with the other principals of the Partnership.

These alternative strategies are presented for consideration because they represent two options: (a) a recommendation of a procedure for public funding or (b) a recommendation of a procedure for private funding. The City, as further options, might consider making capital improvements and turning the building over to a non-profit organization or a committee, for further improvements and project administration, or sell or lease it to a private developer without restrictions. There are many variables which have differing degrees of public or private assistance and investment. In all cases however, the City should recognize that its role is to provide some financial incentives ranging from minimal assistance for total private use to maximum support for a highly visible public use.

The City has several opportunities to contribute to the viability of the proposed Armory project. First, it could improve the financial structure of the project by considering either only leasing the property or selling it with the property value written down. In either case the City could determine if it wished to recapture some of the benefits by requiring a deferred payment at the end of the project or with some profit participation as incremental payment. Second, the City could utilize the more frequently used incentive, making arrangements for favorable tax structures from outright abatement to tax deferrals during

IV. PROPOSED PARTNERSHIP

4. PROPOSED ROLE: CITY OF MIDDLETOWN (CONTINUED):

the start up period of the project. Thirdly, the City has the ability to provide public improvements in the area of the project, such as sidewalks, street furnishings and landscaping with the cost born by the City. These opportunities are generally available to most projects.

But there are special opportunities for this project which the City can provide. The most significant of them is the City's ability to pass along the low cost or no cost of the Armory property if it can achieve that from the State. In addition, it could make available to the project some of the parking which would be required. This is presently committed to other uses but could be reapportioned to benefit the Armory project.

In all cases the approved highly visible public benefits of the project should be sufficient justification for the City to consider its ability to provide some or all of these subsidies to the project. It is in the City's best interest that the project succeed and thereby share in its profitability rather than compromise its success making it only marginally viable which would result in further encumbering the City.

Therefore, since the City has the greatest ability to assist the project and opportunity to gain with the success of the project, its role is to be a primary principal in the proposed Partnership. The City can assist with the disposition of the Armory as well as assist with the financing of the project. The other principals of the Partnership can assure the City that the project's publicly viable use justifies its providing financial assistance even if private interest is involved. The City's role is key to the success of the Partnership and the project.

IV. PROPOSED PARTNERSHIP

5. PROPOSED ROLE: CITIZEN'S ADVISORY COMMITTEE

In recommending the principals of the proposed public and private Partnership, it is the specially established Citizen's Advisory Committee which should serve with the City of Middletown as a primary principals. The Committee should serve as the advocacy group trying to sell the idea of the viability of the project and to assume that advocate position in the partnership. Its other major role is to oversee the other principals and assure that the direction and goal of the project achieve its intended highly visible public purpose. Both of these activities are essential if the project is going to succeed.

The Citizen's Advisory Committee shall assure that the project will be economically viable combining both public and private use in a manner which shall achieve high public visibility. It has to overcome the apparent contradiction that a public use is not a profitable use. In so doing, the role of the Committee will be to clarify the requirements of the project to be of ultimate public use and public benefit. These two are the bases for the considerable participation of the other initial principals, the State of Connecticut and the City of Middletown.

As a principal of the Partnership, the Citizen's Advisory Committee should also serve by working with the City and State examining the options and opportunities available at different stages of the project. It would play a key role in determining whether the Armory should be turned over to a project developer either a non-profit organization or a private developer, directing what its acceptable use and final purpose would be. In each of these alternatives the Committee should then be in a position to advise the City on the credibility and proposals of the developers. In either case its most important role would be to make certain that the project to be initiated, either publicly or privately financed, be for a highly visible public benefit. This function shall be key to providing the fullest assistance in this project by both the City and the State. It should also benefit any proposed project using a non-profit vehicle by putting the Committee in a position where it could solicit matching private contributions by making a case for private sector support for the project.

IV. PROPOSED PARTNERSHIP

5. PROPOSED ROLE: CITIZEN'S ADVISORY COMMITTEE (CONTINUED):

Therefore, it is the Citizen's Advisory Committee which has the advocacy role to play in the project as well as the responsibility for its integrity and credibility. This position requires that it serve the Partnership also as a primary principal. The Committee's role is key to the success of the Partnership and the project.

IV. PROPOSED PARTNERSHIP

6. PROPOSED ROLE: PRIVATE SECTOR INTEREST

The involvement of the Private Sector Interest in the Armory project is limited to activity in the Partnership with the initial three principals after they have determined the direction and involvement of Private Sector Interest. This Interest may be solicited in the form of requests for proposal from non-profit or private developers and/or for solicitations of private financial support. In either case the function of Private Sector Interest will be to provide funding for the project.

The Armory project shall be set up by the Partnership to be a profit making enterprise which can attract the necessary financial support from public and private sources and which can carry its own operating costs without further burden on the public or private sector. The Partnership shall determine the final strategy of trying to solicit a non-profit or a private developer, in either case, directed to provide the required highly visible public benefits. The Partnership's final determination will be based on the availability of funds to support one or the other strategies.

In addition it is clear that Private Interest will be participating in another way in the project. Because of the financial requirements of economic viability, it is probable that the approved use for the project shall be a mixed use, combining private commercial tenant use with other uses which achieve high public visibility and are perceived to be of public benefit. The Armory facility lends itself to a number of schemes which are variations of this mixed use. It will be a determination of missing needs in the real estate market when the Armory becomes available to the City which will dictate the exact nature and mix of private market oriented use in tandem with high visibility public use. This will insure that the final project realized shall be economically viable, utilizing the income from the private use to carry the costs of the public ones.

Therefore, there is a significant role for the Private Sector Interest in the project. If it is determined by the initial principals of the Partnership that a

IV. PROPOSED PARTNERSHIP

6. PROPOSED ROLE: PRIVATE SECTOR INTEREST (CONTINUED):

non-profit or private developer should be introduced into the project then it would do so as an additional partner, assuming the successful proposal is reviewed and approved by the others. In addition to the developer, the Private Sector will be providing the project with sufficient income to succeed. In all cases, Private Sector Interest will be an important one to include in the project Partnership.

MIDDLETOWN NATIONAL GUARD ARMORY
FEASIBILITY STUDY

V. EXISTING CONDITIONS

TABLE OF CONTENTS

	<u>PAGE</u>
1. SUMMARY	43
2. DRAWINGS	
A. Site Plan	45
B. Floor Plans - Basement	46
C. Floor Plans - First Floor	47
D. Floor Plans - Second Floor	48
E. Building Section	49
3. BUILDING DESCRIPTION	
A. Description	50
B. Table of Areas	52
C. Chronology	53
4. PRESENT CONDITIONS AND OPERATIONS	
A. Proposed Repairs	55
B. Potential Disposition	56
C. Current Valuations	57
D. Operations	58
5. SITE	
A. Description	59
B. Adjacent Sites	60
6. STRUCTURAL AND MECHANICAL REPORT	
A. Conclusions	61
B. Findings	62
C. Estimated Costs	64
7. HISTORIC SIGNIFICANCE	65

MIDDLETOWN NATIONAL GUARD ARMORY
FEASIBILITY STUDY

V. EXISTING CONDITIONS

1. SUMMARY

The Existing conditions of the Middletown National Guard Armory are the starting point for this Study. They are the basis for any proposals for rehabilitation and reuse. After careful examination of the structure, the development activity in the city and the promising future growth of the region, it is possible to conclude that the Armory is well suited for an economically viable development project at this time.

For sixty years the Armory has been operated by the State as a military facility which, though in the public's best interest, has not functioned in the City of Middletown as a focus of public activity. As a measure of this isolation, when the redevelopment agency of the city prepared its Metro South Urban Renewal Project, it restricted the facility to a minimum site of less than one acre and cut it off from the adjacent areas except for providing minimum sideyards and rearyard.

As it stands, the Armory is substantially unchanged since it was completed in 1921. The building is included in the Metro South National Register District. The flanking wings, including the relocated historic Watkinson House and the formal entrance facade are a landmark on Main Street. The Drill Hall structure to the rear is a well-placed, large assembly space which has very interesting potential for public use for the citizens of Middletown.

For the last fifteen years the state military has been aware of the advanced deterioration of the Armory and has prepared several proposals for it, including building repairs, estimated at \$250,000.00, and a proposed replacement at another location, estimated to cost in excess of \$1 million. While neither proposal has been implemented, the deterioration of the Armory accelerates as does the state's costs to operate this facility. To identify the extent of this deterioration, this Study includes an examination of the present conditions of the building, its structural and mechanical systems.

MIDDLETOWN NATIONAL GUARD ARMORY
FEASIBILITY STUDY

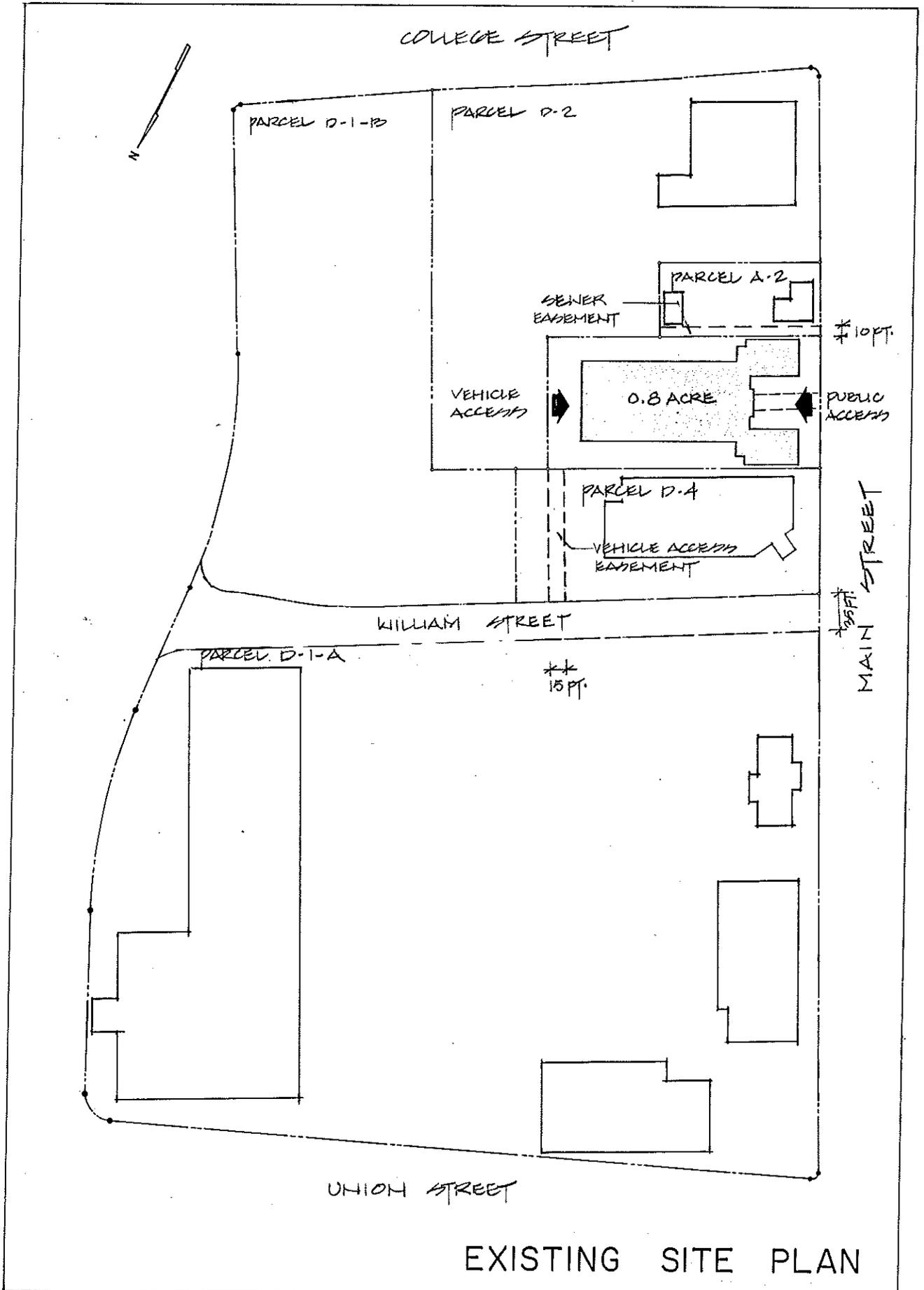
V. EXISTING CONDITIONS

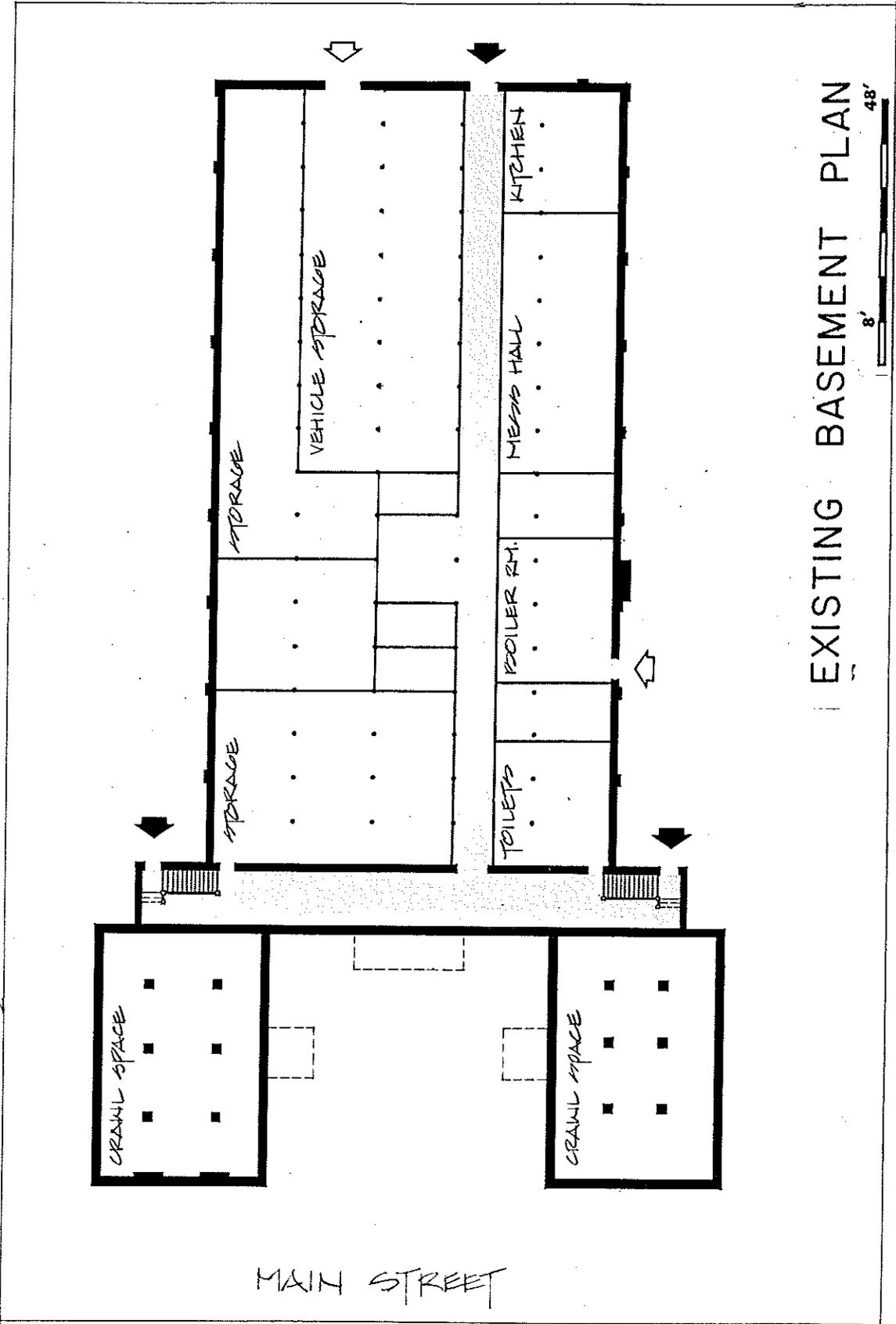
1. SUMMARY (CONTINUED)

The findings support the recommendation that something has got to be done immediately, or the potential of any project improvements will be lost. The City of Middletown must petition the State to act before it is too late.

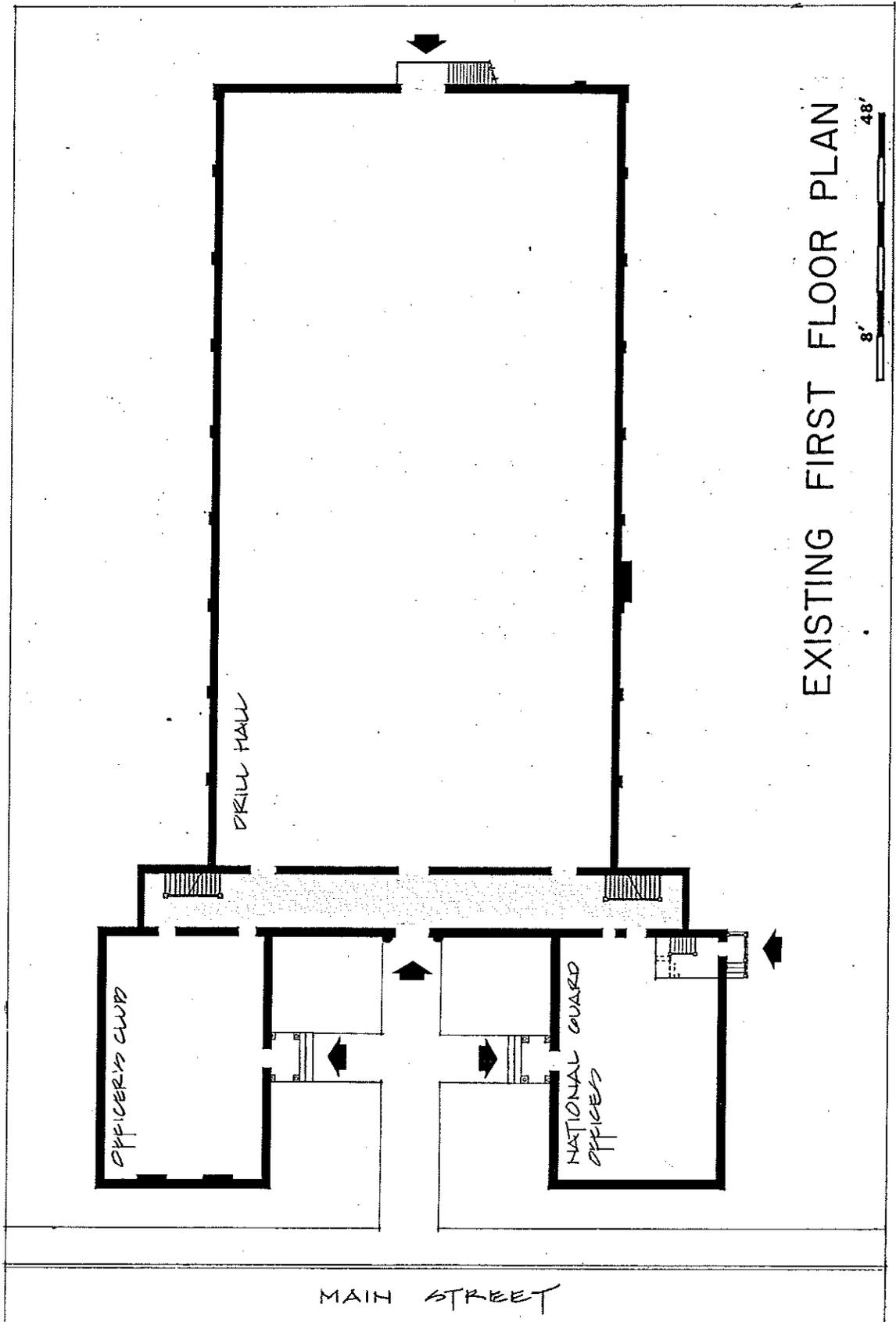
The present state of the real estate market, property values and rents, create an optimistic climate for a proposed rehabilitation project for the Armory. However, the present commercial lending rates are at a record high which tempers this condition and requires assistance in any proposed financial package, including minimal acquisition cost and a favorable tax structure. Though the situation is not ideal, a project is workable given the cooperation and assistance required from both the public and private sectors.

The opportunity to reuse the existing Armory in an imaginative and exciting project is now. The present conditions and circumstances can be the basis for a successful project. Significant public benefits to the City of Middletown and the region can thus be realized, but if action is delayed, the favorable conditions may deteriorate resulting in a lost opportunity and a setback in the City's bright economic revitalization.

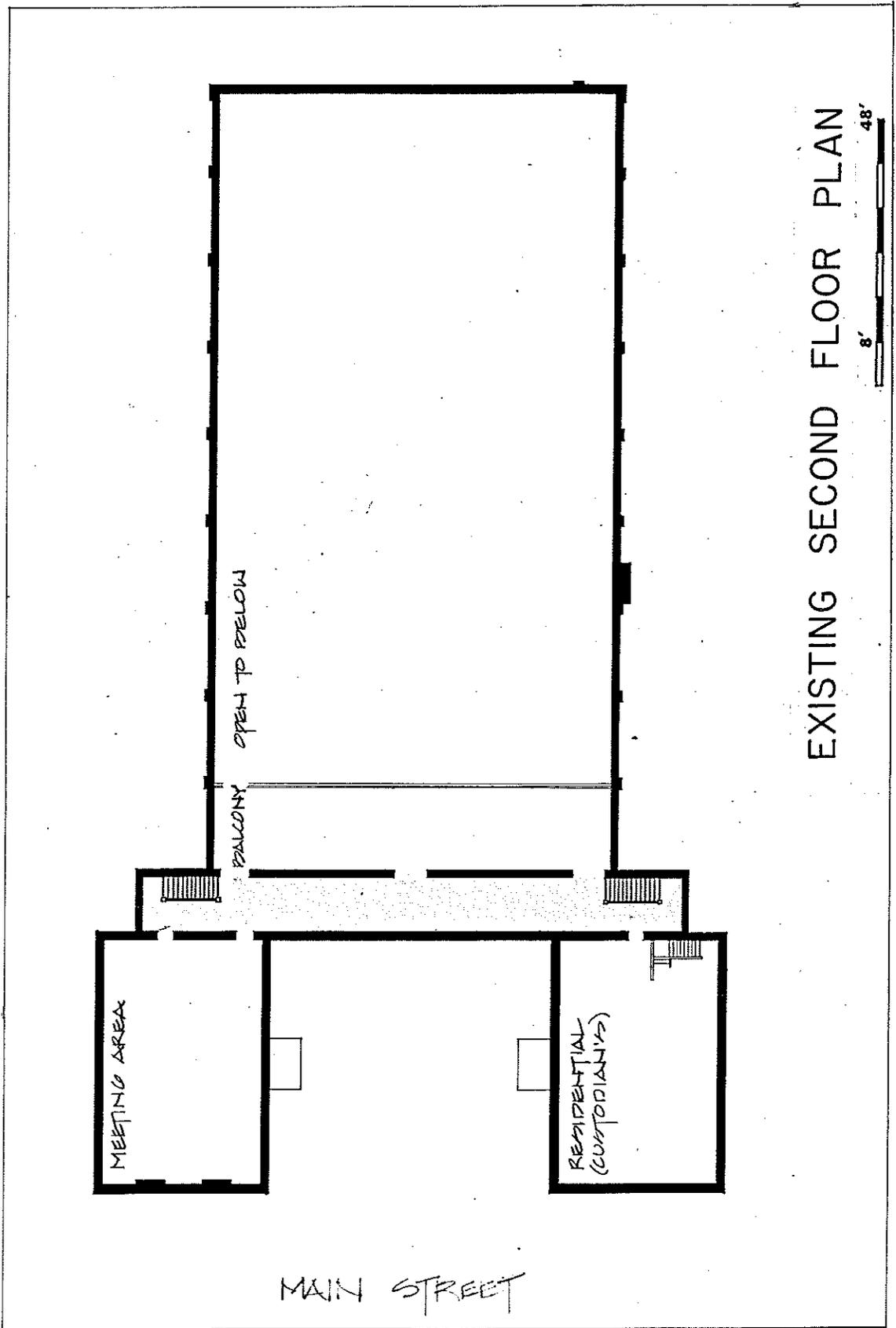


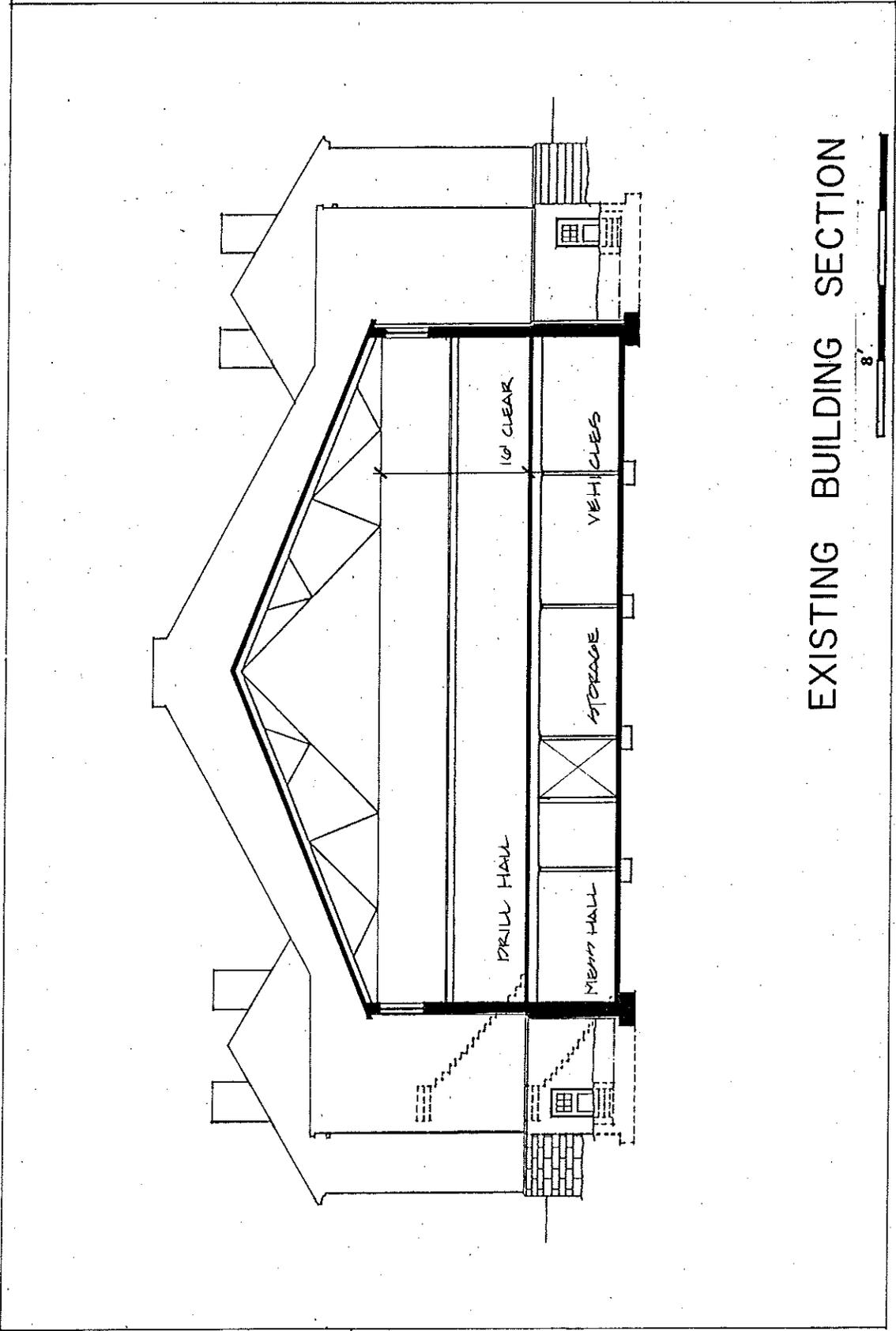


MIDDLETOWN NATIONAL GUARD ARMORY
FEASIBILITY STUDY



MIDDLETOWN NATIONAL GUARD ARMORY
FEASIBILITY STUDY





MIDDLETOWN NATIONAL GUARD ARMORY
FEASIBILITY STUDY

V. EXISTING CONDITIONS

3. BUILDING DESCRIPTION

A. DESCRIPTION

The Middletown National Guard Armory was built in 1921. It is a public use building designed for its present use. Over the years there have been modifications to the original armory, changing the use in some of the different sections. The front wings on the first floor are each used for administrative office use and officer's club respectively. The second floors contain a meeting room and the custodian's apartment respectively. The basement of the Drill Hall contains a mess Hall and kitchen facility, public toilets, storage, and vehicle storage areas in addition to the boiler room and other service areas. The Drill Hall first floor is used for National Guard functions. It is provided with a spectators' gallery or balcony.

The building is two stories high with a full basement located on a sloping site. The principle entrances are at the Main Street end of the site. The grade change of the site provides access at grade to the basement level at the opposite end of the building. Two central stair locations have direct access to grade, located along each side of the building.

The brick masonry structure is bearing wall construction. The front wings are in part supported with wood bearing partitions and roof trusses and steel beam reinforcement. The Drill Hall first floor is supported on a grid of beams held up by columns in the basement. The Drill Hall roof is supported by unprotected steel trusses spanning 143 feet clear. The bottom chord of the trusses is located 16 feet above the first floor.

The Armory structure appears to have been designed to support the following Live Load requirements. The two wings can support 40 psf on both floors. The central circulation corridor connecting the stair wells can support a 50 psf live load. The Drill Hall first floor can support a 125 psf live load and the basement floor a 200-300 psf live load.

MIDDLETOWN NATIONAL GUARD ARMORY
FEASIBILITY STUDY

V. EXISTING CONDITIONS

A. DESCRIPTION (CONTINUED)

These existing conditions can be utilized in a reuse project. There are not any design or structural limitations which cannot be modified to suit any proposed changes. The restrictions of the building must be used in the determination of the more viable reuse proposals being considered.

MIDDLETOWN NATIONAL GUARD ARMORY
FEASIBILITY STUDY

V. EXISTING CONDITIONS

3. BUILDING DESCRIPTION

B. TABLE OF AREAS

EXISTING AREAS:

	CIRCULATION	NET USABLE AREA	TOTAL
1. <u>BASEMENT</u>			
a. Front Wings	-	Crawl Space	
b. Drill Hall	1,980	9,300	
c. Total	1,980 s.f.	9,300 s.f.	11,280 s.f.
2. <u>FIRST FLOOR</u>			
a. Front Wings	-	2,650	
b. Drill Hall	985	10,285	
c. Total	985 s.f.	12,935 s.f.	13,920 s.f.
3. <u>SECOND FLOOR</u>			
a. Front Wings	-	2,650	
b. Drill Hall	985	1,170	
c. Total	985 s.f.	3,820 s.f.	4,805 s.f.
4. <u>TOTALS</u>	3,950 s.f.	26,055 s.f.	30,005 s.f.

MIDDLETOWN NATIONAL GUARD ARMORY
FEASIBILITY STUDY

V. EXISTING CONDITIONS

3. BUILDING DESCRIPTION

C. CHRONOLOGY

The following chronology of the Middletown National Guard Armory was prepared with the assistance of General Cook's office at the Hartford Armory and the State Bureau of Public Works.

Nov. 7, 1919 State of Connecticut purchases former John R. Watkinson House (built ca. 1807) and property from City of Middletown.

---? Architectural firm Payne & Griswold of New London selected (General Morris B. Payne; Harry T. Griswold; Douglas Orr of New Haven associated architect).

March 8, 1920 Bids for construction contract received but none accepted as all were over \$150,000 appropriation. Architects to revise plans.

March 29, 1920 Bids to be re-submitted on basis of revised plans which leave off left wing of proposed Armory.

---? Bid of firm of Connor & Haggerty of Hartford accepted (Major Michael A. Connor and Major James A. Haggerty).

June 23, 1920 Connor & Haggerty sub-contract with Boston firm of Soley & Blair (William A. Soley and Donald M. Blair) to turn Watkinson house around to face south.

July 2, 1920 Foundation walls up; Watkinson house nearly ready to be turned to face south.

Aug. 2, 1920 Brick walls of drill shed going ahead; turning of Watkinson house delayed one week.

MIDDLETOWN NATIONAL GUARD ARMORY
FEASIBILITY STUDY

V. EXISTING CONDITIONS

3. BUILDING DESCRIPTION

C. CHRONOLOGY (CONTINUED)

- ?, 1921 Armory Building was accepted after completion of construction.
- ?, 1925 Utility layouts were prepared for revisions to the completed armory.
- ?, 1928 Renovations and repairs to the armory were initiated.
- ?, 1939 Alterations and repairs were initiated including roof repairs and structural renovations; an investigation of the Drill Hall floor was undertaken.
- ?, 1960 Flooring replacement and roof reinforcement were studied.
- ?, 1961 Plumbing was upgraded.
- ? Boilers were replaced.

MIDDLETOWN NATIONAL GUARD ARMORY
FEASIBILITY STUDY

V. EXISTING CONDITIONS

4. PRESENT CONDITION AND OPERATION

A. PROPOSED REPAIRS.

In 1973, the State's National Guard prepared a report on the deteriorated conditions of the Middletown Armory. The report concluded at that time that it was "deteriorated, obsolete, inadequate, and should be sold."

This report itemized the following deferred maintenance work to be done. All the roofs were to be replaced, the last of the roofing bonds having expired in 1966. Major repairs to the exterior masonry was needed throughout. Doors and windows were to be replaced. Exterior site improvements were required for the sidewalks, steps, and stairs. In addition, major repairs were identified for all the mechanical and electrical systems.

As a result of this report, a package of proposed repairs was prepared based on the above work required. This package was estimated to cost approximately \$225,000.00. Subsequently an appropriation of \$250,000.00 for the project was requested. Bonding legislation passed by the General Assembly in May 1980 authorized Bond Issues not to exceed \$250,000.00 for exterior repairs to the Middletown Armory. At the monthly meeting on 8/22/80 of the State Bonding Commission, it was decided not to issue bonds for the repairs of the Middletown Armory pending its unknown future status. This was verified on 12/12/80 by Mr. Frank Rondo, Chief Administrative Officer, Department of Administrative Services.

As an independent investigation, this report includes a separate analysis of the existing conditions which are presented in part six of this section.

MIDDLETOWN NATIONAL GUARD ARMORY
FEASIBILITY STUDY

V. EXISTING CONDITIONS

4. PRESENT CONDITION AND OPERATION

B. POTENTIAL DISPOSITION

In part, as a result of the 1973 National Guard recommendation to dispose of the Middletown Armory, a decision was made in 1974 to abandon a total of twelve armories around the State. The loss of these facilities was to be compensated for by the construction of six new buildings with construction beginning in 1976. The Middletown Armory was to be replaced by a consolidated Middletown-Meriden Armory, The construction of which was projected to begin in 1983. Projected dates for new construction are subject to change due to many factors, and therefore are unreliable figures. At present the problems of availability of funds from the government (75% Federal, 25% State) and inflated construction costs have further delayed any plans for the abandonment of the Middletown Armory property pending re-consideration of the proposed Middletown-Meriden Armory project.

The procedure for disposition of the Armory would be as follows. The military would declare the Middletown facility to be surplus property. The State Treasurer would be notified of this change in the property's status, and would offer it for sale to the local municipal government as first option purchaser. If the local municipal government declines to act, the State Agency Review Board would offer the property to state agencies. If no agency chooses to acquire the Armory, then it would be sold at public auction for its fair market value.

This procedure was apparently followed in both Norwich and Willimantic where those cities acquired the local National Guard Armories. The former acquired its for the cost of \$1.00 and the latter at a cost of \$63,000.00. The fair market sale price appears to result from a desire on the part of the military to "sell the old armories in order to raise funds" which would supplant State revenues required to match federal grants for the replacement facilities.

MIDDLETOWN NATIONAL GUARD ARMORY
FEASIBILITY STUDY

V. EXISTING CONDITIONS

4. PRESENT CONDITION AND OPERATIONS

C. CURRENT VALUATIONS

As of 1973 the National Guard's insurance valuation on its Middletown Armory facility was \$322,778.00.

The assessor for the city of Middletown has given a 1977 valuation for the property as follows:

The replacement cost is \$502,000.00.

Property Assessment:

	70%	FULL VALUE
LAND	36,120	51,600
BUILDING	<u>168,700</u>	<u>241,000</u>
TOTAL	\$204,820	\$292,600

Available data on comparative land sales figures which relate to the Armory site have rates ranging from \$1.37 per square foot to \$6.83 per square foot. These prices have been paid during the last nine years. Of particular interest is the site of Pelton's at 100 Main Street which is 0.82 acres and sold on 29 June 1977 for a total of \$52,887.00 or \$1.48 per square foot.

Rental rates for commercial office use in rehabilitated buildings in the area range from \$9.00 to \$10.00 per square foot for "top quality office space."

The Middlesex Assurance Company project currently under construction will provide approximately 39,000 square feet of comparable office use space. The rental rates were projected initially to be from \$9.80 to \$11.00 per square foot. It is anticipated that this range will rise to \$12.00 to \$14.00 when the project is completed.

MIDDLETOWN NATIONAL GUARD ARMORY
FEASIBILITY STUDY

V. EXISTING CONDITIONS

4. PRESENT CONDITION AND OPERATIONS

The costs of the operations of the present armory are not available for inclusion in this report. However, it is known that the mixed use of the armory, both military and residential, requires that its heating system function during a minimum season of eight months. Also until recently the monthly costs for heating ran an average of \$3,000 or annualized at about \$24,000.00. Some cost savings have been realized, but increasing costs have out-distanced the savings. The equipment is inefficient and obsolete coupled with a completely uninsulated facility which puts the operating costs at a premium.

MIDDLETOWN NATIONAL GUARD ARMORY
FEASIBILITY STUDY

V. EXISTING CONDITIONS

5. Site

A. DESCRIPTION

The Middletown Armory site is approximately 0.8 acres. In 1973 the National Guard report on the facilities concluded that the site was "inadequate."

The Armory site fronting on Main Street is 123.43 feet wide and 256.23 deep. It is the property of the State of Connecticut. With this property goes an access easement 15.00 feet wide across the adjacent property known as Disposition Parcel D-4, identified by the Middletown Redevelopment Agency on its drawing No. T97-13, dated March 1975. In addition a further sanitary sewer easement 10.00 feet wide encumbers the adjacent property known as Disposition Parcel A-2.

From the Redevelopment Agency's point of view the present status of the State Armory property is that it has been designated as a "public facility not to be acquired" and is in no way subject to any of the controls exercised by the Redevelopment Agency in the Metro South Urban Revewal Project.

There is no area on the project site which is available for vehicle parking. Access to the site is only across existing easements. There is not adequate or acceptable fire equipment access to the existing structure. The Armory exists on a minimum, undersized land parcel which severely restricts its reuse unless the necessary access and parking is provided.

MIDDLETOWN NATIONAL GUARD ARMORY
FEASIBILITY STUDY

V. EXISTING CONDITONS

5. Site

B. ADJACENT SITES

The following information is provided from an interview of December 11, 1980 with Mr. Joe Haze, Director, Middletown Redevelopment Agency, concerning redevelopment activity in the area surrounding the Middletown State Armory property.

Of the four parcels on this block designated for disposition and development only one, Pelton's Drug Store, is completed. The Middletown Press building is now near completion. The Middltown Restorations project involving the restoration and adaptive use as professional offices of two historic structures is in preliminary design stages of development. The largest parcel D-1-B is intended for a hotel site for which a developer is being sought by the Redevelopment Agency. With the exception of the Armory itself, all of these projects are commercial in nature.

The objective for the development of this parcel D-1-B is to attract a developer who would construct a hotel/motel or inn/restaurant type of facility. Although a previous attempt to achieve this type of development has failed due to the inability of the designated developer to get financing, it is thought that this type of facility is important to the area and therefore the same objective will be pursued for this parcel. The section of William Street between Main Street and Dekoven Drive has been abandoned as a public right of way and was included for disposition in parcel D-1-A. However, the owner (Bronson Development) is constrained by the separate rights of way giving access to the Pelton's property and to the rear of the State Armory property.

MIDDLETOWN NATIONAL GUARD ARMORY
FEASIBILITY STUDY

V. EXISTING CONDITIONS

6. STRUCTURAL AND MECHANICAL REPORT

This report was prepared by Girard & Co., Engineers, after inspection of the buildings' structural conditions, mechanical systems, and miscellaneous problems.

A. CONCLUSIONS

The buildings are in from fair to good structural condition, and at present have no structural conditions which would be cause for immediate concern. The items listed below, however, will have to be accomplished in the near future in order that structural integrity is assured.

1. Repoint exterior brick bearing walls.
2. Repair roof leaks, slate roofing, and shingle roofing.
3. Repair and/or strengthen north wing roof framing.
4. Repoint chimneys.
5. Repair concrete and brickwork at main chimney (east side Drill Hall).
6. Repair roof plank and purlins at Drill Hall roof.
7. Inspect and repair framing as required in the crawl spaces of north and south wings.
8. Repair all window work.

Rehabilitation of the complex, if accomplished in the near future, can be done cost effectively, since the basic structures do not now have serious structural problems.

MIDDLETOWN NATIONAL GUARD ARMORY
FEASIBILITY STUDY

V. EXISTING CONDITIONS

B. FINDINGS

1. Exteriors North (Original) Wing:

Brick bearing walls are plumb, some cracks exist at arched window heads and at the north east corner of the building. Mortar joints have deteriorated somewhat, most prominently on the north side. The brownstone foundation facing is in good condition, some cracks and spalls exist. The rear fieldstone foundation has loose mortar joints. Wood cornice work is deteriorated as are gutters and leaders. The slate roof is fairly intact, some slate cracked, some missing. The roof line is wavy, indicating excessive deflections in the roof framing.

2. Exteriors South Wing:

Similar conditions exist on the south building with regard to cracks in the brick bearing walls. Mortar joints are in reasonably good condition. Entrance porch woodwork and columns are deteriorating, slate roof appears in fair condition, roof lines are relatively straight. Brownstone foundation facings are in good condition, with some cracks and spalls. Gutters and leaders are deteriorated.

3. Exterior Drill Hall:

Front portico and concrete steps are deteriorating, brick bearing walls are straight and true, some cracking exists. Mortar joints are loose and deteriorated in some areas, especially along the north wall. Some cracks exist in the concrete foundations, none of which appears to be serious structurally. Several cracks exist in the concrete chimney base and chimney brickwork on the east side. Galvanized gutters and leaders are heavily deteriorated. Obvious signs of leakage were apparent in the window work and roofing.

MIDDLETOWN NATIONAL GUARD ARMORY
FEASIBILITY STUDY

V. EXISTING CONDITIONS

B. FINDINGS (CONTINUED)

4. Interiors - North (Original) Wing:

Some sags exist in the floor framing, typical for a building of this age and construction type. Signs of roof leakage were apparent, same at second floor windows. No signs of excessive deterioration were visible.

5. Interiors - South Wing:

Floors are relatively level, no signs of excessive deterioration were observed. The crawl spaces below the north and south buildings were not inspected due to inaccessability.

6. Interiors Drill Hall:

Basement area had signs of water infiltration at the N.W. corner. Interior of concrete foundation walls are in fairly good condition, concrete slabs are intact, with some cracks. Brick piers, 3 inch steel columns, and 10 x 12 wood timbers supporting the drill room floor all are in good condition. Drill room area - hardwood floor level with no signs of excessive deflection in the floor framing. Steel roof trusses are in good condition with no signs of deterioration or structural distress. 8 x 8 timber purlins are water damaged in some locations and sag prominatly in others. Wood roof plank is water damaged in some locations, but for the most part is intact. Roof and window leaks are apparent. Flashing at the north end of the drill room roof is missing. Interiors of brick bearing walls are in good condition.

7. Heating:

Two Weil-McLain Boilers exist in the basement. Boilers are used in tandem (not simultaneously). Each boiler has a recent oil-fired burner. Boilers were operating and appeared in fairly good condition. Heating distribution lines were intact, but their condition is difficult to ascertain.

MIDDLETOWN NATIONAL GUARD ARMORY
FEASIBILITY STUDY

V. EXISTING CONDITIONS

B. FINDINGS (CONTINUED)

8. Electrical:

Electrical distribution is minimal in the north and south wings and has been extended and modified throughout the Drill Hall basement as required for the present usage.

C. ESTIMATED COSTS

1. Replace the Drill Hall roof and repair the existing slate roofing; strengthen the roof framing, repair Drill Hall roof purlins and roof plank.
2. Repoint exterior brick masonry.
3. Repair all windows.
4. Upgrade existing mechanical, heating and ventilating and electrical work.
5. Total estimated cost: \$305,000.00.

This estimated cost is comparable to the \$250,000.00 project for which State bonding was solicited in 1980.

MIDDLETOWN NATIONAL GUARD ARMORY
FEASIBILITY STUDY

V. EXISTING CONDITIONS

7. HISTORIC SIGNIFICANCE

A. DESCRIPTION

The following description of the Armory is a part of the National Register Nomination as prepared by John E. Reynolds in 1978.

"The Middletown Armory complex is on the east side of Main Street south of William Street. With a courtyard formed by two wings and the connecting facade of the drill shed, it presents a formal arrangement of buildings and grounds atypical of the neighboring commercial structures dating from the eighteenth and early nineteenth centuries. The north wing of this armory was built around 1810 as a residence facing Main Street for John R. Watkinson. Watkinson was a prominent merchant and the founder of a woolen manufactory on the Pameacha River in 1814. A Federal style house of five bays with a center hall, it is nearly identical to the nearby Mather-Mansfield House (151 Main Street) of the same date. In 1836 the house descended to John H. Watkinson, later president of the Middletown National Bank. The property was acquired in 1919 by the State of Connecticut for the purpose of constructing an armory. In an interesting demonstration of adaptive use, the original house was turned on its foundation (minus a rear wing) to face south. An exact duplicate was constructed to face the original, across a court, and the facade of a large drill shed was joined to the east wall of each wing. Although this classical revival facade has coupled full height columns carrying a high and prominent entablature, the use of brick and the continuation of the wing cornices across the facade is sympathetic to the appearance of the wings. Moreover, the details of this facade echo the classically inspired Federal details of the wings."

On January 24, 1980, the National Register of Historic Places approved the "Metro South National Register District" for listing. This district includes the National Guard Armory and site.

MIDDLETOWN NATIONAL GUARD ARMORY
FEASIBILITY STUDY

V. EXISTING CONDITIONS

7. HISTORIC SIGNIFICANCE

A. DESCRIPTION (CONTINUED)

Not recorded in the National Register is the significance of the Armory as an early historic preservation project. In 1919 the project to build an armory on the site of the John Watkinson House was initiated. In lieu of demolishing the house, it was incorporated as the north wing of the proposed complex.

MIDDLETOWN NATIONAL GUARD ARMORY
FEASIBILITY STUDY

VI. ANALYSIS OF PROJECT ALTERNATIVES

TABLE OF CONTENTS	<u>PAGE</u>
1. SUMMARY	68
2. PROPOSED PROJECT ALTERNATIVES	
A. Project Parameters	69
B. Proposed Public/Market Office Project	71
C. State Museum of History Project	74
D. Hotel/Motel Project	76
E. Other Projects	78

MIDDLETOWN NATIONAL GUARD ARMORY
FEASIBILITY STUDY

VI. ANALYSIS OF PROJECT ALTERNATIVES

1. SUMMARY

Since the establishment of the Armory Museum Committee in 1980, many proposed uses have been suggested for the rehabilitation of the Armory. It has been the Committee's responsibility to see that the final recommended project for the Armory be economically feasible and one that considered the possible public uses which had been suggested. As a result, the committee has identified that a project proposal for Public/Market/Office use be recommended rather than a State Museum use or Hotel/Motel project. The basis of this recommendation is in the comparison of the various proposals considering the specific parameters of the Armory project. Consideration was given to the appropriateness of the scheme for the reuse of the existing Armory. The projected capital and operating costs were weighed against the proposal's income projections and the project's fundability. It was determined that a combination of public and private sector assistance is required to implement the recommended project but less assistance than the other schemes. Finally, considering all the varying factors the recommended project presents the most feasible solution for the reuse of the Middletown Armory and provides the most highly visible public benefits.

MIDDLETOWN NATIONAL GUARD ARMORY
FEASIBILITY STUDY

VI. ANALYSIS OF PROJECT ALTERNATIVES

A. PROJECT PARAMETERS

The Armory building and site are the major components for any proposed project. The economic factors including construction and operating costs, as well as project income are the basis of evaluating a project's financial viability. The public's attraction to a project and its benefits derived from the project are also a primary consideration. Finally, the proposed investment opportunity and basic market needs will determine the viability of any project.

The size of the Armory, its design, and its state of repair each affect any proposed project. The available site and its contiguous sites are a further limitation. The building of two stories with an occupiable basement provides 30,005 square feet of gross occupiable space. The small scale of the two front wings and broad clear span of the Drill Hall present special limitations and opportunities for any project. Regretably the building is not in prime condition and requires a substantial upgrading and deferred maintenance investment as an initial project cost. The limited site of 0.8 acres does not allow for any access to the building except directly from Main Street or via easements on adjacent sites. Vehicular access is very restrictive, and there is no available space to allow for any on-site parking requirements. These limitations and the building's condition are primary considerations for any proposed project.

The construction costs for any project shall include the initial building repair costs plus building improvements required and tenant use costs. These hard costs are in addition to the acquisition cost, if any, for the building and site. The current valuation for this is approximately \$300,000.00. The construction costs would range on up from a minimum of \$1 million, including a third of that total as the deferred maintenance costs. The soft costs for any project should be projected in the amount of approximately one-half the construction cost. Therefore, the capitalization of any project for the Armory should be estimated at not less than \$2 million.

MIDDLETOWN NATIONAL GUARD ARMORY
FEASIBILITY STUDY

VI. ANALYSIS OF PROJECT ALTERNATIVES

A. PROJECT PARAMETERS (CONTINUED)

Depending on the nature of any proposed project use, the costs of operating the Armory would be the basic expense to which would be added the operating costs including staff salaries and other direct and indirect costs of the operation occupying the building. Based on the size of the building alone, its operating costs would exceed \$120,000. per year. This would include such basics as heating, lighting, insurance costs, and maintenance and custodial expenses, but not any additional special operating expenses required by the project.

The nature of the use of any project will determine if that project can bring with it any income earned or unearned to support the operation of the project. Assuming a balanced financial position, it would be necessary that the minimum operating costs be provided for with sufficient guarantees that additional funding would be available to compensate for the increased costs resulting from the economy's present inflationary spiral. It is clear that any successful project must provide income which can be relied upon to increase proportionately with the increased costs.

Finally, it is a fundamental question for any proposed project whether or not it can be funded with a combination of public and private assistance. It is unrealistic to assume that all funds can be provided by either. Of equal importance is the question whether or not a project must be capitalized only by grants or gifts rather than amortized using available project financing strategies. These major factors apply to all proposed projects and must be considered when evaluating their advantages and disadvantages under comparison.

MIDDLETOWN NATIONAL GUARD ARMORY
FEASIBILITY STUDY

VI. ANALYSIS OF PROJECT ALTERNATIVES

B. PROPOSED PUBLIC/MARKET/OFFICE PROJECT

The proposed project scheme which recommends a mixed use for the Armory combining public non-profit use, public retail market use, and commercial office use is presented as the most economically viable project under consideration. A complete description of this scheme is presented as Section III in this Study, but for reasons of comparison with the other schemes being considered, this scheme will be examined here and evaluated against the project parameters described above.

This scheme incorporates all of the existing buildings, calls for its total renovation, and does not require any additional new construction. The size and design of the Armory have influenced the scheme. These particular qualities and limitations have been utilized to enhance and to characterize the scheme. The necessary parking requirements have been considered as a separate project, being provided off the site. It is assumed that this accommodation will be provided at no additional cost to this project.

The total capital costs projected for this scheme assume an acquisition cost of \$1.00. The estimated construction costs total \$1,242,000., including \$336,000. for the required initial deferred maintenance repair cost. The balance of the costs are mostly for interior and exterior improvements approximating \$800,000.00.

The total estimated operating costs are projected annually at \$163,000.00. Of this the building's operations include utilities at \$60,000., maintenance at \$40,000., and insurance costs at \$20,000. The balance is based on costs required to operate the mixed use facility including annual taxes of \$12,000., assumed to be one-third full value taxes. Due to the proposed use no additional operating costs are projected.

As this project proposes, the public non-profit space, less than ten percent of the available area, is subsidised by the other tenant uses. The

MIDDLETOWN NATIONAL GUARD ARMORY
FEASIBILITY STUDY

VI. ANALYSIS OF PROJECT ALTERNATIVES

B. PROPOSED PUBLIC/MARKET/OFFICE PROJECT

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The total capital costs projected for this scheme assume an acquisition cost of \$1.00. The estimated construction costs total \$1,242,000., including \$336,000. for the required initial deferred maintenance repair cost. The balance of the costs are mostly for interior improvements approximating \$800,000.00 and exterior restoration.

The total estimated operating costs are projected annually at \$163,000.00. Of this the building's operations include utilities at \$60,000., maintenance at \$40,000., and insurance costs at \$20,000. The balance is based on costs required to operate the mixed use facility including annual taxes of \$12,000., assumed to be one-third full value taxes. Due to the proposed use no additional operating costs are projected.

As this proposed project is set up, the public non-profit space, less than ten percent of the available area, is subsidised by the other tenant uses. The

MIDDLETOWN NATIONAL GUARD ARMORY
FEASIBILITY STUDY

VI. ANALYSIS OF PROJECT ALTERNATIVES

B. PROPOSED PUBLIC/MARKET/OFFICE PROJECT (CONTINUED)

operating income generated by the rental of the office areas and retail areas are pegged to market rates which in turn allow for inflationary adjustment. In addition the established market and office use will have a useful life which will extend for a period of many years providing a reliable and steady basis for project income projections.

The fundability of this scheme is real. The capitalization of the scheme relies on the private financial practices of the market place, amortizing the capital expenses through commercial lending. The extent of assistance required from public sources is limited to "no dollar" support by the City and State in the form of nominal acquisition costs, partial tax deferrals, and providing available parking. There is no demand on public or private sources for operating funds for this project since it is estimated to be carried by its market rate rental income. In fact, the costs of providing free non-profit use space could be considered as an additional public contribution that this project provides at no cost to traditional public or private sector funding sources. In summary, this project asks little, provides much, and relies on the mechanism of benevolent profit incentive in the private sector to realise the public benefits of this proposed scheme.

MIDDLETOWN NATIONAL GUARD ARMORY
FEASIBILITY STUDY

VI. ANALYSIS OF PROJECT ALTERNATIVES

C. STATE MUSEUM OF HISTORY PROJECT

Originating in 1972, the Connecticut Historical Commission initiated an investigation of the feasibility of establishing a museum for the study of state and local history. The results of this study in 1974-75 proposed the nearby Connecticut History Commons as the probable location for such a facility. Relying on significant public sector support, this proposed project has remained inactive. In 1980 the Armory Museum Committee was formed. At its initial meeting it was provided with a project narrative outlining the needs and attraction for a State Museum of History and the task of considering the Middletown National Guard Armory as a suitable location for part of the larger project. In the course of its deliberations, the committee recognized the importance of financial viability as a prerequisite for any potential project involving the Armory. The proposed State Museum use was not found to be financially feasible, though continuing to have certain public appeal. Similarly, other variations of museum use were found unacceptable at this time.

A proposed museum use scheme would occupy substantially all of the existing building requiring its total renovation. The size and design of the Armory would be appropriate to a museum use. The extent of exhibition area and storage area would be limited to the existing building unless additional new construction was provided. The site restrictions would require that off-site parking would have to be provided off-site. Assuming that the acquisition cost would be minimal, the projected construction costs for such a facility would be in excess of \$1.5 million. The operating costs for the facility would run about \$150,000. in addition to the costs to pay for a museum staff and program, Using industry standards this might be estimated at an additional \$300,000. per year.

A museum facility requiring an initial investment of \$1.5 million and an annual operating budget of \$450,000. would be traditionally financed as follows. The capital costs would require public and private grants and contributions requiring a major fund raising drive.

MIDDLETOWN NATIONAL GUARD ARMORY
FEASIBILITY STUDY

VI. ANALYSIS OF PROJECT ALTERNATIVES

C. STATE MUSEUM OF HISTORY PROJECT (CONTINUED)

In addition the operations of such a museum would require entrance fees earning \$100,000. per year and dues from memberships at about the same level. The remaining \$250,000. would have to come from annual gifts or from income on an endowment of \$5 million. This magnitude of support is substantial and does not account for the acquisition of a collection or the development of exhibitions which would be the primary attraction of the museum facility. An extreme burden on public and private sector funding support would be required. The initial efforts required would be very great, and the results would, at best, be marginal.

MIDDLETOWN NATIONAL GUARD ARMORY
FEASIBILITY STUDY

VI. ANALYSIS OF PROJECT ALTERNATIVES

D. HOTEL/MOTEL PROJECT

Since the development of the proposed Metro South Urban Renewal Project in 1968, there has been a strong interest on the part of the City and its Redevelopment Agency to have a new hotel/motel facility located there. In 1977 the Chamber of Commerce completed a study which initially identified that a 50 unit facility could be supported. More recently the Chamber revised that projection to a possible 100 units. In addition it has been perceived that there is a need for a public banquet/restaurant facility which can hold a total of 350-600 persons. This size assembly use ancillary operation has not yet been determined to be economically feasible. This assembly use facility would be required to support the 100 unit complex. At present the adjacent available site Parcel D-1-B has been targeted for a high rise hotel/motel project. Several major national motel operations have considered the opportunity but have not acted as yet. There appears to be a need for this use, but the minimum level of income required to support an appropriate high level of management is marginal and the restaurant/assembly use facility is an additional high cost requirement.

A proposed reuse of the Armory to provide for part of a hotel/motel complex has some interesting possibilities. The size of the Armory and its design would allow for its renovation into a motel facility. The Drill Hall could become two levels of twenty-four units each arranged around a skylit court, making a total of 48 units available. The front wings could provide for a lounge, small restaurant, and private meeting rooms. The Drill Hall basement could provide the needed service and kitchen areas as well as some additional meeting and banquet facilities. The motel functions could fit into the building but may not be efficient or feasible economically. Without further study, it does not appear that the rehabilitation of the Armory into a hotel/motel operation would have any advantages over a new constructed facility except for the charm and uniqueness of the Armory. Similarly, the costs of the renovation and new construction would be such that the project's income would have to carry it, no economic advantage to the present impasse.

MIDDLETOWN NATIONAL GUARD ARMORY
FEASIBILITY STUDY

VI. ANALYSIS OF PROJECT ALTERNATIVES

D. HOTEL/MOTEL PROJECT (CONTINUED)

There is no question that a hotel/motel facility has been a long awaited development, but this reuse of the Armory for a private development venture would not encourage more than marginal public sector support which could add to its capitalization costs. In addition, it would take away the proposed use for the vacant adjacent site leaving that to be developed outside of the present project designation. Therefore, appearing to meet a perceived need, a hotel/motel project is not to be a recommended reuse for the Armory. It would provide only a minimal public benefits.

MIDDLETOWN NATIONAL GUARD ARMORY
FEASIBILITY STUDY

VI. ANALYSIS OF PROJECT ALTERNATIVES

E. OTHER PROJECTS

Since the initiation of the Armory Museum Committee a number of projects have been proposed from both public and private sources. It must be understood that the following listing is of suggested uses which may have a need. Also, the perceived needs do not necessarily take into account the limited financial support required to establish any new facility and to fund a continuing operation. Therefore, working from this listing the Committee agreed that the best project for the Armory would be a mixed use combining financially viable uses with any non-profit use or museum use allocated to a smaller proportion of the total project. In that way the perceived public needs may be addressed as well as recognizing the broader economic realities of the project.

MUSEUM USES:

1. A museum for antiques from the Greater Middletown Area.
2. A museum for ancient military objects used by Connecticut regiments in the Revolutionary War and the Civil War.
3. A museum and theatre showing World War II objects and combat films.
4. A museum and a children's center for historical involvement featuring educational productions, including such items as films, objects, and even an old fire truck which could be climbed on and inspected by children.
5. A museum used as an extension of the existing facilities of the Middletown Historical Society or other local institution.

MIDDLETOWN NATIONAL GUARD ARMORY
FEASIBILITY STUDY

INFORMATION CENTER:

6. An information center for people who could learn more about tourism in the Middletown area.

SPORTS COMPLEX:

7. A municipally owned sports complex.
8. An ice skating arena, not providing a regulation sized hockey rink.

CRAFTS CENTER:

9. A facility providing workshop and studio space with exhibition gallery for the use of a community of tenant craft persons.

OTHER:

10. Other uses have been submitted for listing but have not been considered at length so have not been included in this summary list.