

# Appendix H

## Market Analysis





# Memorandum

To: **Frank Fish FAICP & Thomas Madden AICP, BFJ Planning**

From: HR&A Advisors, Inc.

Date: **June 15, 2023**

Re: Hartford-Brainard Airport Property Study: Market Analysis

## Summary Takeaways

**Hartford-Brainard Airport's (HFD) redevelopment potential likely is limited to certain industrial uses, which could be compatible with recreation uses on part of the site.** Industrial development is most viable given the market's overall health and the site's proximity to I-91. Both local and macro trends in office development present high risks for development of office space, though some limited office space supporting industrial uses may be appropriate based on given tenants' needs. A big box destination retail user may also find the large site and proximity to the highway appealing.<sup>1</sup> Residential development is much less suitable due to the lack of on-site and nearby amenities, transportation, and site infrastructure, and the industrial character of the surrounding properties. All uses will have to contend with negative externalities generated by nearby properties such as the Metropolitan District (MDC) wastewater treatment plant south of the airport.

**FIGURE 1 | MARKET AND LOCATION OPPORTUNITIES FOR HARTFORD-BRAINARD AIRPORT**

	Multifamily	Retail	Office	Industrial	Open Space
<b>Study Area</b>	<i>City of Hartford</i>	<i>City of Hartford</i>	<i>City of Hartford</i>	<i>Interstate 84, 91, and 95 Corridors</i>	<i>CRCOG region</i>
<b>Vacancy Rate</b>	6.3%	2.5%	9.9% - 24%*	3.6%	N/A
<b>Under Construction</b>	430 units** (1,550 units proposed)	8,000 SF	0 SF	115,645 SF	N/A
<b>Market Opportunity</b>	Limited	Limited	Very Limited	Moderate	N/A
<b>Location Opportunity</b>	Very Limited	Very Limited	Very Limited	Moderate	Moderate

\* - Office vacancy rates for the City of Hartford vary considerably between sources. CoStar's 2Q 2023 vacancy rate is 9.9% while CBRE's 1Q 2023 Market Report shows a vacancy rate of 24% though this methodology and boundaries of analysis are not included in the publicly available report.

\*\* Includes approximately 430 units being converted from other uses at five properties in Hartford.

In addition to this high-level classification of market and location opportunity for different uses, key takeaways of this market analysis include:

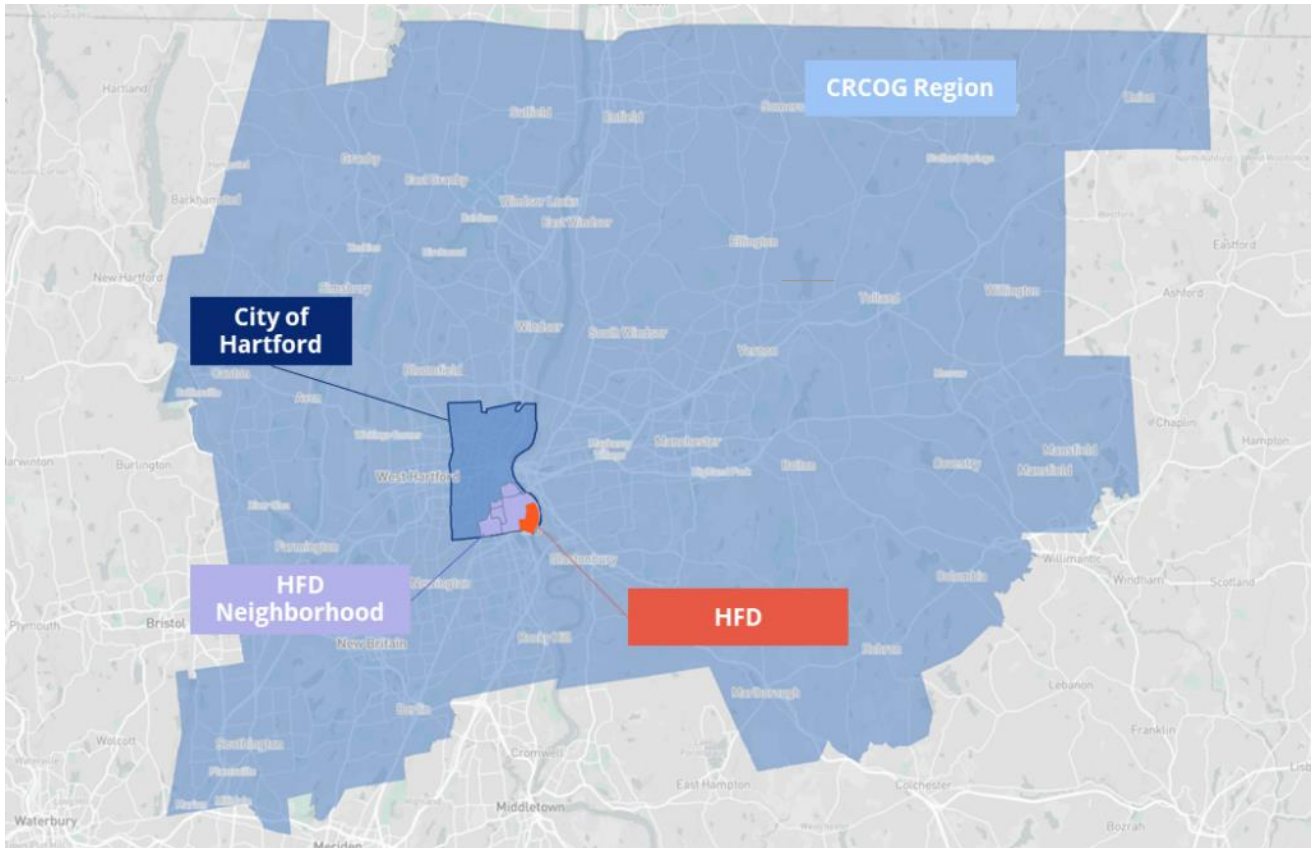
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- **Industrial and utility uses that generate traffic and odors limit the attractiveness of the site for redevelopment.** The 200-acre site is surrounded by a wastewater treatment plant and a recently decommissioned waste-to-energy facility. Moreover, the site is surrounded by aging industrial properties to the west. Heavy machinery, trucks, and processing equipment produce noise pollution, air pollution, and odors, reducing appeal for dissimilar uses. While the site has relatively easy access to I-91, investments in the exit and entrance ramps to I-91 and local road network are required to serve redevelopment at HFD.
  - **Hartford's population is declining, and incomes have fallen in real terms, suggesting a limited pool of residents seeking premium residential rentals.** While vacancy rates have remained low in the city, new deliveries in the form of conversion projects and proposed projects will compete with a shrinking pool of residents able to pay top-of-market rents. Since 2015 the City of Hartford has absorbed an average of approximately 260 units annually, and any larger scale development at HFD – even if phased over a multiyear period – would need to absorb an outsized share of this annual number to stabilize.
  - **The HFD site currently lacks the amenities to capture households drawn to either Downtown Hartford or suburban markets within the broader region.** The site is neither an amenitized part of the urban core nor within a suburban submarket, and multifamily development will likely struggle to compete with properties in either setting. Moreover, while the Capital Region Council of Governments (CROG) region has seen modest population growth, this has been in more suburban portions of the region that are much more likely to be populated by homeowners.
  - **Corporate office downsizings combined with a post-pandemic trend to reduce office footprints as hybrid work policies are regularized has stifled new office development and left Downtown Hartford with high vacancy rates.** Despite a high concentration of insurance, financial services, and management firms in the region, firms' decisions to relocate or reduce office footprints – both prior to the pandemic and after the pandemic as companies have rolled out more flexible work-from-home policies – have left Downtown Hartford with office vacancy above 20%. Limited new office development in the broader CROG region has been predominantly medical office, a use that is incompatible with other nearby uses at HFD.
  - **Industrial market trends and development pipeline suggest warehousing, manufacturing, or distribution uses may be redevelopment opportunities.** The industrial market has healthy fundamentals and has seen record-breaking growth in rents, deliveries, and absorption. Despite nearly 5 million SF in new space being constructed over the past five years and another 10.9 million SF in the pipeline primarily built to suit, rents have grown at an average annual rate of 5.5% over the past 10 years. The development of more than 2.5 million SF of space directly across the river in East Hartford at Rentschler Field, as well as any future, yet unplanned phases of that project, would likely compete with development at HFD.
  - **Select destination retail also may be viable, but HFD's location makes traditional retail a difficult market use to develop.** In terms of retail uses, rents have grown only modestly, and retail vacancy rates remain low despite continued deliveries in the region. Given the existing uses in and around HFD, any retail would likely need to be destination retail that could lure spending from a broader area, such as a distinctive big box retail offering.
  - **The site's size, access to I-91, and central location within the state and the region's lack of indoor, multisport recreational facilities suggest private development of such a facility might be appropriate.** In addition, the site's proximity to existing trails and the Connecticut River makes it conducive for repurposing for open space uses. Both types of uses may be compatible with continued airport operations, development on some or all the site, or both.

## Study Purpose and Approach

**Public Act No. 22-118 Section 426** requires the CT Department of Economic and Community Development to evaluate the benefits and opportunity costs of the current and alternative uses of the Hartford-Brainard Airport property.<sup>2</sup> DECD has engaged BFJ Planning (BFJ) to lead this study, and as subconsultant, HR&A Advisors (HR&A) has performed this analysis of the real estate market to explore the development opportunity of various scenarios including mixed-use, commercial, retail, and recreation.

Findings are organized by use – multifamily residential, office, retail, industrial, and recreation. Each considers real estate performance for a primary study area that reflects the market in which any potential development at HFD might be expected to compete as well as a secondary regional study area used to compare broader trends. For residential, retail, and office uses, this study defines the primary study area as the City of Hartford and the secondary study area as the CROG region. (See Figure 2.) To explore real estate trends in industrial uses, HR&A explored a 5-mile corridor around the I-84, I-91, and the I-95 Interstates throughout Connecticut.<sup>3</sup> Lastly, we performed additional demographic analysis on the five Census tracts comprising HFD and portions of the surrounding neighborhoods proximate to the airport for added local context (“HFD Neighborhood”).

**FIGURE 2 | STUDY AREA MAP**



Source: Esri, U.S. Census Bureau, Capital Region Council of Governments

<sup>2</sup> [Public Act No. 22-118, Section 426 \(Effective July 1, 2022\)](#).

<sup>3</sup> Industrial uses tend to locate near major roadways and users often consider large geographies to optimize building and leasing. See: Prologis, “[The Evolution of Logistics Real Estate Clusters](#)” (August 2015); and Dealpath ([blog post](#), April 2023).

The market analysis uses market, demographic, and employment data from trusted third-party sources such as:

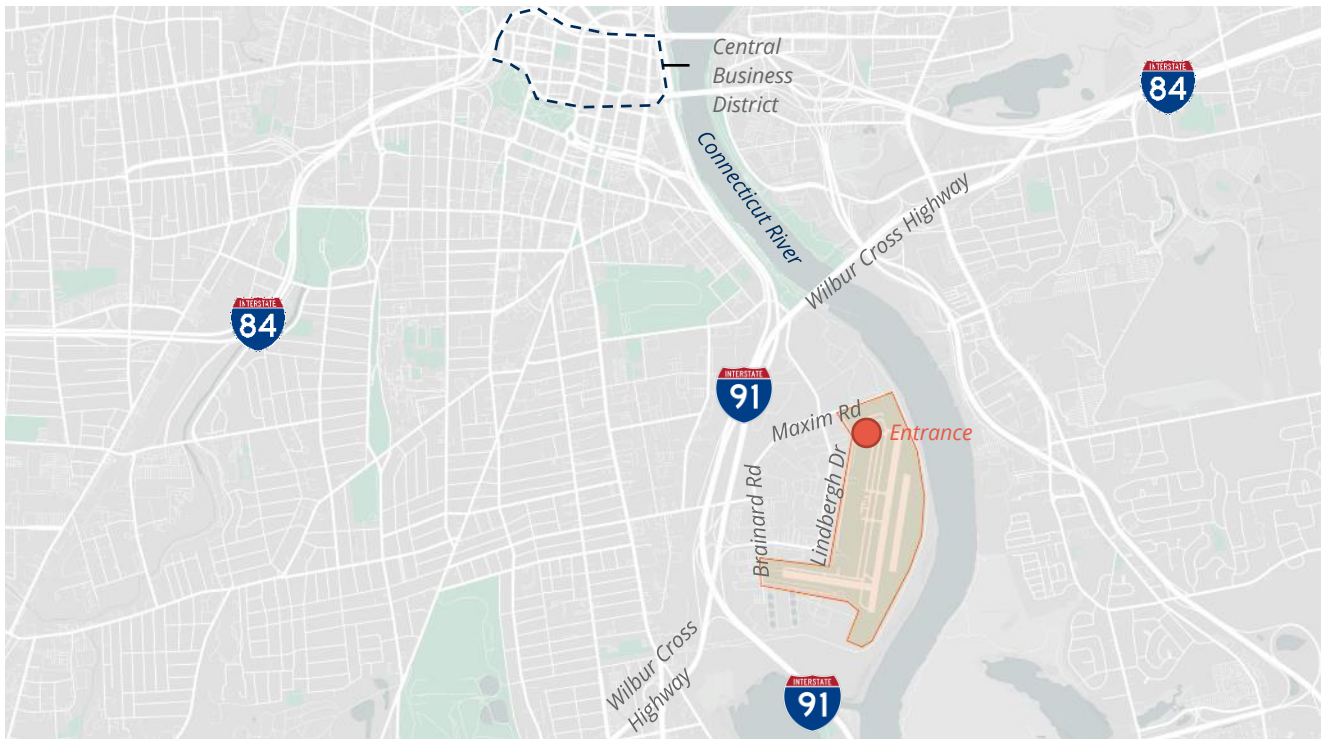
- **CoStar** for data on multifamily, retail, office, and industrial rent, inventory, deliveries, and pipeline, absorption, and occupancy information. CoStar data in this analysis comes from the first quarter of 2023 unless otherwise noted.
- **Lightcast** for data and analysis from the U.S. Bureau of Labor Statistics including employment and labor income by industry.
- **Social Explorer** for data and analysis from the U.S. Census Bureau including population and demographic data sourced from the Decennial Census and American Community Survey.

Third-party data and analysis by HR&A are supplemented and validated through discussions with local and regional real estate market stakeholders including developers, brokers, and urban planners.

## Site Location and Regional Context

HFD is in Hartford's South Meadows community, along the Connecticut River and three miles south of the central business district. The site is separated from the rest of the city by I-91, which acts as a physical divide to the west of the airport, and the river to the east. Access to HFD is primarily via I-91 and Wilbur Cross Highway (U.S. Route 5), a pair of major, grade-separated highways. The airport is located off the Airport Road/Brainard Road exit, which leads directly to Maxim Road and Lindbergh Drive. Most of the airport's facilities and services are located along Lindbergh Drive, a two-lane road that runs north to south along the western edge of the airport before turning west and running parallel to the cross runway at the southern end of the airport.

**FIGURE 3 | HARTFORD-BRAINARD AIRPORT CONTEXT AREA MAP**



Source: Esri

The Connecticut Airport Authority (CAA) owns and operates the general aviation airport including three runways—two paved and one grass—two helipads, and hanger and office spaces that house several active organizations.

Land adjacent to the airport includes both privately and publicly owned parcels and is used primarily for commercial and industrial purposes as well as major civic infrastructure facilities. Adjacent properties include the now-closed Materials Innovation and Recycling Authority (MIRA) waste-to-energy plant, the Connecticut regional market for farmers and wholesalers to distribute food and farming products, the South Meadows Industrial Park, and the MDC main wastewater treatment facility. MIRA and MDC both have significant negative externalities, while the rest of the nearby uses contain traditional older storage, logistics, and light industrial uses consistent with the current ID-1 zoning district.<sup>4</sup>

**FIGURE 4 | EMPLOYERS AT HARTFORD-BRAINARD AIRPORT**

Government & Public Safety Organizations	Private Vendors and Service Providers
<b>Connecticut Aero Tech School</b>	Experimental Aircraft Association
<b>Connecticut Wing Civil Air Patrol</b>	Hartford Jet Center
<b>Division of Emergency Management and Homeland Security</b>	Hartford Tees, Inc.
<b>Department of Emergency Services and Public Protection - Division of State Police</b>	Learn2FlyCT
<b>Office of Public Health Preparedness and Response</b>	Pegasus Air Charter
<b>Connecticut Wing Civil Air Patrol</b>	Premier Flight School
<b>Connecticut Airport Authority</b>	Robert Dodenhoff MD (Aviation Medical Examiner)
	Total Aircraft Parts, Inc.
	VIP Avionics, Inc. (sales/service center for avionics systems)

Source: Connecticut Airport Authority

**FIGURE 5 | HARTFORD-BRAINARD AIRPORT SURROUNDING USES**



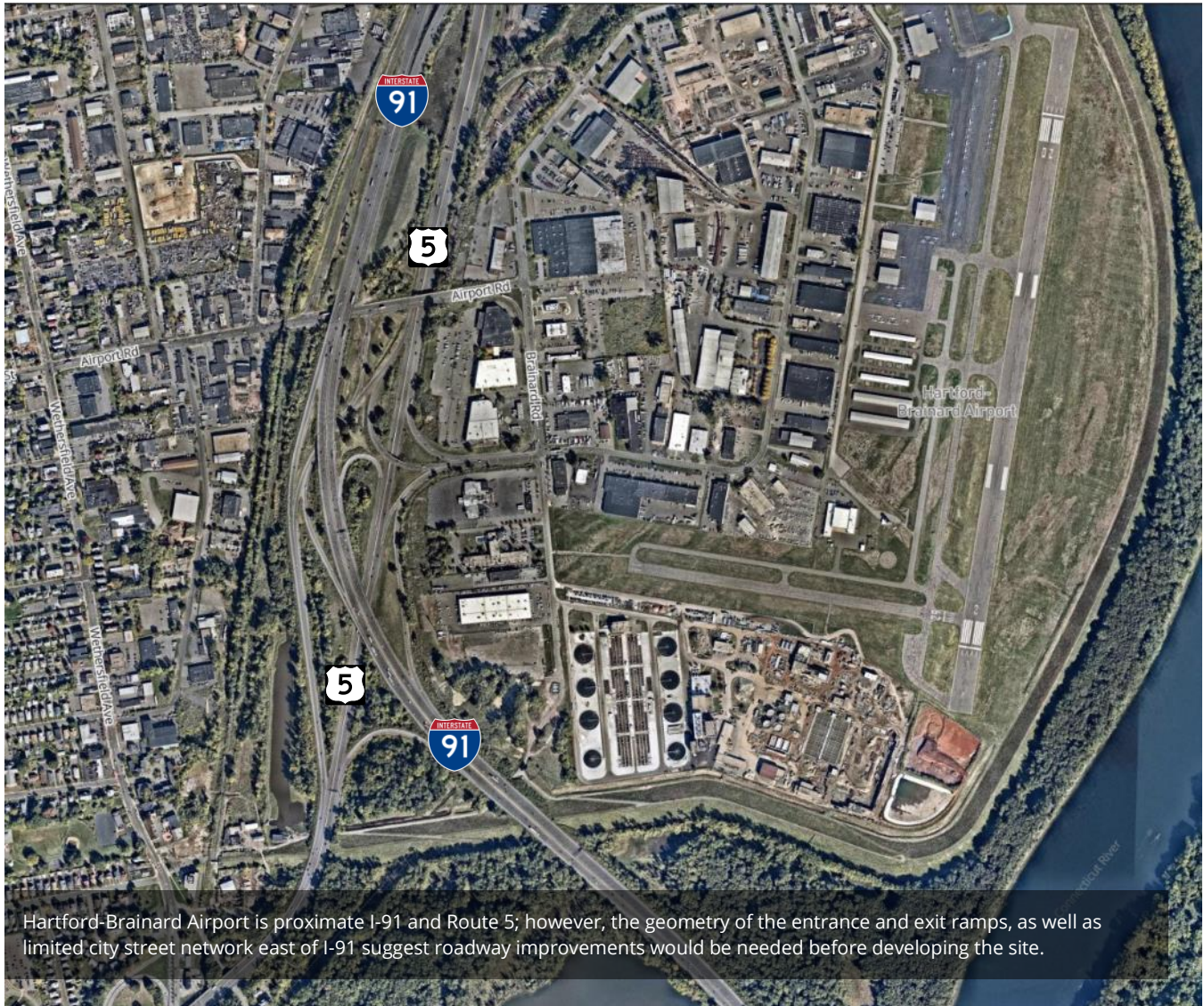
Source: BFJ Planning

<sup>4</sup> ID-1 provides for medium to heavy industry characterized by a minimum of noise, odor, glare, and pollution, and by moderate traffic. See: [City of Hartford Adopted Zoning – August 5, 2020](#).

Pratt & Whitney, an aircraft manufacturer acquired by Raytheon, is located directly across the river in East Hartford. Recently, Pratt & Whitney announced that its property known as Rentschler Field will be redeveloped as a 2.5 million SF logistics and technology center.<sup>5</sup> (For more on Rentschler Field, see **Industrial** section below.)

HFD's vehicular access from both within Hartford and to the broader region is enabled by its proximity to I-91; however, according to industrial and logistics brokers in the region, the curvature of the exit from I-91 makes it difficult for semi-trailer trucks to use. There is minimal public transportation to the site. Only one bus line, the 59, serves the Airport and service is limited, with buses only every 40 minutes and no Sunday service.

**FIGURE 6 | I-91 AND ROUTE 5 NEAR AIRPORT/BRAINARD ROAD EXIT**



Source: Esri

<sup>5</sup> National Development, "[East Hartford Logistics & Technology Park at Rentschler Field](#)" (accessed May 2023).



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## Demographic and Economic Conditions

Hartford's population has declined since 2011, while the CROCOG region grew slightly over the same period, with the latter having a higher median household income and higher educational attainment while also less diverse than the City of Hartford.

### Population

From 2011 to 2021, Hartford's population fell 3% from 124,817 to 121,562 while the CROCOG region grew 1% over the same period. The immediate neighborhood surrounding the HFD site has seen its population increased 6% from 2000 to 2011 before declining 4.9% from 2011 to 2021.<sup>6</sup> Today approximately 19,100 people reside in the five Census tracts surrounding the airport. Recent population decreases in the City and immediate HFD neighborhood suggests a weaker demand for housing than in the rest of the region. The City of Hartford and immediate HFD neighborhood are predominantly renter areas (75% and 70% renter-occupied housing in Hartford and the HFD neighborhood, respectively) while the CROCOG region, which is much more suburban in nature, has a much smaller proportion of renters (35% renter-occupied).

**FIGURE 7 | STUDY AREA AND SURROUNDING NEIGHBORHOOD POPULATION**

Total Population	2000	2011	2021	2000-11 Change	2011-21 Change
HFD Neighborhood	19,009	20,179	19,190	6.2%	-4.9%
City of Hartford	121,578	124,817	121,562	2.7%	-2.6%
CROCOG Region	922,590	969,550	975,609	5.1%	0.6%

HFD Neighborhood includes Census Tracts 5001, 5004, 5023, 5024 and 5025.

Source: U.S. Census Bureau, American Community Survey

### Race

In 2021, Hartford's population was composed of 28% individuals who identified as White, 36% as Black or African American, 3% as Asian, 1% as American Indian or Alaska Native, 0.1% as Native Hawaiian and other Pacific Islanders, and 21% identified as belonging to some other race while 12% of people identified as belonging to two or more races. These ratios have remained stable since 2000. Hartford's population is largely Hispanic or Latino (46%) and this share represents an 8% increase from 2011. The immediate surrounding neighborhood is as diverse as the rest of the city (only 27% identified as White) but has a lower share of Black or African American residents (22%) than the city; however, the HFD neighborhood is majority Hispanic or Latino (63%).

In contrast, the CROCOG region is predominantly White with a smaller proportion of Black residents and greater representation of individuals identifying as Asian, Native Hawaiian and other Pacific Islander, or some other race. Furthermore, Hispanic or Latino individuals represent 17% of the CROCOG region's population, with almost half of that share living in the City of Hartford.

### Income and Education

Hartford's 2021 median household income was \$37,500 or approximately \$43,000 less than the CROCOG Region, but both the city and region have seen median household incomes decline in real terms since 2000. The neighborhoods surrounding HFD have consistently had a higher median household income than the city but lower than the region, but from 2011 to 2021 this area has seen its median household income climb faster than the city and CROCOG.

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<sup>6</sup> For purposes of this analysis, the HFD Neighborhood includes five Census Tracts comprise the airport and all or portions of the South Meadows, South End, Barry Square, and Sheldon-Charter Oak neighborhoods (Census Tracts 5001, 5004, 5023, 5024 and 5025).

**FIGURE 8 | MEDIAN HOUSEHOLD INCOME (IN 2021 DOLLARS)**

Median Household Income (In 2021 Dollars)	2000	2011	2021
HFD Neighborhood	\$44,957	\$39,975	\$45,254
Hartford	\$40,487	\$35,140	\$37,477
CRCOG Region	\$84,555	\$79,695	\$80,666

HFD Neighborhood includes Census Tracts 5001, 5004, 5023, 5024 and 5025.

Source: U.S. Census Bureau, American Community Survey

Only 17% of Hartford residents 25+ had earned a bachelor’s degree or more by 2021, up slightly from 15% in 2011 with the neighborhoods surrounding HFD having an even lower share with a bachelor’s degree or more (11%) and more modest increase between 2011 and 2021. CRCOG residents are much more likely to have higher educational attainment with 41% of residents having bachelor’s degrees up from 35% in 2011.

**FIGURE 9 | EDUCATIONAL ATTAINMENT FOR RESIDENTS 25 YEARS OR OLDER**

	HFD Neighborhood		Hartford		CRCOG Region	
	2011	2021	2011	2021	2011	2021
Less Than High School	34%	31%	32%	26%	12%	9%
High School Graduate	32%	33%	31%	34%	28%	26%
Some College or More	24%	25%	23%	24%	25%	25%
Bachelor’s Degree	7%	6%	9%	10%	20%	23%
Above a Bachelor’s Degree	3%	5%	6%	7%	15%	18%

Totals may not add to 100% due to rounding.

HFD Neighborhood includes Census Tracts 5001, 5004, 5023, 5024 and 5025.

Source: U.S. Census Bureau, American Community Survey

### Job Growth

Regional employment has shifted away from the City of Hartford and to other parts of the metropolitan statistical area (MSA) from 2011 to 2021. Employment in the Hartford MSA increased by approximately 2,500 jobs from 2011 to 2021 or 0.4%. Meanwhile, employment within the city fell by approximately 2,800 jobs or 3%.<sup>7</sup> Employment decreases were more pronounced for workers in the HFD Neighborhood, which saw a loss of approximately 2,700 jobs (21%) from 2011 to 2020, the latest year for which data are available. Moreover, most of these losses are not pandemic related: employment in 2019, before the pandemic, was lower by more than 2,400 jobs from 2011.

### Sector Growth

While regional employment remained largely flat, the composition of industries changed significantly. In the MSA, Transportation and Warehousing (+12,200), Healthcare and Social Assistance (+6,800), Professional, Scientific, and Technical Services (+4,500), and Management of Companies and Enterprises (+4,000) sectors all added jobs. Since 2016, Amazon has opened five distribution, sorting, and delivery facilities in the region with a recent expansion of its operations in Windsor that now employs over 2,000 workers.<sup>8</sup> The greatest decline in industry employment has been seen in Finance and Insurance (-9,000) with Retail Trade (-5,000), Government (-2,900), Wholesale Trade (-2,800), Manufacturing (-2,800) and Information (-2,500) all accounting for losses greater than 2,500 jobs. (For further industry data, see Appendix.) The result of this shift was away from industries with higher average

<sup>7</sup> All employment data comes from Lightcast analysis of U.S. Bureau of Labor Statistics data.

<sup>8</sup> WBUR, “The biggest Amazon warehouse in New England is now open in Connecticut” (May 3, 2023).

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earnings with a net loss of 13,100 jobs in industries with average earnings above the MSA average. This decrease is despite increases in Professional, Scientific, and Technical Services and Management of Companies and Enterprises employment, both of which have average earnings significantly above the average for the region.

The City of Hartford saw similar trends with Transportation and Warehousing growing by 48% (+1,700 jobs) and Finance and Insurance posting the largest jobs loss at 17% (-4,300). In the HFD Neighborhood most of the employment decline has been in Educational Services (-1,500) with overall decreases offset by increases in Management of Companies and Enterprises, Utilities, and Healthcare and Social Assistance.

### Regional Competitiveness

The Hartford MSA has demonstrated strength or specialization in key industries, including Finance and Insurance, Management of Companies and Enterprises, Health Care, and Manufacturing. Hartford's location quotient of 5.79 for Finance and Insurance indicated that this sector was highly concentrated in City of Hartford compared to the national average, reflective of its reputation of "insurance capital of the world" with major companies like Aetna, The Hartford, and Travelers headquartered there.<sup>9</sup> The industry's trajectory in Hartford has changed, notably in the mid- to late 2010s when Aetna announced they were leaving Hartford, only to stay after CVS Health acquired it, which resulted in a reduced company workforce in downtown Hartford. CVS pledged to keep Aetna's operations in Hartford for 10 years and expressed plans to make Hartford the location of its center of excellence for the insurance business.<sup>10</sup> More recently, UnitedHealthcare has announced it will downsize its office footprint to around 57,000 SF, down from a high of 450,000 SF a little over a decade ago, and Prudential Financial makes plans to reduce its current 250,000 SF footprint to 25,000 SF after the company sold off its retirement business and adopts a long-term hybrid work policy.<sup>11</sup> The result has been a 15% drop in the total number of jobs in the MSA and a 17% drop in the City of Hartford, with additional job losses likely to occur soon.

Management of Companies and Enterprises jobs demonstrated a stronger local concentration with a 1.41 location quotient. This reflects the fact that Hartford has several large corporations headquartered there, such as United Technologies Corporation (UTC), which was based in Hartford until its merger with Raytheon in 2020. Manufacturing had the third highest location quotient of 1.27, showing a modest relative concentration. This sector also experienced a subtle drop in the number of jobs, while has steadily been growing in the past 10 years (+12,000 jobs or 71%).

The Hartford MSA is also an important aerospace hub, boasting more aerospace engine manufacturing jobs than any other MSA in the United States. The region produces \$7.5 billion in aircraft engine exports and is home to 2,000 advanced manufacturing jobs. While Pratt & Whitney is Hartford's largest aerospace company, there are several other notable companies with a presence in the region including Barnes Group, Collins Aerospace, Honeywell, Kaman, and Sikorsky, now a Lockheed Martin company.<sup>12</sup>

Advanced manufacturing in the Hartford region accounts for 16% of Hartford's GRP. Furthermore, other advanced manufacturers like Otis Elevator, Pegasus Manufacturing (fabricated tube and pipe assemblies, precision machining, and gearing manufacturer), and Stanley Black and Decker contribute to the metal manufacturing

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<sup>9</sup> Location quotients compare the concentration of an industry within a specific area to the concentration of that industry nationwide. A Location Quotient above 1 means that the area has a higher concentration of given industry than the national average. A quotient below 1 means that a given industry is less concentrated than the national average. See: Lightcast, "[Glossary](#)" (accessed May 2023).

<sup>10</sup> Wall Street Journal, "[CVS to Keep Aetna in Hartford, Conn.](#)" (January 12, 2018).

<sup>11</sup> Hartford Business Journal, "[Major downtown Hartford employers shedding hundreds of thousands of sq. ft. of office space](#)" (August 22, 2022)

<sup>12</sup> Metro Hartford Alliance, "Aerospace/Defense in "Aerospace Alley™", 2022.

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sector in the region. A 2022 report by the Metro Hartford Alliance estimated advanced manufacturing in the region generated \$2.3 billion in economic output and impacted more than 15,600 jobs.<sup>13</sup>

The region is increasingly supplying workers with education needed to support the aerospace and advanced manufacturing industries with completions in related degrees up significantly over the past 10 years including Engineering (22%), Precision Production (182%), and Computer and Information Sciences (17%). However, completions in Mechanic and Repair Technologies and Technicians are down (57%). Institutions such as Central Connecticut State University, Lincoln Technical Institute-East Windsor, and Asnuntuck Community College, Bristol Technical Education Center, and CT Aero Tech School are increasingly providing workers with two- and four-year degrees as well as technical certifications in these disciplines.<sup>14</sup>

### Regional Economic Priorities

The CRCOG has identified seven priority economic clusters to help grow and diversify the region's economy by building off the region's existing strengths, while also providing livable wage jobs requiring a range of skills.<sup>15</sup>

1. **Business Services** | Hartford is already home to a large legal services industry and growing business services with help enhance growth in other sectors such as insurance and other financial services.
2. **Insurance and other Financial Services** | This is one of Hartford biggest economic drivers with companies like Aetna (now part of CVS), Conning & Company, The Hartford, and other major insurance companies being based out of Hartford. Maintaining this regional stronghold is an important priority.
3. **Metal Working and Metal Products** | This includes both fabricated metal products and structural metals. The biggest challenge with growing this industry is the need for skilled labor.
4. **Printing Services** | Growing printing services will help support business services.
5. **Aerospace** | Aerospace is an important legacy industry in the region, with Pratt & Whitney being a key driver, but a major challenge is the availability of skilled labor with 87% of surveyed manufacturers citing it as their biggest challenge.<sup>16</sup> There are some workforce training programs as CT Aerotech which provides "a two-year Airframe Mechanics and Aircraft Maintenance Technology program provides training that enables the student to develop operative skills that meet the license requirements of the Federal Aviation Administration (FAA)," but this is still limited in the number of people that are trained through programs like this.<sup>17</sup>
6. **Production Technology Machinery and Equipment** | This sector has never been a major industry in the region but growing it would help support the aerospace industry.
7. **Medical Device Manufacturing** | Hartford is home to several health insurance companies and the region has small pharmaceutical companies that could benefit from medical device manufacturing. Additionally, Hartford is located near major pharmaceutical clusters in other northeast metro areas.

Of these priority industries for the Hartford region, several fall into line with the State's priority industries including advanced manufacturing, aerospace and defense, and insurance.<sup>18</sup> Connecticut is supporting the growth of these industries through a "Smart Manufacturing Campaign," creating and expanding workforce development programs and focusing investment on in-demand industries. In addition, the State is supporting an

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<sup>13</sup> Metro Hartford Alliance, "Aerospace/Defense in "Aerospace Alley™", 2022.

<sup>14</sup> Lightcast analysis of National Center for Education Statistics' (NCES) IPEDS data.

<sup>15</sup> CRCOG, "Metro Hartford Future: Accelerating Shared and Sustained Economic Growth," 2019.

<sup>16</sup> Fitch, "[Connecticut manufacturers say labor shortage is biggest challenge](#)", 2022.

<sup>17</sup> CT Aerotech, 2023.

<sup>18</sup> Connecticut Department of Economic and Community Development, "[Connecticut's Economic Action Plan](#)" (September 2021).

“Innovation Corridor” by clustering priority industries through a pool of \$100 million in grants for place-based development. The program is designed to help support the creation of a minimum of 15,000 jobs in data science, advanced manufacturing, insurance technology, or other high-growth industries in major urban areas in the State, with preference given to proposals in Hartford, East Hartford, New Haven, Stamford, and southeastern Connecticut.<sup>19</sup> Many of these sectors are compatible with industrial land uses and may have potential for the site.

## Real Estate Market Conditions

The CROG region has experienced significant redevelopment in recent years, driven by mixed-use projects and a robust multi-family market with moderate income millennial renters seeking amenity-rich environments with strong neighborhood character and culture. While the office market has been severely affected by the pandemic, industrial uses have performed well, with absorption outpacing deliveries and vacancy rates below 4%.

### Multifamily Residential

The CROG region is a moderately active market for multifamily residential development, with 4,300 apartment units built since 2018 (6% of total inventory) and 1,730 units currently under construction (2% of total inventory).<sup>20</sup> Currently several large residential projects have been proposed for Downtown Hartford, which though it indicates an appetite for housing, especially for affordable housing, may compete with any future residential development at HFD for residents and public investment. Moreover, the City has made a concerted effort to support conversions of existing office, hotel, and manufacturing spaces downtown into residential uses to restore the vibrancy to downtown. Currently 430 units are being created as part of conversion projects.<sup>21</sup>

**FIGURE 10 | MULTIFAMILY RESIDENTIAL MARKET INDICATORS**

	City of Hartford	CROG Region
Total Inventory	23,500 units	69,000 units
Vacancy	6.3%	4.8%
Avg. Rent (\$/SF)	\$1.57	\$1.70
New Units Constructed (2018-2023 YTD)	1,800 units	4,300 units
Total Net Absorption (2018-2023 YTD)	1,600 units	4,700 units
Units Under Construction	430 units* (1,550 units proposed)	1,730 units* (2,650 units proposed)
<b>Market Opportunity</b>	<b>Limited</b>	

\* - Includes approximately 430 units under construction consisting of five properties in Hartford being converted from other uses – hotel, office, and manufacturing – and are not new build.

Source: Costar, 2023; Hartford Courant, 2023

**Inventory and Recent Development** | The CROG currently has approximately 69,000 total units and Hartford contains a 34% share of this inventory with 23,500 units. In the last five years, new deliveries represented 8% of Hartford’s multifamily units, demonstrating a slightly more robust expansion than the region which delivered 6% in the same period. Noteworthy deliveries include The Pennant at North Crossing in 2022, a 270-unit apartment community and the first phase of the larger North Crossing Development near Dunkin’ Park. The next phase of

<sup>19</sup> CT Insider, “[Connecticut’s ‘Innovation Corridors’ slated to create 15K jobs. Here’s how it will work](#)” (October 2021).

<sup>20</sup> All real estate data comes from CoStar unless otherwise indicated.

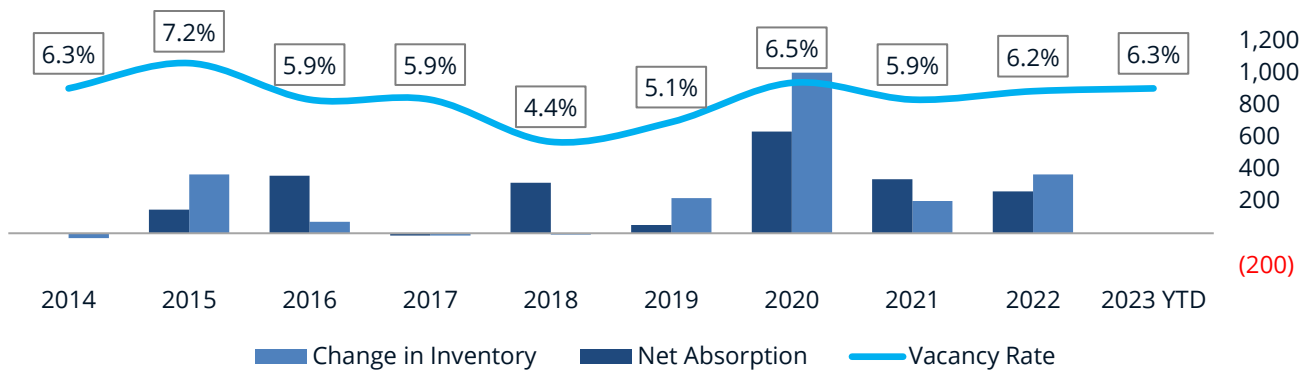
<sup>21</sup> Hartford Courant, “[Check out an interactive map of Hartford development projects](#)”, 2023; and Capital Region Development Authority, “[Housing](#)” (accessed May 2023).

this development is expected to bring an additional 228 units online, but the project has stalled owing to litigation from the property's previous owner.<sup>22</sup>

**Rents** | Average effective monthly rents are \$1.69/SF overall and \$2.08/SF for Class A units.<sup>23</sup> Recent developments in Downtown Hartford, like the 97-unit 99 Pratt, have achieved average rents as high as \$3.03/SF. Up House Apartments, a 225-unit property in the Farmington submarket was built in 2023 and has achieved the highest average effective rent in the region, \$3.09/SF.

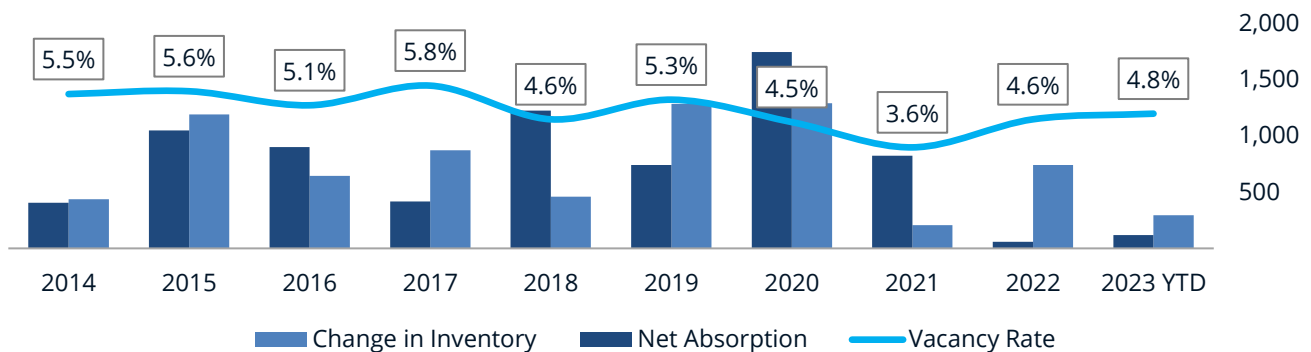
**Vacancy** | The multifamily vacancy rate in the CRCOG region has been stable over the past 10 years, seldom rising over 5.5% and in line with delivery trends. Vacancy reached its lowest point in the decade in 2021 at 3.6% but rose to 4.8% in 2023, a rate that is still considered indicative of a healthy market. In December 2022, the Hartford Courant reported that the number of eviction filings had risen to 20,585 in the year 2022, surpassing the figures from 2019 by a margin of almost 1,500.<sup>24</sup> Additionally, local property managers have observed instances of tenants sharing accommodations, relocating back to their family homes, or departing from the area entirely.

**FIGURE 11 | HARTFORD MULTIFAMILY MARKET TRENDS, 2014-2023 YTD**



Source: Costar, 2023

**FIGURE 12 | CRCOG REGION MULTIFAMILY MARKET TRENDS, 2014-2023 YTD**



Source: Costar, 2023

<sup>22</sup> Hartford Courant, "[Development near Hartford ballpark thrown major curve. Will lengthy delay hurt project's momentum?](#)" (June 2023).

<sup>23</sup> CoStar relies on locally relative comparisons to establish building classifications.

<sup>24</sup> Hartford Courant: "The CT families were evicted, like so many others. Now in housing, 'It feels like a new beginning.'"

**Demand Drivers** | Multifamily development in Hartford has focused on Downtown, with numerous office-to-rental conversions. However, the suburbs are also experiencing growth, particularly along the I-91 corridor which offers easy access to jobs. Loft-style apartments in former industrial buildings are also in demand. Many suburban historic industrial buildings are vacant, and developers are converting them to residential use.<sup>25</sup>

**Planned Development** | The CROCOG region currently has 1,740 multifamily units under construction, including 292 units at One Park in West Hartford. An additional 2,600 units are proposed in the pipeline. A combined pipeline of nearly 1,550 units in the City of Hartford is comprised of proposed new multifamily projects and property conversions from other uses. While planned new construction is several years away and may compete with conceptual development at the HFD site, conversion projects in Downtown Hartford represent a different development typology that is geared toward a segment of the market that is interested in downtown, urban living and is made up of smaller units in an older structure, and these projects are not expected to compete directly with new, large-scale development outside the CBD.

**FIGURE 13 | HARTFORD MULTIFAMILY PIPELINE**



Source: Costar, 2023; Hartford Courant, 2023; CTInsider, "Hartford 'eyesore' near Dunkin' Donuts Park may soon get facelift," 2022.

<sup>25</sup> Discussions with industrial real estate brokers and developers active in the region.

### Residential Market Feasibility

The multifamily market in Hartford is relatively strong with low vacancy rates but rent growth has been modest – less than 2.4% annually – over the past five years. Across the region new, larger scale development has occurred and several projects are in the proposal stage. Moreover, in and near Downtown Hartford several conversion projects are underway or proposed for office, hotel, and manufacturing uses that represent a distinctive product but will still compete for aggregate demand of any development at HFD. In such competition, the HFD site would likely fare poorly: it is not well-served by public services and amenities (public transportation and parks) and is surrounded by industrial uses, including the wastewater plant that will give off odors during certain times of the year. Given these disadvantages, it is not likely that residential development would be feasible to compete with the rest of the Hartford market for the approximately 250 to 300 total units absorbed annually since 2015.

### Retail

Nearly 1.3M SF of retail space has been added to the CRCOG region since 2018 most of which has been concentrated in suburban communities, and in many cases replacing space that has been taken offline.

**FIGURE 14 | RETAIL MARKET INDICATORS**

	City of Hartford	CRCOG Region
Total Inventory	7.7 million SF	60.9 million SF
Vacancy	2.50%	3.6%
Avg. Rent (\$/SF)	\$20.86	\$16.46
New Space Constructed (2018-2023 YTD)	399,400 SF	1,296,000 SF
Total Net Absorption (2018-2023 YTD)	289,300 SF	1,383,500 SF
Space Under Construction	8,000 SF	217,000 SF
<b>Market Opportunity</b>	<b>Limited</b>	

Source: Costar, 2023

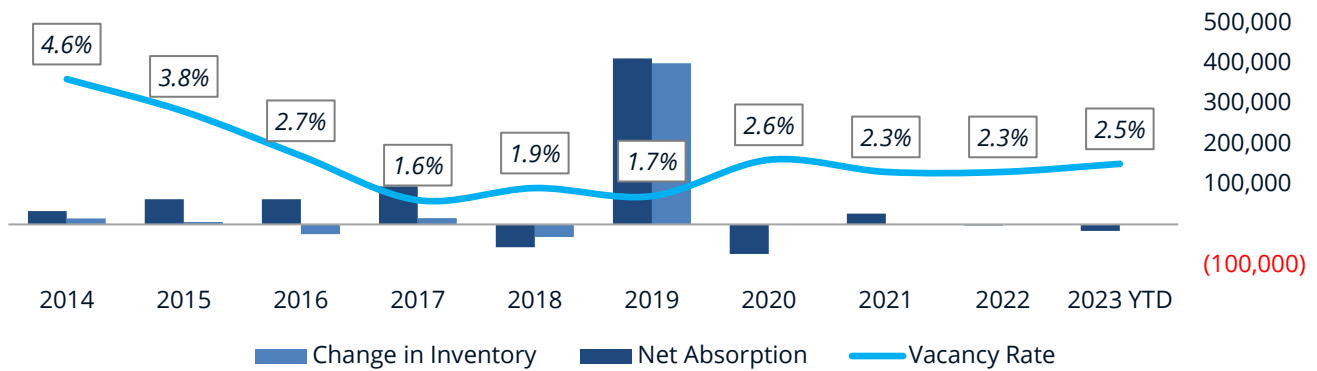
**Inventory and Recent Development** | According to Costar the CRCOG region currently has 61 million SF of retail inventory, with 1.3 million SF added since 2018. The City of Hartford has 13% of all CRCOG retail space with 7.7 million SF of which 400,000 SF was added within the past five years.

**Rents** | Retail rents in the CRCOG have experienced limited growth over the past decade, increasing from \$12.17 in 2013 to \$16.46 in 2023 or less than 1% per year. Hartford’s retail rents are stronger with an average rate of \$20.86 PSF, and retail rents in the city have grown by 76% over the past 10 years. While this is a dramatic increase, this is based on lease transactions, which averaged 50,000 SF per year over the past 10 years.

**Vacancy** | Retail vacancies in the CRCOG region have historically remained stable and quickly recovered from a 2020 spike to reach their lowest point within the past 10 years. In 2013, the retail vacancy rate was 6.1% and fell to 3.6% in 2023. The CRCOG saw 107,000 SF of negative net absorption in 2020 which was followed by two years of strong leasing activity and over 400,000 SF of net absorption annually. Hartford retail has also remained stable with a vacancy rate of 2.5% in 2023, down 2.4% from 2013, though this potentially undercounts empty ground floor storefronts for mixed-use properties.

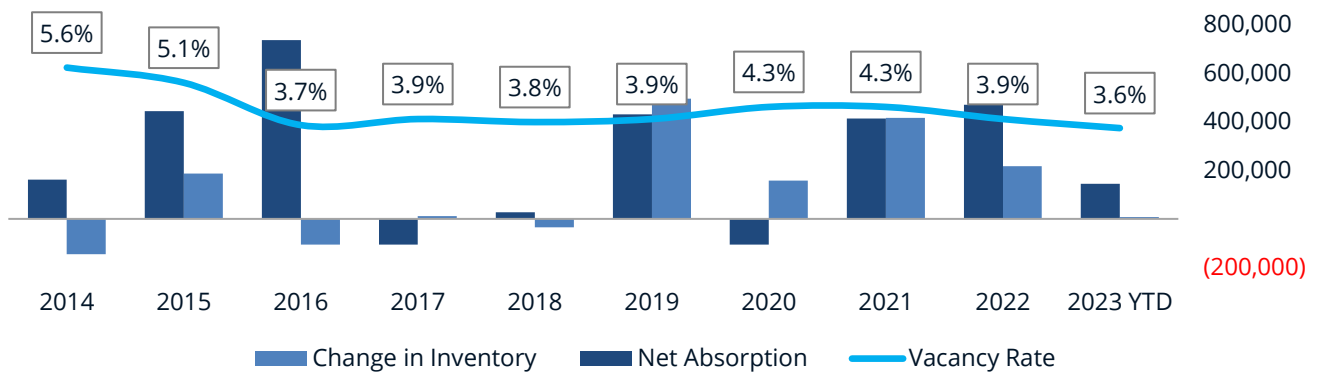


**FIGURE 15 | HARTFORD RETAIL MARKET TRENDS, 2014-2023 YTD**



Source: Costar, 2023

**FIGURE 16 | CRCOG REGION RETAIL MARKET TRENDS, 2014-2023 YTD**



Source: Costar, 2023

**Demand Drivers** | Recent retail development has been outside of the City of Hartford, with extremely limited development in Downtown or near HFD. As downtown increasingly serves residents in new construction and office conversions and office users work fewer days in the office, the nature of retail spaces Downtown will likely shift toward more neighborhood retail and services and amenities to serve this changing population.

**Planned Development** | There is 830,000 SF of new retail development in the pipeline across the CRCOG. This includes 611,662 SF of proposed retail and 217,658 SF under construction. New retail within the city of Hartford is limited to ground floor programs or components of larger residential-anchored projects like the 55 Elm Street conversion project and Bushnell South Phase 1.<sup>26</sup> For example, the Arrowhead Gateway development is expected to include storefront retail below the residential program, as well as placemaking within an outdoor plaza for vendors or food trucks. The historic Pratt Street has received retail revitalization grants for 12 businesses to fill vacant storefronts and make the street a dining and entertainment hub. Lastly, the Parkville Market food hall is set to expand in 2023 to include an event space and bar.<sup>27</sup>

<sup>26</sup> Hartford Courant, "Future of Hartford's 'Bushnell South' takes shape with master plan for key property" (January 2022).

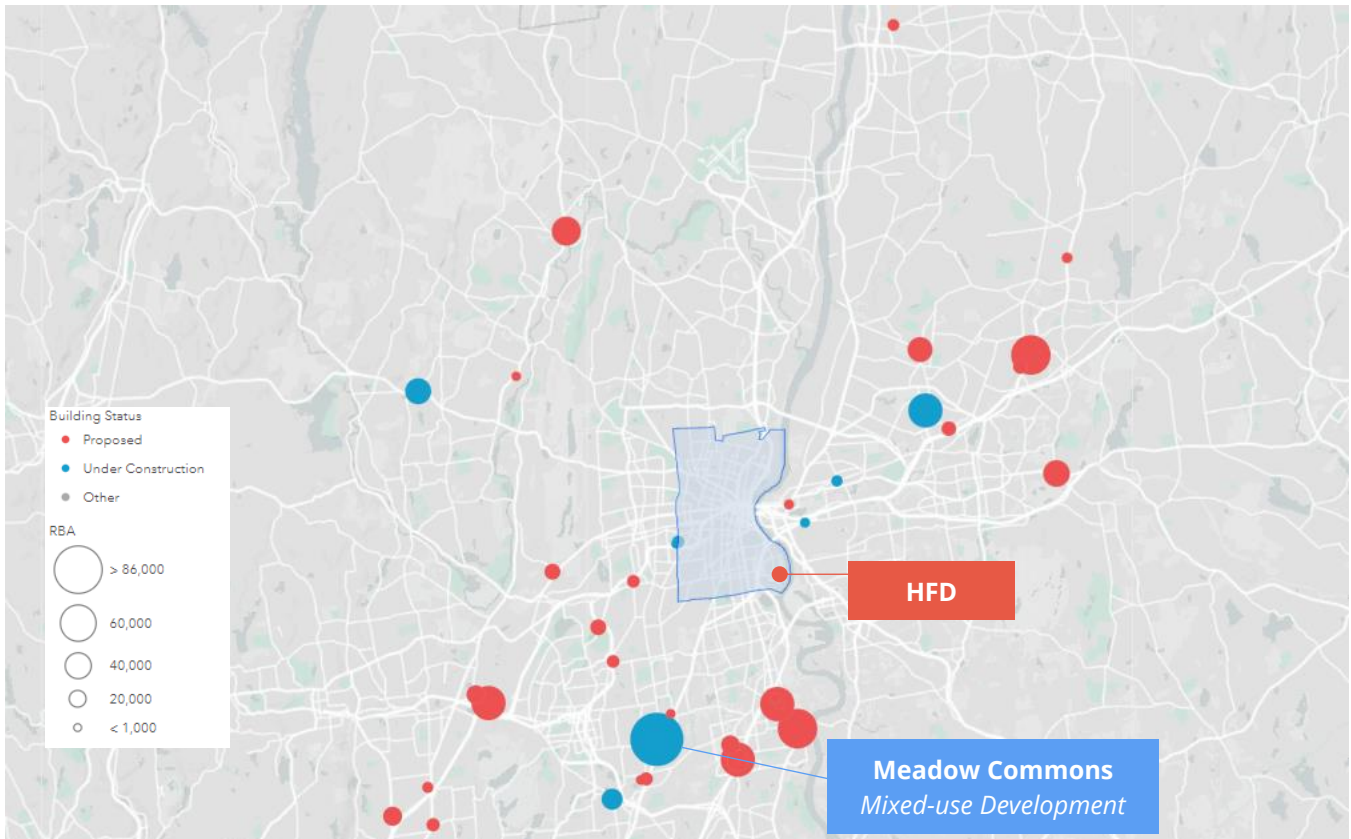
<sup>27</sup> Hartford Courant, "Check out an interactive map of Hartford development projects", 2023.

Within the larger CROG region, the largest retail development in the pipeline is the 86,000 SF Meadow Commons project in Newington, a mixed-use development project being built on a 25-acre site. A grocery store tenant is planned and will take 45,000 SF of the retail program.<sup>28</sup>

### **Retail Market Feasibility**

The Hartford retail market is healthy but may not be able to support new inventory given its fundamentals. Even as projects advance to convert offices to residences downtown, the City has used federal relief funds to encourage businesses to startup or expand into vacant storefronts. For the rest of the region, while retail performs well with low vacancy rates, stable rents, and a moderate pipeline, the HFD site is not an ideal location for new retail development. The industrial character and uses of the South Meadows area including and to the west of the site present challenges with visibility, accessibility, and retailer compatibility and may restrict the types of tenants that would be attracted to the site. Due to the lack of surrounding residents, any retail developed at HFD would have to be destination retail and the size of the area may suggest a potential for big box retailers. The site may continue to draw wholesalers, breweries, and fast-food restaurants to support nearby industrial uses and to benefit from proximity to I-91.

**FIGURE 17 | CROG REGION RETAIL PIPELINE**



Source: ArcGIS, Costar, 2023

<sup>28</sup> CT Insider, “Stores to open at Newington development by year’s end; supermarket remains a mystery”, 2023. Note: the article states the development will have 99,500 SF of retail space while Costar lists the program as including 86,000 SF of retail.

## Office

With the onset of the pandemic Hartford's office market has been on the decline as major employers have reduced their footprints or consolidated multiple offices. When combined with pandemic's impact on the labor market and office-using employment sectors, absorption remains low and vacancy rates high. These trends have created a challenging environment to develop new office space in the region, stifling new development and leading to a very limited pipeline most which is predominantly medical office development. In the adjacent industrial park, there is 32,000 SF of fully leased office space within three buildings.

**Inventory and Recent Development** | The CRCOG region has 63.4 million SF of office inventory, with approximately 346,000 SF delivered since 2018. Class A space comprises 18.9 million SF, making up about 30% of total inventory. The City of Hartford has 12.7 million SF of Class A Office, with no recent deliveries indicating a lack of demand for new space, especially when compared to other major cities. Hartford also has 6.7 million SF of Class B office space, and it has seen five buildings removed from the inventory and demolished over the past 10 years. Moreover, four of the five conversion projects underway are for former office spaces.<sup>29</sup>

**Rents** | Average base rents for the Class B inventory are \$19.47/SF, compared to \$22.29/SF for Class A space. The City of Hartford commands lower rents than the region with \$20.99/SF for Class A (-5% change from 2018) and \$18.44/ SF for Class B (-3% change from 2018). When paired with a lack of new office space, particularly Class A space, this indicates a shrinking demand for office within the City of Hartford.

**FIGURE 18 | OFFICE MARKET INDICATORS**

	Hartford	CRCOG Region
Total Inventory	24.1 million SF	63.4 million SF
Vacancy	9.9% - 24%*	11.0%
Avg. Rent (\$/SF)	\$22.56	\$20.70
New Space Constructed (2018-2023 YTD)	0 SF	346,000 SF
Total Net Absorption (2018-2023 YTD)	-264,100 SF	-1,452,000 SF
Space Under Construction	0 SF	103,000 SF
<b>Market Opportunity</b>	<b>Very Limited</b>	

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

Source: Costar, 2023

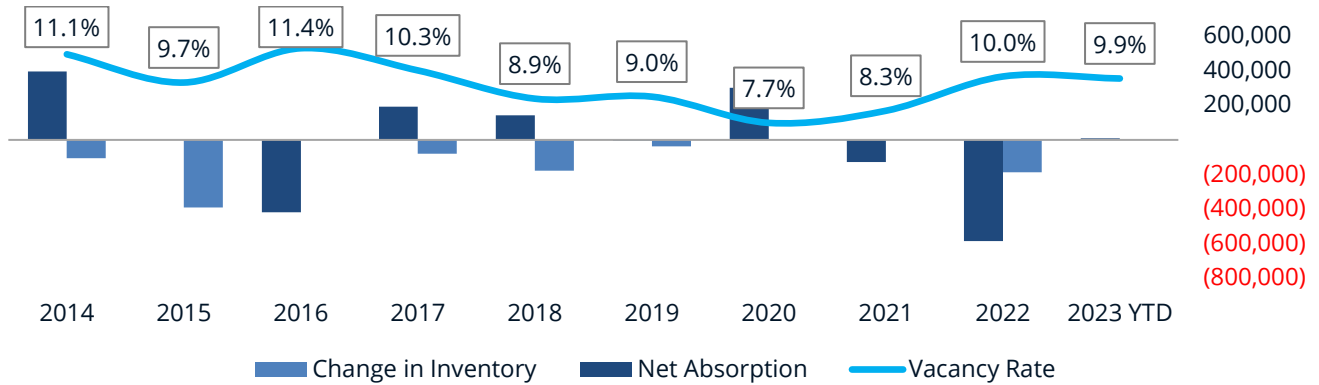
**Vacancy** | Class A office vacancy rose to 16.4% in 2023 in the CRCOG region. Prior to the COVID-19 pandemic, vacancy had held stable between 11% and 12%. Conversely, Class B office maintains a lower vacancy of 10.2% while having consistently seen vacancy rates rise from 7% in 2015 in the CRCOG region. In the five years leading up to the pandemic, the region had net annual absorption of 102,000 SF across all classes, and net annual absorption of 900 SF of Class A space specifically. According to CoStar the City of Hartford maintains a lower vacancy rate for both Class A (13.1%) and Class B (4.5%) than the CRCOG region, which is likely due to the presence of long-standing companies. However, other third-party market reports show higher vacancy rates for Hartford, but the specific geographies and properties included are not outlined.<sup>30</sup> While such estimates may not represent a like comparison, multiple data sources with relatively high and growing vacancy suggest a poor market for

<sup>29</sup> Hartford Courant, "[Check out an interactive map of Hartford development projects.](#)" 2023.

<sup>30</sup> CBRE, "[Hartford Office Figures Q1 2023](#)" (April 2023).

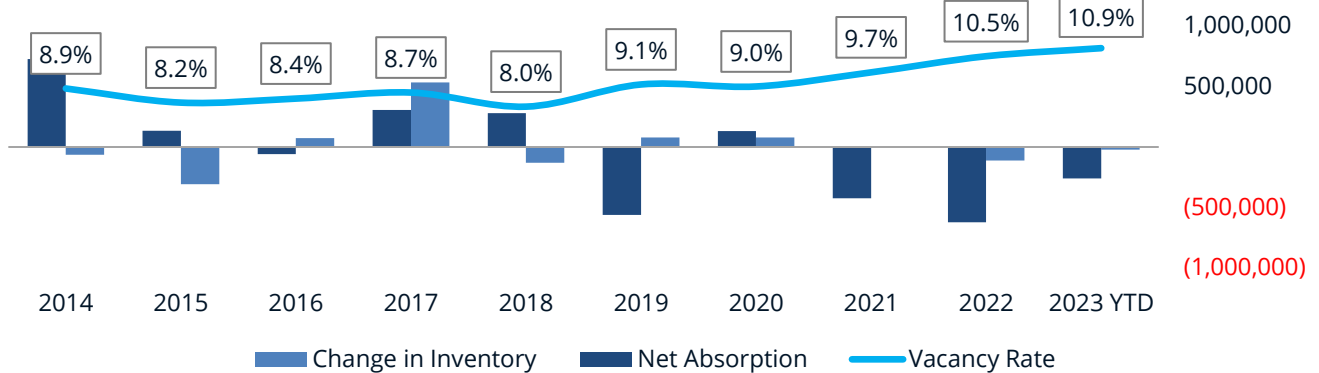
commercial office development. The downtown submarket has been hit particularly hard by the pandemic and downsizing with vacancy rates above 20% as of the end of 2022 according to the Hartford Courant.<sup>31</sup> For the neighborhood defined as downtown by City Planning, the vacancy rate is 15.4% as of the second quarter of 2023.

**FIGURE 19 | HARTFORD OFFICE MARKET TRENDS, 2014-2023 YTD**



Source: Costar, 2023

**FIGURE 20 | CRCOG REGION OFFICE MARKET TRENDS, 2014-2023 YTD**



Source: Costar, 2023

**Demand Drivers** | The office market has historically been driven by private sector companies primarily in the insurance, financial services, and healthcare industries. However, despite its historical predominance, recent trends suggest the insurance industry may be less able to sustain the office market in the future. For example, United HealthCare has announced plans to reduce its presence in Downtown Hartford, downsizing from a sizable 450,000 SF to a mere 57,000 SF by September 2023. The release of approximately 400,000 SF will further increase vacancy rates in the city and in the downtown office submarket, signaling potential turbulence ahead for the market.<sup>32</sup>

**Planned Development** | There are currently six office projects totaling 103,088 SF under construction in the CRCOG region, and an additional 391,538 SF of office is either proposed or planned, though most of these projects have remained in the proposal stage for many years, with no recent updates. Additionally, over 80% of

<sup>31</sup> Hartford Business Journal, "Amid increasing vacancy rates, Hartford office market prepped for a reset" (January 2023).

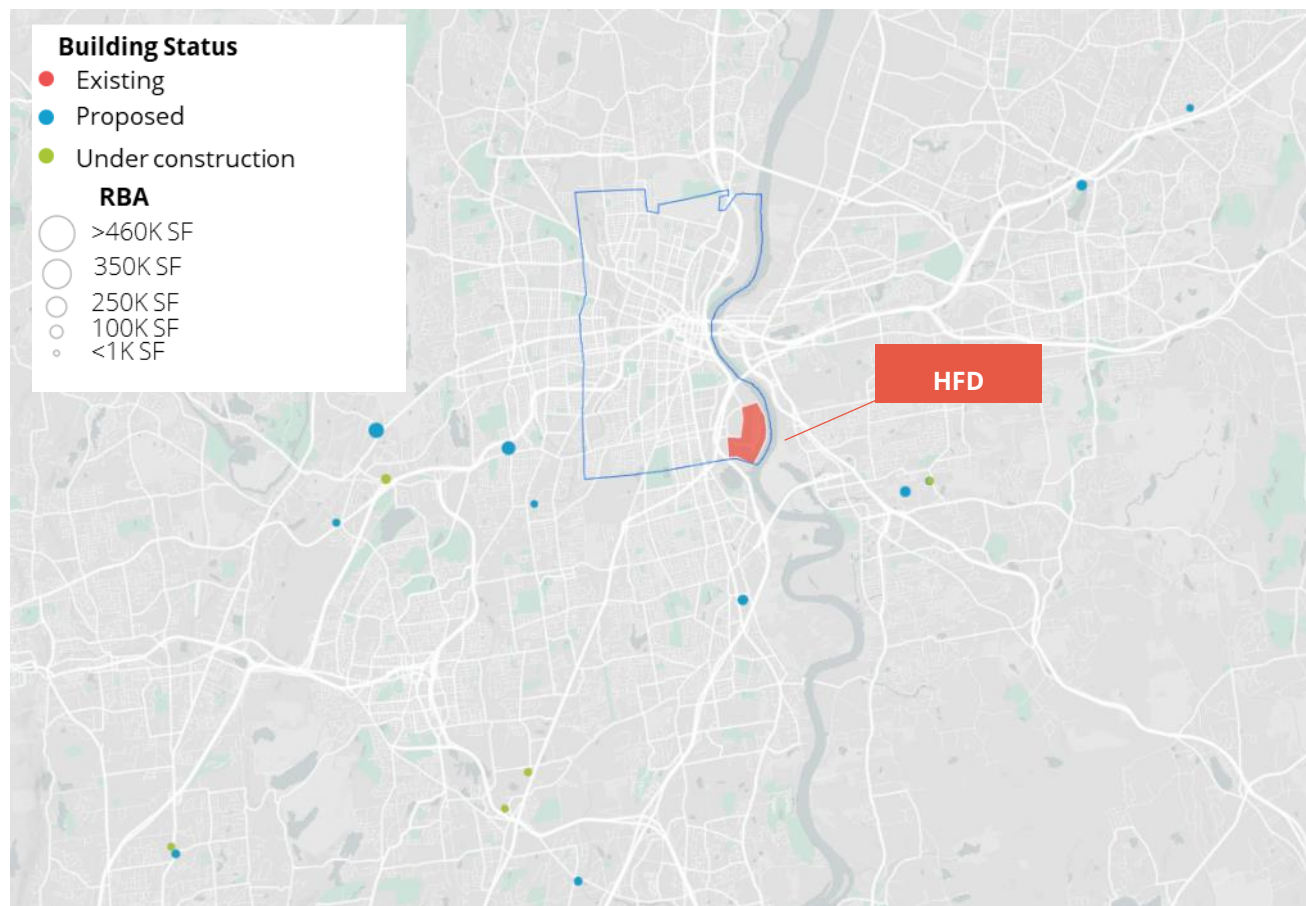
<sup>32</sup> Hartford Courant, "Major downtown Hartford employers shedding hundreds of thousands of sq. ft. of office space", 2022.

the pipeline (by square footage) is medical office development. The limited office development tracks with shrinking number of office-using jobs—between 2011-2021, the CROG area lost 6% of office jobs (-3,000 Jobs).<sup>33</sup> There are currently no planned office developments in the City of Hartford.

### Office Development Feasibility

There is limited demand for new office development as there has been limited office growth, a high level of vacancy, and no rent growth in the past five years. Additionally, HFD is not located Downtown and is surrounded by industrial uses making it a suboptimal location for Class A office. The region's current pipeline is comprised mostly of medical office space and this product is not well-suited for HFD's location because of both the isolated nature of the site and the nearby incompatible uses. Office should only play a limited role in any mixed-use redevelopment scenario for HFD, with some potential for minimal office development to support light industrial development.

FIGURE 21 | CROG REGION OFFICE PIPELINE



Source: ArcGIS, Costar, 2023

<sup>33</sup> Office jobs includes Information, Finance and Insurance, Real Estate and Rental and Leasing, Professional, Scientific, and Technical Services, Management of Companies and Enterprises, Administrative and Support and Waste Management and Remediation Services, and Other Services (except Public Administration). See: Lightcast, 2023.

## Industrial

The I-84, I-91, and I-95 Corridors industrial market has healthy fundamentals and has experienced record-breaking rent growth, deliveries, and absorption over the past three years. Among the various uses, industrial stands out as a top performer that is poised for continued growth, enduring the uncertainty caused by the COVID-19 pandemic.

**FIGURE 22 | INDUSTRIAL MARKET INDICATORS**

	I-84, I-91, and I-95 Corridors	CRCOG Region
Total Inventory	45.6 million SF	102.0 million SF
Vacancy	3.6%	4.0%
Avg. Rent (\$/SF)	\$6.65	\$6.70
New Space Constructed (2018-2023 YTD)	2,720,500 SF	4,786,000 SF
Total Net Absorption (2018-2023 YTD)	3,345,500 SF	4,425,000 SF
Space Under Construction	115,600 SF	957,000 SF
<b>Market Opportunity</b>	<b>Moderate</b>	

Source: Costar, 2023

**Inventory and Recent Development** | The I-84, I-91, and I-95 Corridors have 45.7 million SF of industrial inventory, with approximately 2.7 million SF delivered since 2018. The site is adjacent to the South Meadows Industrial Park which contains roughly 945,000 SF of industrial space in 31 properties.

- **Warehouse** space comprises 16.2 million SF or 35% of all industrial space in the corridor and 3% of all industrial space built since 2018.
- **Manufacturing** space comprises 15 million SF or 33% of all industrial space in the corridor and 7% of all industrial space built since 2018.
- **Distribution** space comprises 10.6 million SF or 23% of all industrial space in the corridor and 88% of all industrial space built since 2018.

The balance of 3.9 million SF (9%) is made up of a selection of smaller secondary types including but not limited to truck terminals, service, landfill, food processing, data hosting, and other uses.

**Rents** | Rents in the corridors have grown steadily since 2013 from \$4.11 to \$6.65/SF or an average annual growth rate of 5.5%. For the corridors:

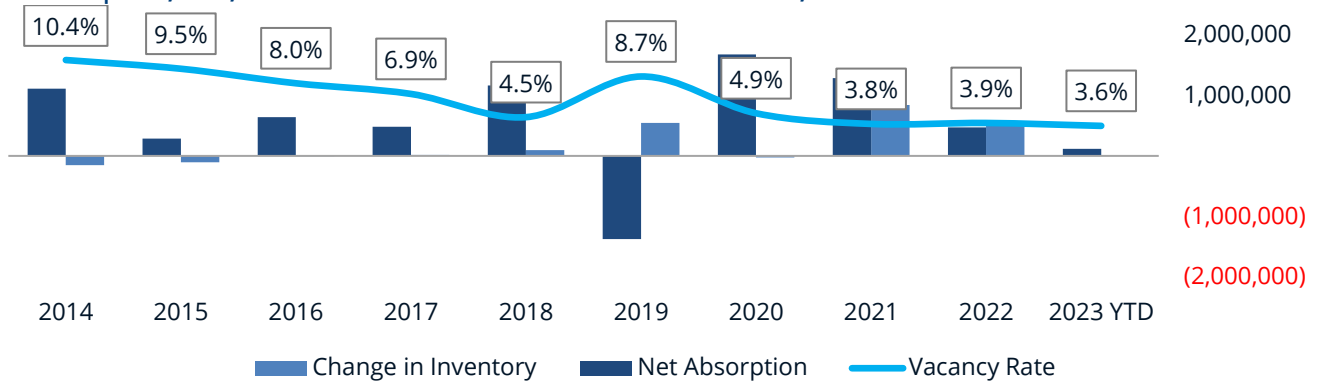
- **Warehouse** rents are slightly higher than the overall industrial average at \$7.70 /SF – a 17% premium and have grown 76% from \$4.36/SF in 2013.
- **Manufacturing** rents are lower than the overall industrial average at \$6.09/SF – a 9% discount and have grown 57% from \$3.89/SF in 2013.
- **Distribution** space rents are higher than the overall industrial average at \$7.27/SF – a 9% premium and have grown 83% from \$3.97/SF in 2013.

**Vacancy** | The vacancy rates for industrial real estate in the I-84, I-91, and I-95 Corridors have been declining steadily since 2013, when the rate was at its highest at 13.2%. The most recent rate for 2023 is at its lowest since 2014, with a vacancy rate of 3.6%. According to Costar, as of the first quarter of 2023 the adjacent South Meadows industrial park was fully leased; however, as of June 2023 Loopnet shows four listings within this area including a 3,000 SF industrial/office space at 141 East Elliot Street, 3,000 to 6,000 SF of flex space at 280-320 Murphy Road that currently houses a microbrew operation, 2,000 SF of flex space at 110 Airport Road, and 154,000 SF of industrial space at 121 Wawarme Avenue consisting of a warehouse and maintenance building that was the

former home of the Hartford Courant distribution warehouse.<sup>34</sup> This suggests a strong and consistent demand for industrial real estate in the area.

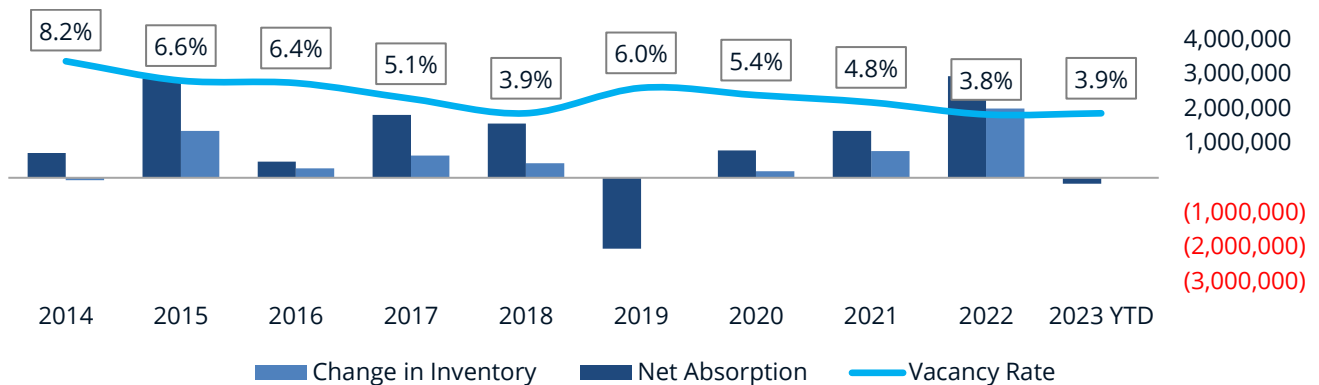
- **Warehouse** vacancy has been consistently declining and reached its lowest point recorded—3.5%—in 2023.
- **Manufacturing** vacancies stabilized at 4.2%, slightly higher than the industrial average. While the vacancy rate grew by less than 1% since 2022, it has been trending downward since 2013 when the rate was as high as 17.4%.
- **Distribution** industrial product has the lowest vacancy rate of each typology at 2.4%. The market had previously delivered more than 1 million SF of distribution space between 2018 and 2019, which had pushed the vacancy rate as high as 20% but most of that new space has been absorbed very quickly.

**FIGURE 23 | I-84, I-91, AND I-95 CORRIDORS INDUSTRIAL MARKET TRENDS, 2014-2023 YTD**



Source: Costar, 2023

**FIGURE 24 | CRCOG REGION INDUSTRIAL MARKET TRENDS, 2014-2023 YTD**



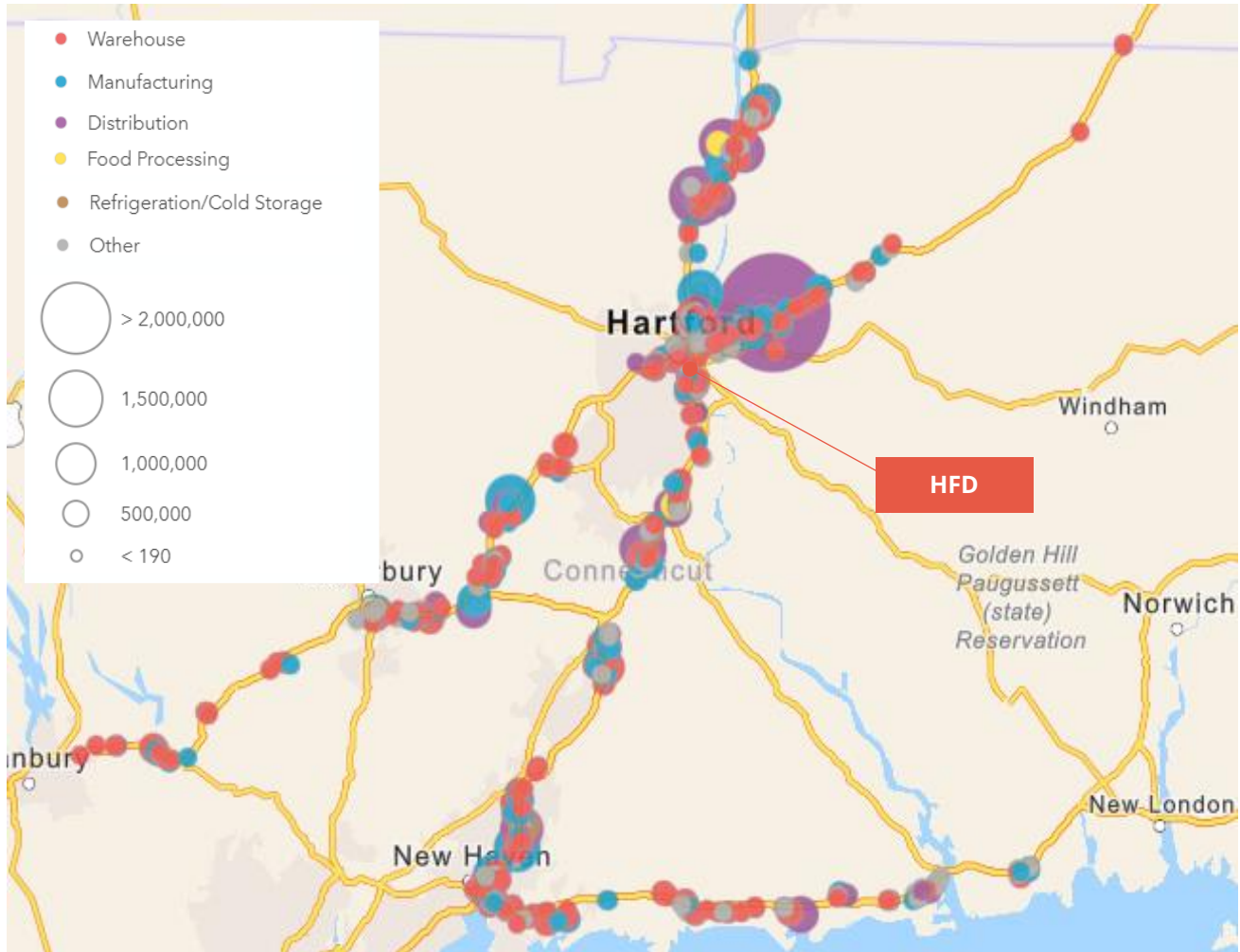
Source: Costar, 2023

**Demand Drivers** | The exponential rise of e-commerce is driving an increased need for industrial space to accommodate the storage and transportation of goods in the CRCOG region. National Development has responded to this demand by constructing two sizable warehouses at the East Hartford Logistics & Technology

<sup>34</sup> Loopnet, "South Meadows Industrial Space for Lease" (accessed June 2023).

Park at Rentschler Field, which will be anchored by two major players in the industry, Lowes, the second-largest hardware retailer in the country, and Wayfair, a leading e-commerce retailer for home goods.<sup>35</sup>

**FIGURE 25 | REGIONAL INDUSTRIAL INVENTORY**



Source: ArcGIS, Costar, 2023

**Planned Development |** There is currently 10.9M SF of industrial product in the pipeline with 960,000 SF under construction and 9.9M SF proposed. Proposed projects include the 2.5M SF Rentschler Field Logistics Center in East Hartford being built on the site of a decommissioned airport in East Hartford. A future phase of the project is planned to include approximately 200,000 SF of high-tech and/or specialty manufacturing space in at least two new buildings.

<sup>35</sup> Hartford Business Journal, "Massive Rentschler Field logistics center development inks Wayfair, Lowe's as tenants" (March 2023).



## EAST HARTFORD LOGISTICS & TECHNOLOGY PARK AT RENTSCHLER FIELD



The 300-acre former airport will be redeveloped by National Development as a logistical and technology park that will include two 1 million SF logistical facilities for Lowe's and Wayfair and a 200,000 SF high-tech manufacturing facility. National Development will ready the site this year and expects to get the first certificate of occupancy in early 2024.

National Development had to provide the East Hartford with offsets to receive approval. This included a one-time \$4 million payment to East Hartford to offset any impacts to the town. The manufacturing facility was required by East Hartford. Permitting and inspection fees will cost \$3.5 million. The fiscal impact to the town is estimated to be \$4.5 million annually.

Source: [Hartford Courant](#), "Wayfair, Lowe's bringing hundreds of jobs in move to 2.5-million-square-foot logistics centers in East Hartford" (March 2023).

### Recreational

The City of Hartford at one point in history was known as the "City of Parks." Hartford has over 2 square miles of parks and recreation space within the city limits and the region boasts multiple large nature reserves, which has remained relatively consistent since Hartford's population peaked in the 1950s. These parks and open spaces range from small pocket parks to the 694-acre Keney Park, one of the largest public parks in New England.

Hartford has a high level of public involvement in maintaining the City's 54 parks—there are 10 "friends of" groups that help maintain some of Hartford's most well-known parks such as Elizabeth Park. In addition to these groups, Riverfront Recapture is a non-profit organization whose mission is to connect people with the Connecticut River in Hartford. The city has far more open space than the national median of 89 acres per 10,000 residents for a jurisdiction of between 100,000 residents and 250,000 residents—Hartford has over 4X more.<sup>36</sup>

<sup>36</sup> NRPA, "2023 NRPA Agency Performance Review," 2023.

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### **Recreation Facilities**

There are over 20 basketball courts, 21 baseball and softball fields, 4 turf fields, and 16 tennis courts in addition to many soccer fields and other outdoor recreational facilities in Hartford. However, the City of Hartford does not have any indoor fieldhouse facilities or large multisport indoor complexes. Regional parks and recreation stakeholders and the Connecticut Convention & Sports Bureau cited a shortage of these type of facilities in the region and Connecticut. Existing facilities are largely concentrated in New Haven with multiple indoor fields and ice rinks. Some, such as Sports Center of Connecticut, are geared more towards amusement with event rooms and a food court. Another stated need in the region is an aquatics center.

In 2019, there was a proposal to develop an indoor and outdoor multisport facility in Windsor Locks. The developer stated that the project would bring in \$15 million in revenue in the first year and could create up to 300 jobs and \$2 million in additional revenue for the town.<sup>37</sup> The developer was unsuccessful in getting the project off the ground and moved the proposal to Enfield where project costs are estimated to be between \$90 million and \$125 million. The future of the project is still in flux.

### **Open Space**

Riverfront Recapture helps support and maintain Riverside Park, Mortenson Riverfront Plaza, Great River Park, and Charter Oak Landing—all of which join to create a seven-mile plus riverwalk system. Riverfront Recapture's goal of revitalizing the Connecticut River in the Hartford area. While Riverfront Recapture is most well known for their parks, programming, and stewardship of the river, the original Riverfront Recapture plan also acknowledges the economic opportunity that ranges from housing to light industrial development. They are currently redeveloping Garmany Cove, a 60-acre inaccessible site acquired in 2019, into the final portion of the riverwalk system. The project is being supported by the Connecticut Department of Economic and Community Development (DECD), Connecticut's Bond Commission via The CRCOG region Development Authority (CRDA), and several other public and private supporters.

Hartford-Brainard Airport is also located along the Connecticut River and could offer good access to the river, but the area is surrounded by several uses that are not conducive to recreation such as wastewater treatment and the City of Hartford controls the land directly on the riverfront. Furthermore, the MIRA plant to the north of HFD creates a barrier to achieving continuous access to the river. HFD's isolated location is not necessarily a barrier to recreational uses: More than 85% of Connecticut residents travel to outdoor recreational facilities via automobile.<sup>38</sup> Moreover, HFD is well positioned to meet some of Connecticut's more pressing recreational needs according to Connecticut residents: paved multi-use trails, nature preserves and bird watching, inclusive and accessible playgrounds, and tennis and basketball courts.<sup>39</sup>

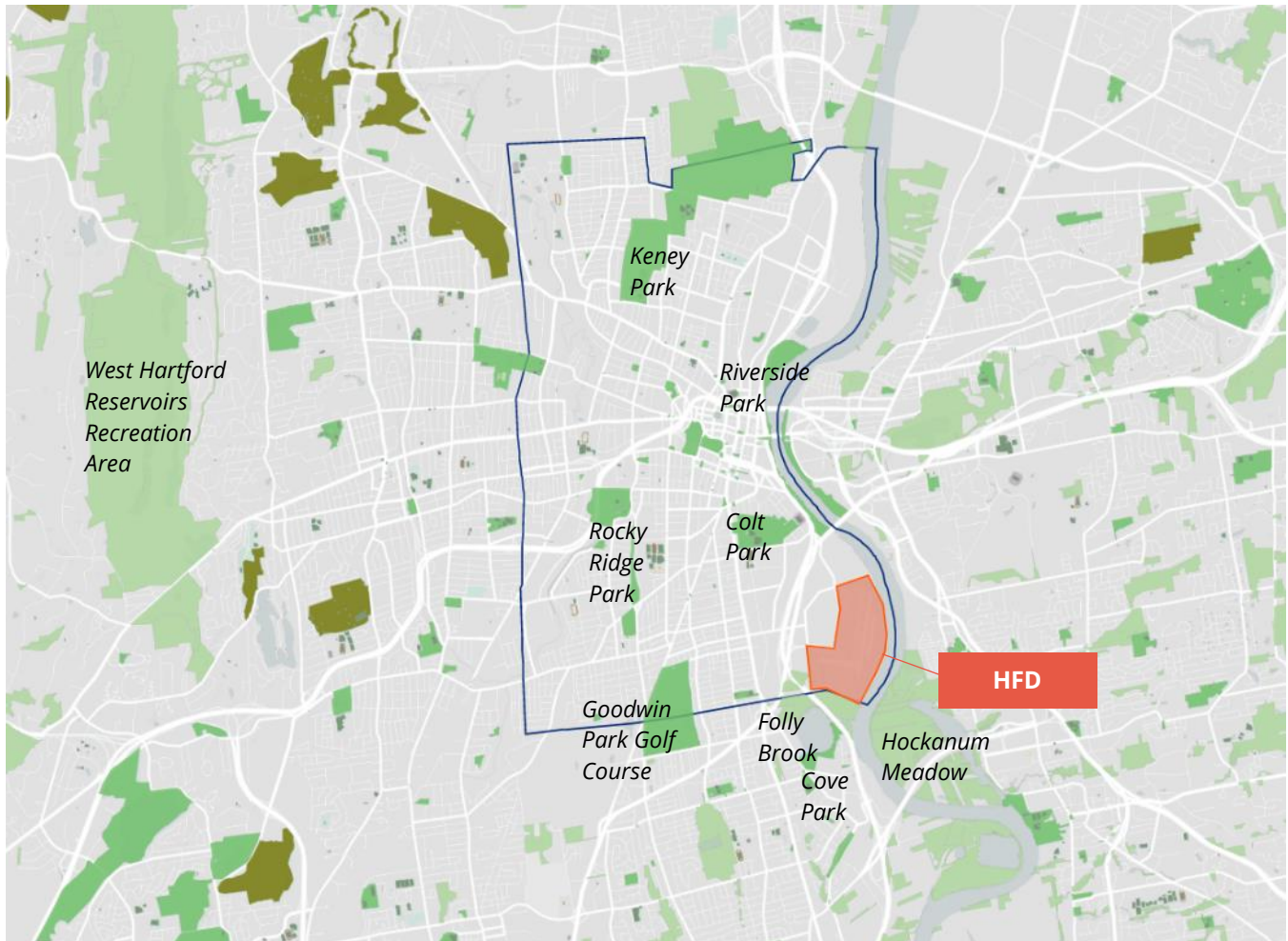
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<sup>37</sup> Journal Inquirer, "Developer plans to close on All Sports Village property in WL in November," 2021.

<sup>38</sup> 2017-2022 Statewide Comprehensive Outdoor Recreation Plan Data

<sup>39</sup> 2017-2022 Statewide Comprehensive Outdoor Recreation Plan Data

**FIGURE 26 | PARKS AND OPEN SPACE IN THE HARTFORD REGION**



Source: Esri. OpenStreetMap.

**Recreation Feasibility**

Open space is not a market-driven use and though some types of recreation uses may be privately developed, such as indoor multisport complexes, others are publicly supported. In either case, developing recreation at the HFD site would require commitments from the City of Hartford, State of Connecticut, or other partner to support feasibility. The area does appear to be underserved by indoor fieldhouses, but these facilities have specific site considerations – space, access, parking, etc. – that may be difficult to accommodate at HFD.

**FIGURE 27 | INDOOR SPORTSPLEXES IN CONNECTICUT**



Source: Esri, Google Maps

### Conclusion

It is unlikely that the HFD site would be suitable for residential or retail development due to the lack of public services, amenities, and infrastructure, as well as the industrial uses in the surrounding area. Limited demand for new office development also suggests that office is not a promising use in any redevelopment scenario for the site. However, industrial development appears to be a viable option given the strong market support and existing industrial product nearby. It is important to consider the challenges of roadway infrastructure and competition from development happening at Rentschler Field. Feasibility of recreation uses depends on the commitment from public partners and significant upfront investment.

## Appendix

FIGURE A-1 | HARTFORD METROPOLITAN STATISTICAL AREA, EMPLOYMENT BY INDUSTRY, 2011-2021

Industry	2011 Jobs	2021 Jobs	2011 - 2021 % Change	Avg. Earnings Per Job	2021 Location Quotient
Agriculture, Forestry, Fishing and Hunting	3,010	2,476	(18%)	\$54,957	0.31
Mining, Quarrying, and Oil and Gas Extraction	146	82	(44%)	\$92,614	0.04
Utilities	1,521	954	(37%)	\$205,594	0.43
Construction	28,635	31,387	10%	\$83,305	0.83
Manufacturing	66,958	64,151	(4%)	\$114,347	1.27
Wholesale Trade	22,674	18,799	(17%)	\$113,274	0.80
Retail Trade	63,083	58,039	(8%)	\$48,286	0.90
Transportation and Warehousing	17,172	29,396	71%	\$57,839	1.07
Information	12,099	9,557	(21%)	\$152,553	0.79
Finance and Insurance	61,220	52,269	(15%)	\$169,181	1.92
Real Estate and Rental and Leasing	8,359	8,159	(2%)	\$79,710	0.72
Professional, Scientific, and Technical Services	34,909	39,391	13%	\$118,993	0.87
Management of Companies and Enterprises	9,275	13,245	43%	\$163,555	1.41
Administrative; Support; Waste Management; Remediation Services	30,013	32,556	8%	\$55,366	0.80
Educational Services	16,821	18,005	7%	\$52,583	1.07
Health Care and Social Assistance	95,058	101,852	7%	\$75,236	1.21
Arts, Entertainment, and Recreation	8,761	8,592	(2%)	\$34,595	0.88
Accommodation and Food Services	40,707	39,107	(4%)	\$30,483	0.78
Other Services (except Public Administration)	30,471	28,190	(7%)	\$44,658	0.86
Government	98,608	95,736	(3%)	\$97,447	1.00
Unclassified Industry	41	117	185%	\$87,617	0.15
<b>Total</b>	<b>649,544</b>	<b>652,061</b>	<b>0%</b>	<b>\$87,201</b>	

Source: Lightcast, 2023.

**FIGURE A-2 | CITY OF HARTFORD REAL ESTATE MARKET INDICATORS SUMMARY**

	Multifamily	Retail	Office	Industrial*
Total Inventory	23,500 units	7.7 million SF	24.1 million SF	45.6 million SF
Vacancy	6.3%	2.5%	9.9% - 24%***	3.6%
Avg. Rent (\$/SF)	\$1.57	\$20.86	\$22.56	\$6.65
New Space Constructed (2018-2023 YTD)	1,800 units	399,400 SF	0 SF	2,720,500 SF
Total Net Absorption (2018-2023 YTD)	1,600 units	289,300 SF	-264,100 SF	3,345,500 SF
Space Under Construction	430 units** (1,550 units proposed)	8,000 SF	0 SF	115,600 SF

\* - Industrial market refers to the five-mile corridor around Interstates 84, 91, and 95 throughout Connecticut.

\*\* - Includes approximately 430 units under construction consisting of five properties in Hartford being converted from other uses – hotel, office, and manufacturing – and are not new build.

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

Source: Costar, 2023

**FIGURE A-3 | CRCOG REGION REAL ESTATE MARKET INDICATORS SUMMARY**

	Multifamily	Retail	Office	Industrial
Total Inventory	69,000 units	60.9 million SF	63.4 million SF	102.0 million SF
Vacancy	4.8%	3.6%	11.0%	4.0%
Avg. Rent (\$/SF)	\$1.70	\$16.46	\$20.70	\$6.70
New Space Constructed (2018-2023 YTD)	4,300 units	1,296,000 SF	346,000 SF	4,786,000 SF
Total Net Absorption (2018-2023 YTD)	4,700 units	1,383,500 SF	-1,452,000 SF	4,425,000 SF
Space Under Construction	1,730 units* (2,650 units proposed)	217,000 SF	103,000 SF	957,000 SF

\* - Includes approximately 430 units under construction consisting of five properties in Hartford being converted from other uses – hotel, office, and manufacturing – and are not new build.

Source: Costar, 2023

FIGURE A-4 | CITY OF HARTFORD ADOPTED ZONING – AUGUST 5, 2020

