



# City of Springfield Opportunity Zones

*Developers Encouraged.*

**MAYOR DOMENIC J. SARNO**

*Prepared by:*

**OFFICE OF PLANNING &  
ECONOMIC DEVELOPMENT**





# EXECUTIVE SUMMARY

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- Springfield boasts nearly \$4.16 billion in economic investment in recent years, including the new \$960 million MGM Springfield resort, which opened in the city's downtown August 2018.
- The city is known as the “City of Firsts” for its history of innovation, and is home to 17 distinct neighborhoods including a wide collection of historic architecture.
- With a business community led by headquarters locations of companies such as MassMutual Financial, Baystate Health, Smith & Wesson, Big Y Supermarkets, and Peter Pan Bus Lines, the city has long been a job driver in Mass.
- \$95 million CRRC railcar assembly facility creating 150 new jobs , now in production.
- Springfield has 7 Opportunity Zones in 4 distinct geographies, each with highlighted catalytic investments and adjacent investment potential.
- The city has a strong commitment to education, workforce development, equity, and inclusion.
- Springfield's diversified economy, built on business and financial services, manufacturing, healthcare, higher education and tourism.
- Springfield is an inclusive, growing, innovative city of 155,032 people.
- The region had 372,550 employed people in August 2019, up from 364,191 in August 2018.

# OPPORTUNITY ZONE TAX INCENTIVES

**The 2017 Tax Cuts and Jobs Act established new Internal Revenue Code Section 1400Z – Opportunity Zones**

The Opportunity Zones program offers three tax incentives for investing in low-income communities through a qualified Opportunity Fund <sup>1</sup>:



## Temporary Deferral

A temporary deferral of inclusion in taxable income for capital gains reinvested into an Opportunity Fund. The deferred gain must be recognized on the earlier of the date on which the opportunity zone investment is disposed of or December 31, 2026.



## Step-Up In Basis

A step-up in basis for capital gains reinvested in an Opportunity Fund. The basis is increased by 10% if the investment in the Opportunity Fund is held by the taxpayer for at least 5 years and by an additional 5% if held for at least 7 years, thereby excluding up to 15% of the original gain from taxation.



## Permanent Exclusion

A permanent exclusion from taxable income of capital gains from the sale or exchange of an investment in an Opportunity Fund if the investment is held for at least 10 years. This exclusion only applies to gains accrued after an investment in an Opportunity Fund.

Courtesy of Economic Innovation Group

# OPPORTUNITY ZONE TAX INCENTIVES

**The Tax Cuts and Jobs Act has established  
new Internal Revenue Code Section 1400Z – Opportunity Zones**

**There are 4 parties in an Opportunity  
Zone transaction :**



**Different Than Other Tax Credits:**

- ✓ More market-oriented
- ✓ Residential, commercial real estate, and business investments
- ✓ No benefit cap



# THE URBAN INVESTMENT PROSPECTUS: CONTENT

## GROWTH

Set economic context for city, identifying key drivers/assets

## CAPITAL DEMAND

Identify investable projects and propositions within each Opportunity Zone

## INCLUSION

Focus on human capital, job connections, and wealth creation

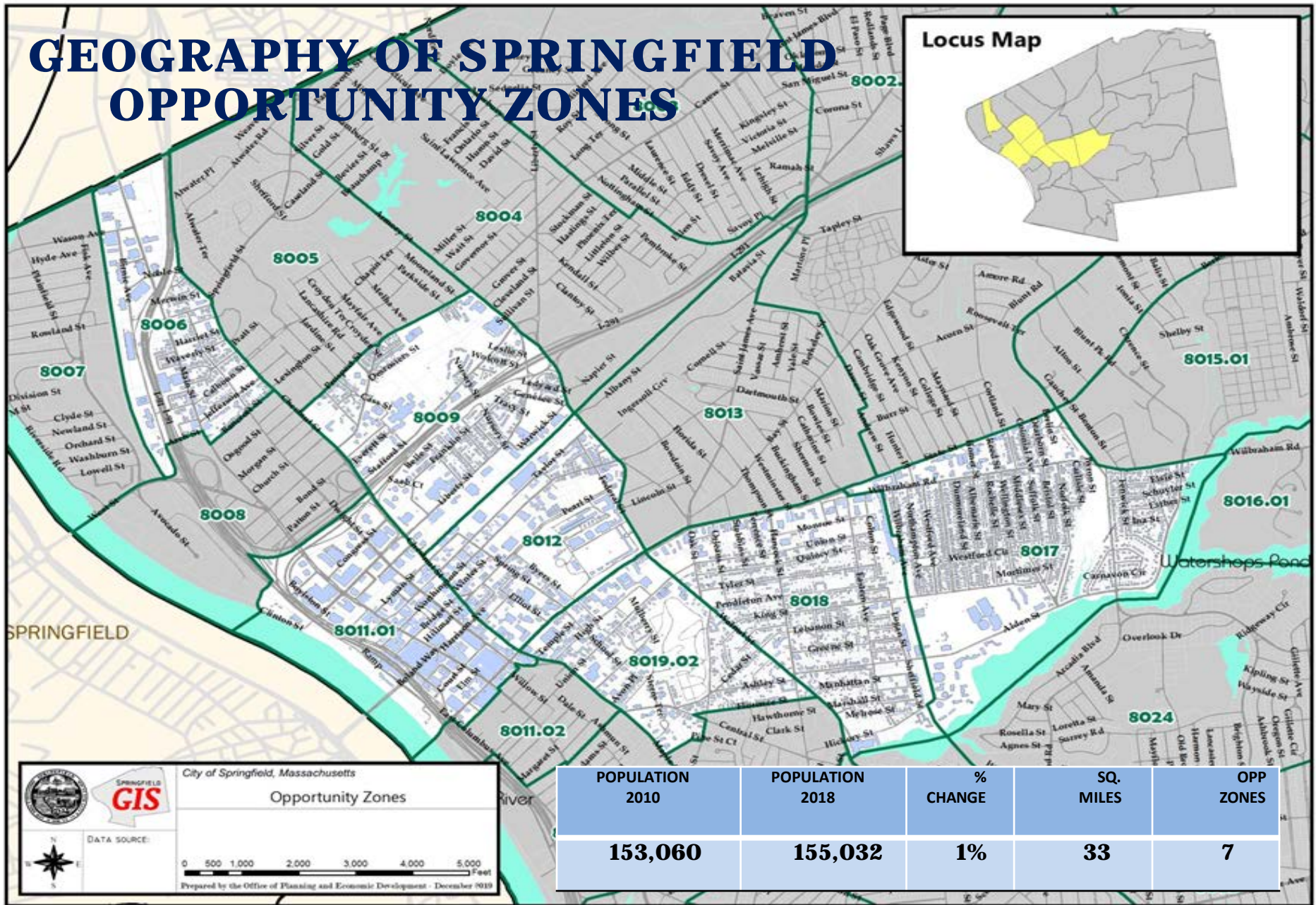
## PLACE MAKING


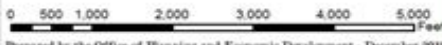
Commentary on the essential must do's to re-knit spatial and social fabric

## INSTITUTIONAL CAPACITY

Recommendations on institution-building options to expedite growth and inclusion

# GEOGRAPHY OF SPRINGFIELD OPPORTUNITY ZONES




 City of Springfield, Massachusetts  
**Opportunity Zones**  
 DATA SOURCE:  
  
 Prepared by the Office of Planning and Economic Development - December 2019

POPULATION 2010	POPULATION 2018	% CHANGE	SQ. MILES	OPP ZONES
<b>153,060</b>	<b>155,032</b>	<b>1%</b>	<b>33</b>	<b>7</b>



# SPRINGFIELD MOMENTUM



## BY THE NUMBERS

- City with population of 155,032
- Thriving downtown with \$4.16 billion dollars in capital construction since 2014
- Unemployment rate at lowest since 2009



## BY THE ASSETS

- Diverse set of large employers (financial, healthcare, manufacturing, education)
- City commitment to education, workforce development, equity, and inclusion
- Fortune 100 HQ (MassMutual)



## BY THE OPPORTUNITY ZONES

- Zones were selected reinforcing multiple growth hubs
- Zones include planned and underway catalytic projects

# CITY OF SPRINGFIELD

- Under the leadership of **Mayor Domenic J. Sarno**, the city has weathered both natural disasters and economic challenges and is now in strong financial position. In March 2019, Standard & Poor's (S&P) reaffirmed the City's AA- credit rating; which improved from the City's A- rating six years ago. This recent credit rating review focuses on the City's strong institutional core and highlighted Springfield's "strong financial policies and practices, adequate budgetary performance, and strong budgetary flexibility."
- **Local Assistance:** The City of Springfield's Office of Planning & Economic Development is a one stop office for economic development, talent and workforce attraction, land use and planning and design. The office provides technical assistance for businesses and developers of all sizes, and coordinates with other city departments to provide an ease of process to move projects forward.



Mayor Domenic J. Sarno

## **Development Division Key Contacts**

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# SPRINGFIELD BY THE NUMBERS

# SPRINGFIELD ECONOMY

Springfield's economy has performed well over the past decade

## JOB GROWTH

- In January, 2008 the City of Springfield had an unemployment rate of **11.9%** and 5,409 unemployed residents out of a workforce of 65,187.
- In January, 2019 the City of Springfield conveyed an unemployment rate of **6.2%**, with 4,105 unemployed residents from a workforce of 66,125.

## UNEMPLOYMENT IS DOWN

January 2008

**11.9%**



January 2019

**6.2%**



# SPRINGFIELD BY THE RANKINGS

## COUNTRY HOME MAGAZINE

**#4 Best Green City in the  
United States  
(2007)**



## FORBES

**America's Best Cheap Cities:  
Best Places to Live  
(2009)**

## INC.COM

**"Surge Cities"  
The 50 Best U.S. Cities for  
Starting a Business  
#46 Springfield  
(2020)**

## BROWNFIELDS

**National EPA  
Brownfield Phoenix  
Award:  
Union Station  
(2019)**

## IEDC EXCELLENCE IN ECONOMIC DEVELOPMENT

**Best Public-Private  
Partnership (City of  
Springfield & MGM  
Springfield)  
(2019)**

# SPRINGFIELD'S LARGEST NON-GOVERNMENT EMPLOYERS

**National leader in lifelong wellness and aging care, advanced manufacturing, and logistics**

EMPLOYER	TYPE OF BUSINESS	APPROXIMATE NUMBER OF EMPLOYEES
Baystate Health Systems	Health Services	8,859
MassMutual	Financial Services	4,296
Sisters of Providence (Mercy Hospital)	Health Insurance	2,775
MGM Springfield	Entertainment	2,303
Smith & Wesson	Manufacturing	1,960
Big Y	Retail Supermarket	965
American International College	Education	614
Springfield College	Education	613
Center for Human Development	Health Services	564
Performance Food Group (PFG)	Wholesale Grocery	470
Eastman Chemical Co.	Manufacturing	347

# Industry & Commerce City of Springfield

<i>INDUSTRY</i>	<i>FY 2013</i>	<i>FY 2014</i>	<i>FY 2015</i>	<i>FY 2016</i>
<b>Construction</b>	<b>1,457</b>	<b>1,463</b>	<b>1,504</b>	<b>1,465</b>
Manufacturing	3,952	3,915	3,793	3,759
<b>Trade, Transportation &amp; Utilities</b>	<b>10,697</b>	<b>10,752</b>	<b>10,803</b>	<b>10,912</b>
Information	1,654	1,480	1,264	1,108
<b>Financial Activities</b>	<b>6,674</b>	<b>6,606</b>	<b>6,530</b>	<b>6,264</b>
Professional & Business Services	6,665	6,895	6,866	7,077
<b>Education &amp; Health Services</b>	<b>34,387</b>	<b>35,856</b>	<b>37,085</b>	<b>39,455</b>
Leisure & Hospitality	5,531	5,483	5,457	5,626
<b>Other Services</b>	<b>2,776</b>	<b>2,848</b>	<b>2,891</b>	<b>3,004</b>
Public Administration	3,320	3,320	3,352	3,376
<b><i>Total Employment</i></b>	<b><i>72,113</i></b>	<b><i>78,618</i></b>	<b><i>79,545</i></b>	<b><i>82,046</i></b>

\*Data is based on employment not residence.

\*December 2019





# Springfield BY THE ASSETS

# DOWNTOWN RENAISSANCE

**With a comprehensive development strategy, Springfield's downtown has become a hotbed of investment, with housing, hotels, and tourist attractions**



***Way Finders***  
Project Cost: \$16.8M  
New, 23,338 square foot office building  
Way Finders has approximately 230 employees



***MGM Springfield***  
Project Cost: \$960M  
MGM Springfield has over 2,300 employees.



***Skyview Towers***  
Project Cost: \$87M  
Renovation of 489 affordable units



***Willy's Overland Lofts***  
Project Cost: \$11.5M  
60 market-rate apartments and retail space.



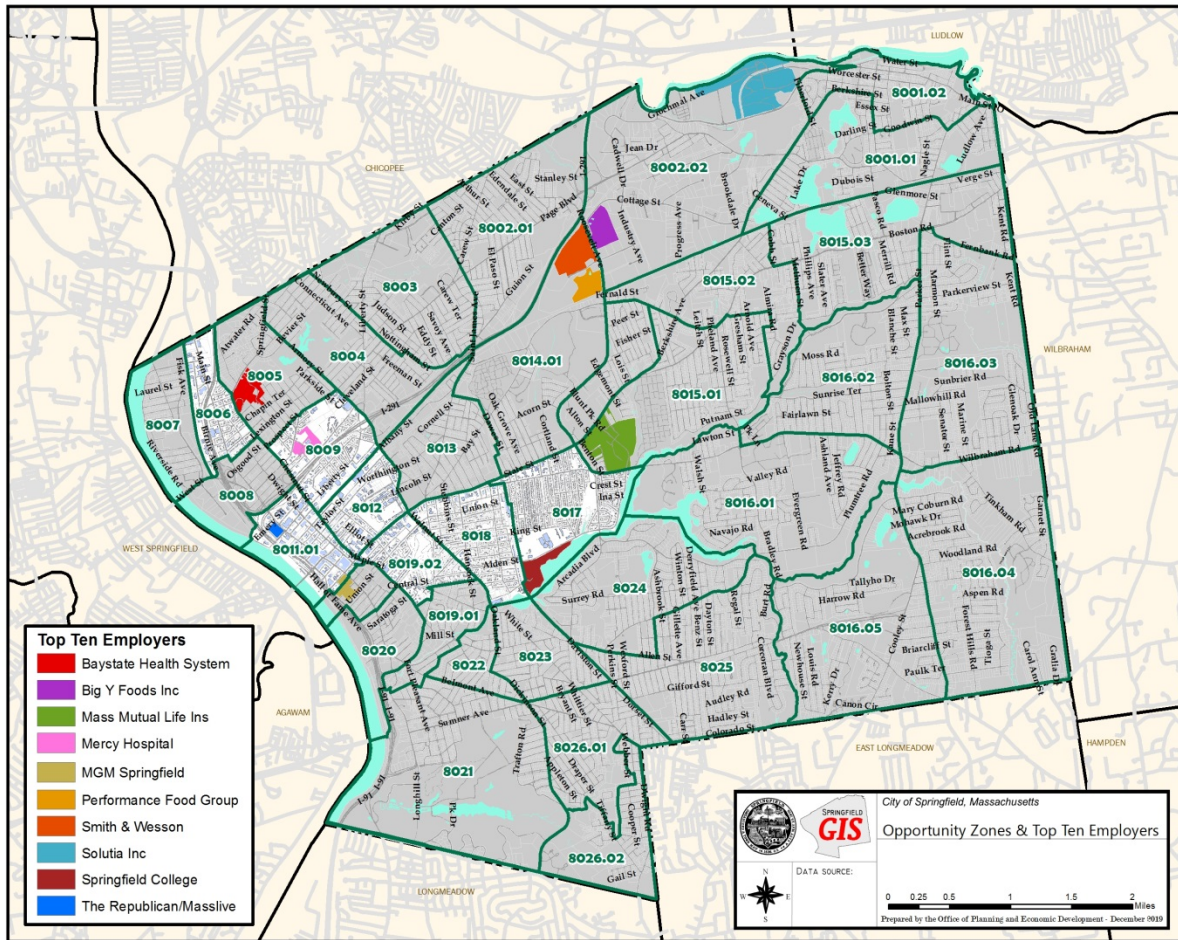
# Downtown Dining District

*The City of Springfield has a downtown full of a variety of dining options. While many businesses have successfully started without assistance, the city now offers a financing product - the **Downtown Dining District Fund (DDDF)** geared to attract and assist full service restaurants seeking to locate in the dining district. This program is capitalized by the City through the United States Department of Housing and Urban Development (HUD) Section 108 Loan Program.*





# SPRINGFIELD'S LARGEST EMPLOYERS



1. Baystate Health Systems
2. MassMutual Life Insurance
3. Sisters of Providence (Mercy Hospital)
4. MGM Springfield
5. Smith & Wesson
6. Big Y
7. Solutia Inc.
8. Performance Food Group
9. The Republican/Masslive
10. Springfield College

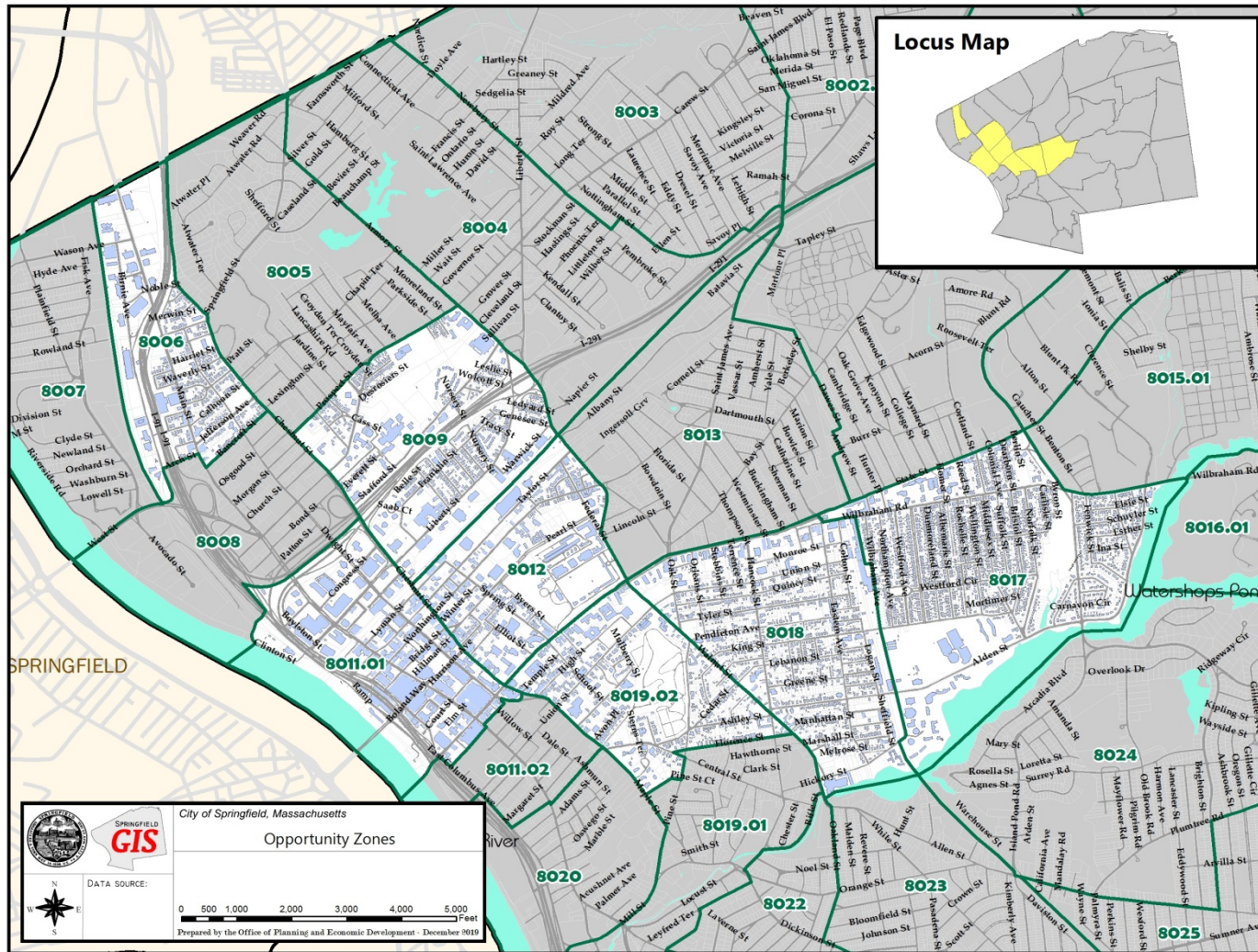


# Springfield BY THE OPPORTUNITY ZONES



# OPPORTUNITY ZONE OVERVIEW

Springfield is home to seven different eligible census tracts





# OPPORTUNITY ZONE: SOCIO-ECONOMIC OVERVIEW

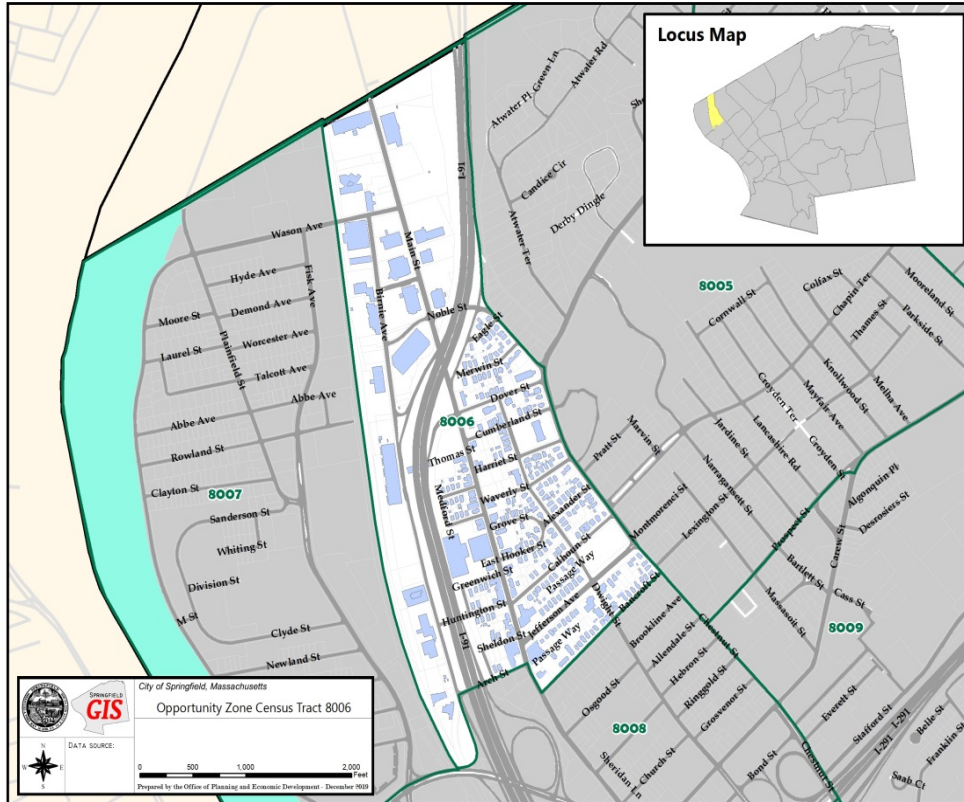
**Opportunity Zones include areas with high socio-economic need**

Neighborhood	Census Tract	Total Population	Unemployed	Poverty Rate	Poverty Population
Metro Center	8012	2,319	17%	64%	1,484
<b>Metro Center</b>	<b>8011.01</b>	<b>6752</b>	<b>21%</b>	<b>63%</b>	<b>4,321</b>
Six Corners	8019.02	3,371	26%	56%	1,888
<b>Liberty Heights</b>	<b>8009</b>	<b>4,084</b>	<b>24%</b>	<b>55%</b>	<b>2,246</b>
Memorial Square	8006	2,890	25%	55%	1,590
<b>Old Hill</b>	<b>8018</b>	<b>4,275</b>	<b>28%</b>	<b>49%</b>	<b>2,095</b>
Old Hill	8017	7,989	11%	34%	2,716
<b>Total Zone Population</b>		<b>31,680</b>	<b>20.40%</b>	<b>51.58%</b>	<b>16,340</b>
City of Springfield		155,060	6.90%	28.70%	
<b>Massachusetts</b>		<b>6,547,629</b>	<b>3.30%</b>	<b>11.1%</b>	
U.S. Population		329,064,917	4.20%	12.30%	
					*Source BLS *Nov. 2019

# Springfield's Opportunity Zone: MEMORIAL SQUARE (8006)

## *The Assets*

- Memorial Square neighborhood, a neighborhood that is the fastest growing neighborhood in population from 2009 to 2015, with a nearly 22% increase.
- Memorial Square includes portions of what is considered to be the “Medical District” where several medical office buildings have been developed, due to the proximity of this tract to Baystate Health - the largest hospital and largest employer in Western Massachusetts.
- A variety of potential investment opportunities with its proximity to both downtown and an economic driver in the medical district.



## Fast Facts

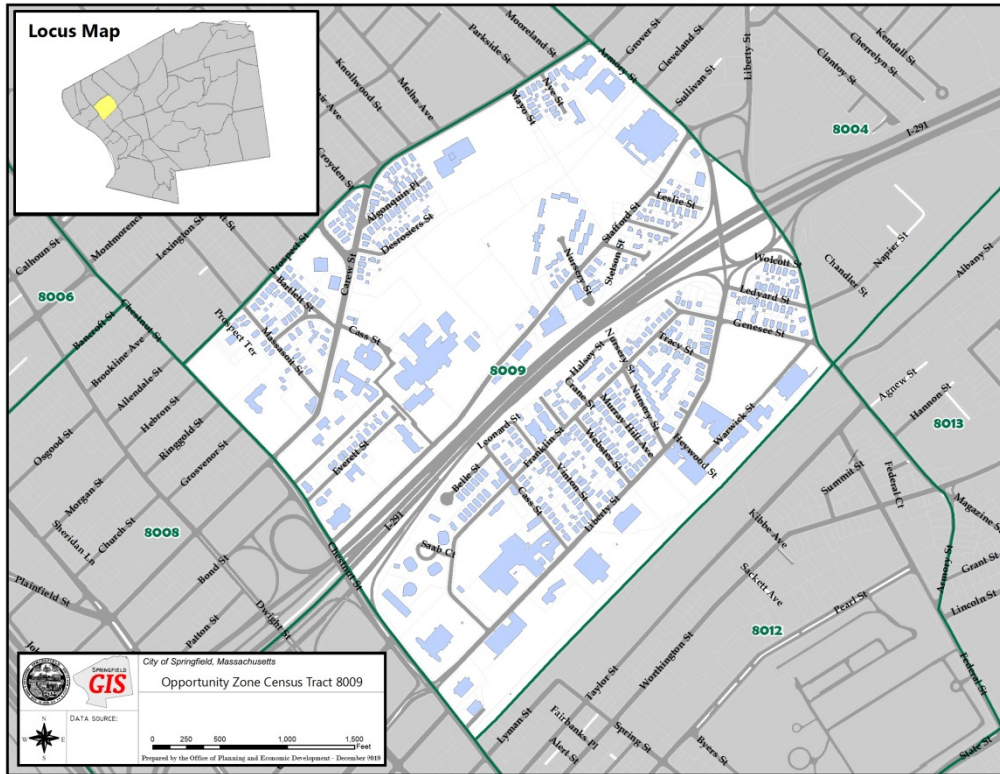
Population	Median Household Income	Educational Attainment	Unemployment Rate
2,951	\$16,107	1%	29%

## *The Opportunities*

- The city has completed an economic analysis of the jobs currently located in the medical district, which is available for public review.
- The tract also includes the site of the former Chestnut Junior High School, now a three acre development site situated between the two major hospitals, a site the city has targeted for professional multi-unit housing.

# Springfield's Opportunity Zone: **METRO CENTER (8009)**

## The Assets



- This tract is in parts of our Memorial Square, Liberty Heights, and our Metro Center neighborhoods.
- With much of this tract within walking distance to the newly restored Union Station, the opportunity for TOD development exists for new walkable housing opportunities.
- The tract does include existing multifamily housing, as well as a mix of zoning including residential, commercial, and industrial.

## The Opportunities

- Some underutilized historic warehousing properties along Liberty and Warwick Streets offer additional investment opportunities.
- With the new developments happening within the surrounding tract, the new development ECO Building Bargains, this tract has seen significant investments.

## Fast Facts

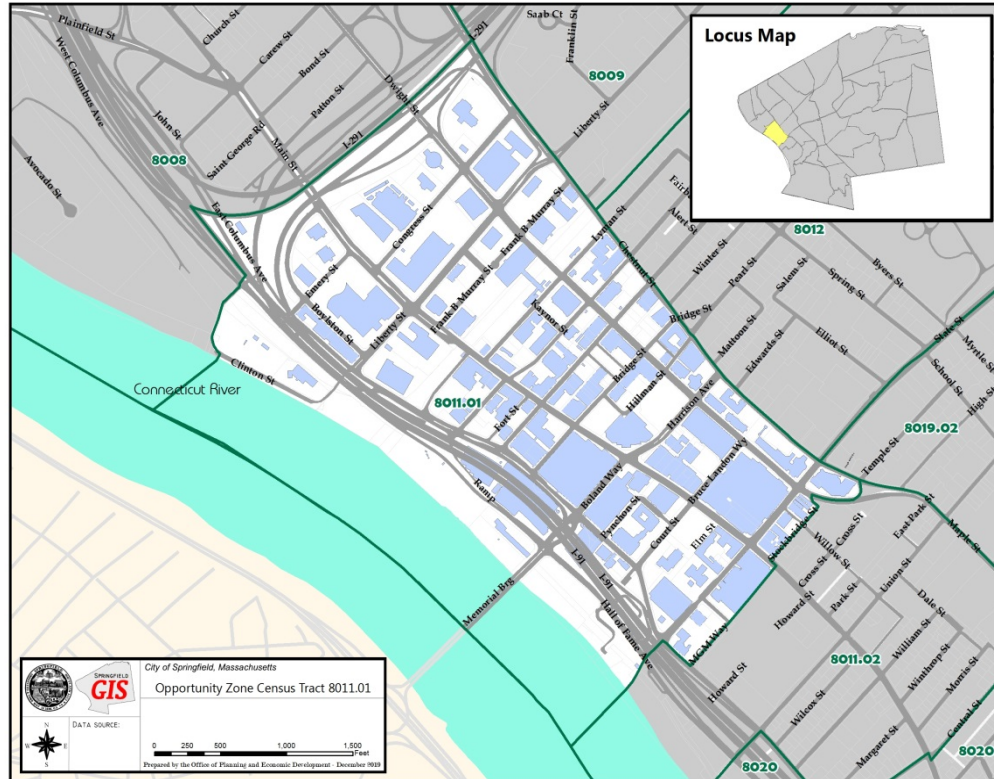
Population	Median Household Income	Educational Attainment	Unemployment Rate
4,003	\$16,215	7%	22%



# Springfield's Opportunity Zone: METRO CENTER (8011.01)

## The Assets

- Metro Center comprises most of which is considered our commercial downtown. This district is zones almost entirely "Business C" which allows a mix of uses including upper story residential.
- The district is significantly commercial in its uses, including multiple office towers, institutional uses, and ground floor restaurants and retail.
- This tract also includes significant residential properties including Willy's Overland Lofts, a new loft project under construction in 2020.



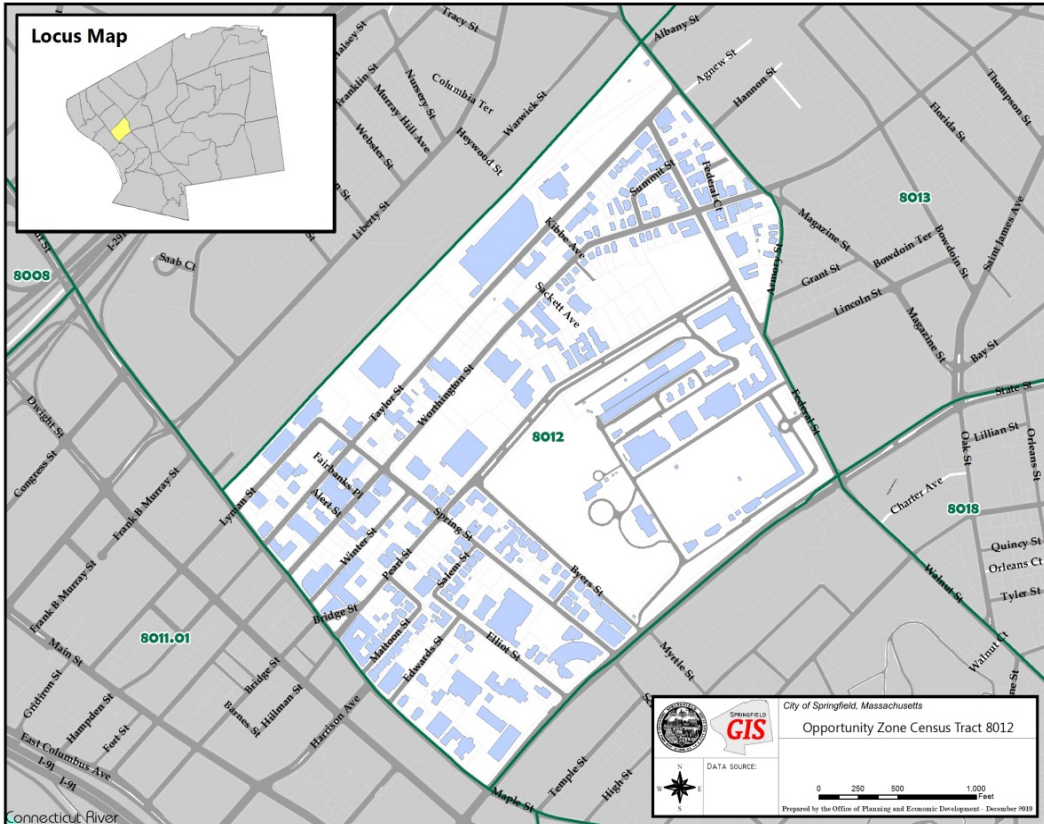
## The Opportunities

- City of Springfield has invested 100M on the newly renovated Union Station.
- MGM has invested \$1B in mixed use entertainment facility.
- Opportunities are abundant with entertainment like the AHL's Springfield Thunderbirds, the Springfield Symphony Orchestra, and Springfield Museums all contributing to an active cultural district, as well as restaurants and nightlife options.

## Fast Facts

Population	Median Household Income	Educational Attainment	Unemployment Rate
1,963	\$12,628	9%	22%

# Springfield's Opportunity Zone: METRO CENTER (8012)



## Fast Facts

Population	Median Household Income	Educational Attainment	Unemployment Rate
2,317	\$12,907	14%	15%

## The Assets

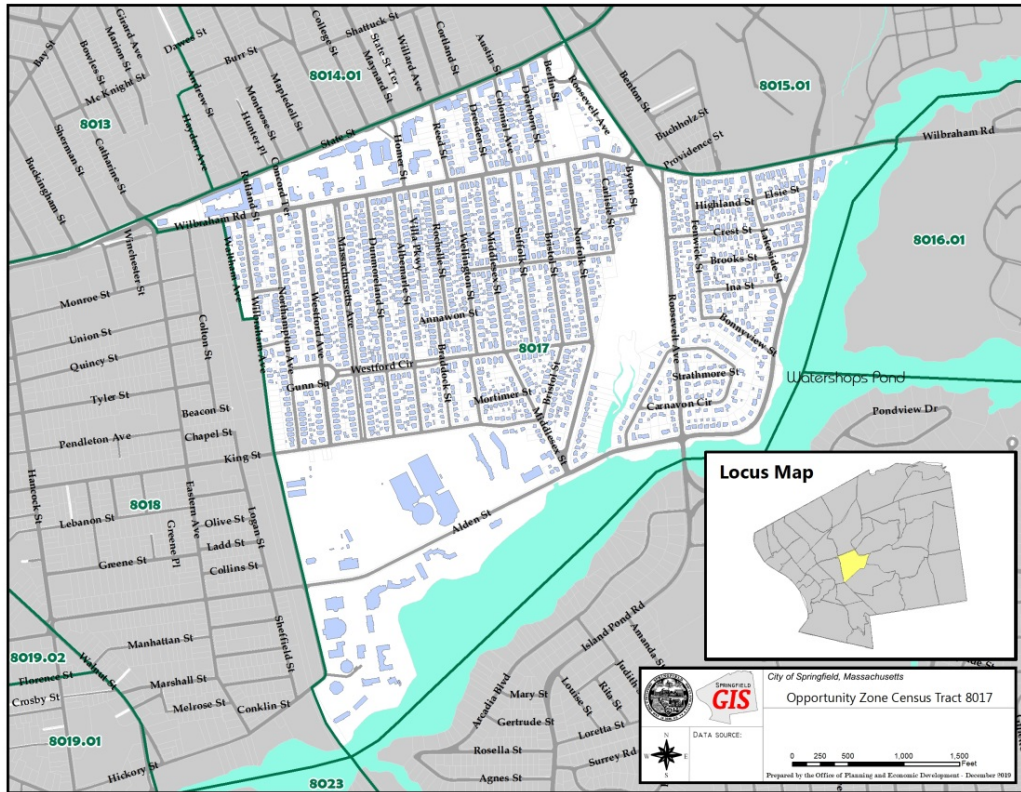
- The tract includes an equal amount of commercial and residential zoning, with the residential being predominately historic multi-unit housing.
- The commercial is largely light industrial uses and the commercially zoned land is significantly vacant.
- Recently there has been renewed interest in developing new multifamily housing in this tract due to its walkable location to both Union Station and MGM Springfield.

## The Opportunities

- Redevelopment of historic icons The Paramount Theater and 13-31 Elm Street, the former Court Square Hotel building.
- Redevelopment of historic buildings could include office, retail, restaurant, and multifamily residential units.
- White Lion Brewery new business venture coming to Tower Square 2020.

# Springfield's Opportunity Zone: UPPER HILL (8017)

## The Assets



- The neighborhood is home to a pair of higher education institutions in Springfield College and American International University.
- It is also home to a \$25 million affordable housing redevelopment at the former Indian Motorcycle and Mason Square Fire Station.
- The neighborhood also backs up to the main State Street campus of MassMutual Financial, which recently announced a \$50 million investment in their main campus.

## The Opportunities

- Opportunity for additional investments at the historic and vacant Knox Manufacturing building and former MCDI building, a fire damaged vacant property along Wilbraham Avenue.
- With MassMutual's \$50M expansion, they will have an additional 1,500 employees to the campus. This is expected to lead to potentially new residential demand near the main campus.
- New developments: Homer Street & Deberry Elementary Schools. Including the new Water & Sewer Department.

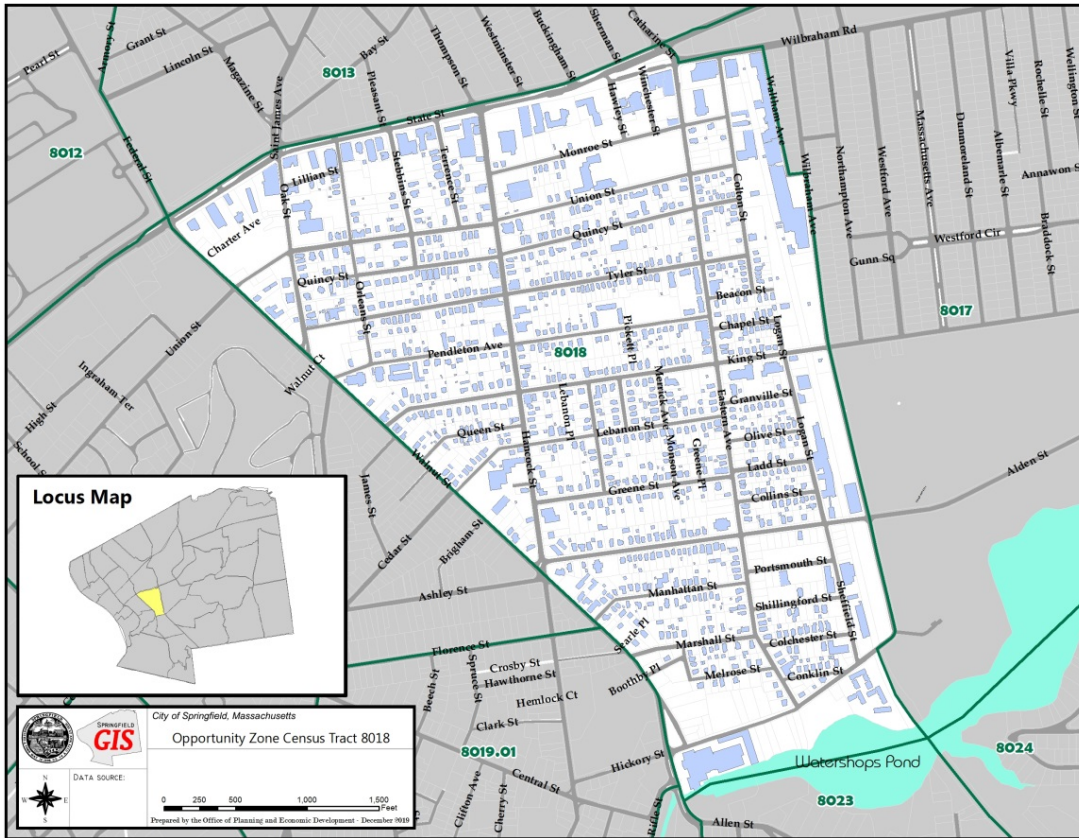
### Fast Facts

Population	Median Household Income	Educational Attainment	Unemployment Rate
7,728	\$31,712	10%	12%



# Springfield's Opportunity Zone: OLD HILL (8018)

## The Assets



- Old Hill neighborhood runs along State Street, the city's main East-West commercial corridor. State Street was the subject of a master plan effort several years ago, the "State Street Corridor Improvement Plan".
- Old Hill offers opportunity being across the street from Springfield Technical Community College (STCC) and STCC Tech Park, which has tenants including Liberty Mutual, MassHire, and VHB, Inc.

## The Opportunities

- Opportunities include 1 Allen Street, a historic mill complex associated with the Springfield Armory historically, and currently a light industrial warehouse complex that will require significant investment in future years to address deferred maintenance and preservation of the complex.
- This tract also includes a new "Educare" facility, a \$12 million early education facility funded through the Warren Buffet foundation. This will be the first such center in Massachusetts.

### Fast Facts

Population	Median Household Income	Educational Attainment	Unemployment Rate
4,011	\$26,507	7%	23%

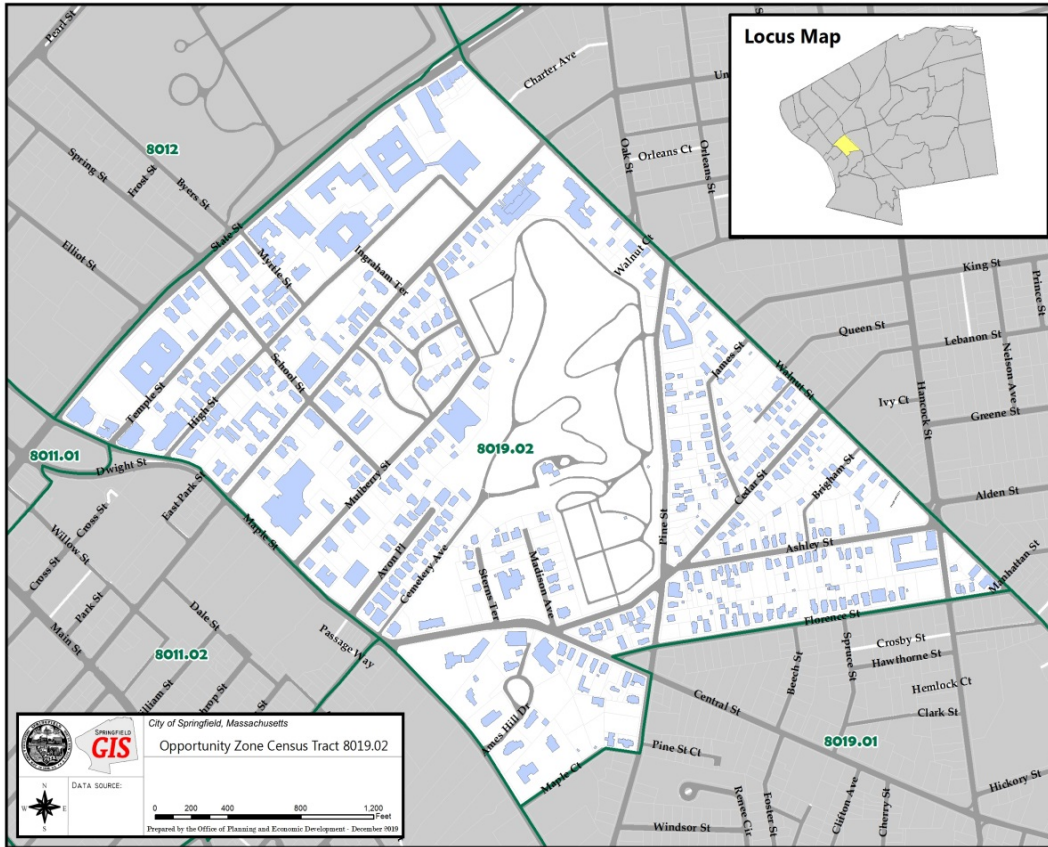
# Springfield's Opportunity Zone: Six Corners, Old Hill (8019.02)

## The Assets

- This historic neighborhood includes a significant stretch of State Street, incorporating the new Performing Arts school located at the former Masonic Temple, which opened in 2019.
- While Six Corners is one of the smallest of the city's seventeen neighborhoods. Its boundaries are principally portions of School Street and Maple street to the west, State Street to the north, Walnut Street to the east, and Mill River to the south.
- Develop Springfield invested \$10M to restore and renovate the Lower Maple Business Park.

## The Opportunities

- Roundabout information \$3.5M development
- Gardening the Community has developed a community garden and new constructed Farm Stand Store. Where they grow and sell fresh produce
- Historic Mulberry Street, known from Dr. Seuss childrens books, is located in the district and packed with large historic homes.



### Fast Facts

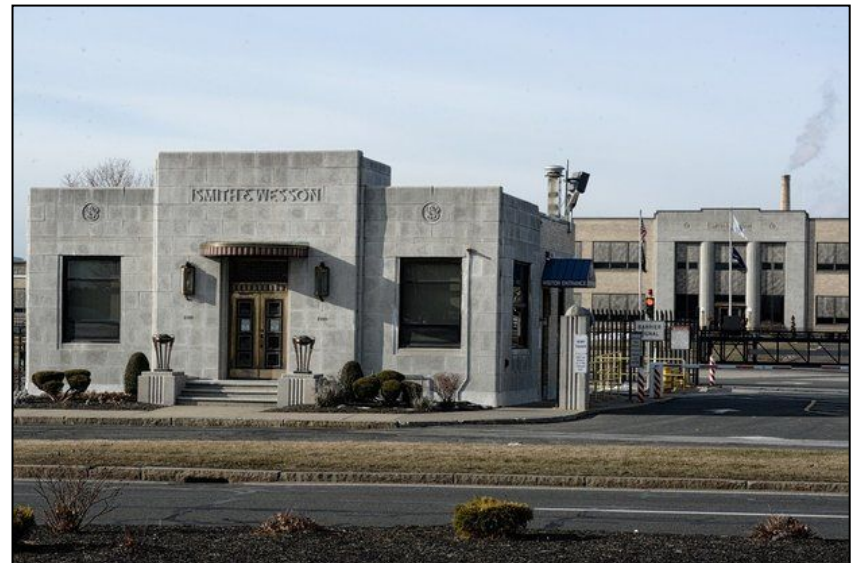
Population	Median Household Income	Educational Attainment	Unemployment Rate
3,365	\$14,176	13%	22%



# MANUFACTURING : “CRRC MA-Springfield”

## CRRC

- A \$95m investment in a 204,000 square-foot rail car manufacturing facility on a 40 acre site
- CRRC MA has completed design and is underway with manufacturing 404 subway cars for America's first and oldest transit system, The Massachusetts Bay Transportation System (MBTA).
- CRRC MA partnered with the State of Massachusetts, MBTA, and City of Springfield with a unified vision to establish rail car manufacturing in a City rich with history, passion, and a commitment to improve the local economy through vocational training and job-creation. Upwards of 200 jobs will be created.





# BAYSTATE & MERCY MEDICAL CENTERS: "MEDICAL DISTRICT"



## Mercy Medical

- Opened the Sister Caritas Cancer Center which consolidated outpatient cancer care programs into one collaborative space.
- Morris Switzer~Environments for Health designed the \$15 million, 26,000 s/f renovation and expansion which improves the patient experience by increasing privacy and creating a calm, nurturing environment.
- The new medical oncology treatment space includes 32 infusion bays and two private infusion rooms featuring personal televisions and accommodations for supporting family members or friends.

## Baystate Health

- Over 1,100 medical staff physicians
- 4,043 babies born each year in the Wesson Women and Infants' Unit
- 10 residency training programs
- 99 clinical trials underway
- 536 volunteers gave 47,770 hours of their time
- Region's only Level 1 Trauma Center and pediatric trauma center
- 218,931 prescriptions filled at our pharmacy



# Big Y Foods :

## Big Y Grocery Stores



- Headquartered in Springfield, MA, Big Y is one of the largest independently owned supermarket chains in New England.
- Proud to be family owned and operating almost 80 stores throughout Connecticut and Massachusetts with over 11,000 employees.
- Big Y has been named a 2015 Employer of Choice by the Employers Association of the Northeast.

## Big Y Distribution

- Big Y plans to double size of Springfield distribution hub, add over 30 new jobs with \$35 million investment in city
- The expanded distribution center will be done about a year from now, and the addition will increase the facility's size from 189,000 square feet to 425,000 square feet — about the size of 10 football fields. There will be 53 receiving bays for trucks, up from 19.





# MassMutual: “Financial Institution”



The Massachusetts Mutual Life Insurance Company (MassMutual), founded in 1851, is an American mutual life insurance company serving five million clients. With headquarters in Springfield, Massachusetts, the company employs more than 7,000 in the United States, and a total of 10,614 internationally.

MassMutual ranked No. 93 in the 2018 Fortune 500 list of the largest United States corporations by total revenue. The company has revenues of \$29.6 billion and assets under management of \$675 billion (as of 2016).

MassMutual provides financial products such as life insurance, disability income insurance, long term care insurance, retirement/401(k) plan services, and annuities. Major affiliates include Barings LLC, and Haven Life Insurance Agency.



# HIGHER EDUCATION: Colleges & Universities

## Western New England University



## American International College



## Springfield College



## Springfield Technical Community College





# SPRINGFIELD MUSEUMS: Springfield Quadrangle



- The Quadrangle is the common name for a cluster of museums and cultural institutions in Metro Center, Springfield, Massachusetts, on Chestnut Street between State and Edwards Streets.
- The Dr. Seuss National Memorial Sculpture Garden, in the center of the Quadrangle, is surrounded by a park, a library, five museums, and a cathedral. A second cathedral is just on the Quadrangle's periphery.

- Located at the Quadrangle, the Dr. Seuss National Memorial Sculpture Garden The Dr. Seuss sculpture garden in Springfield, Massachusetts that honors Theodor Seuss Geisel, better known to the world as Dr. Seuss, honors the author and illustrator, who was born in Springfield in 1904.
- The monument was designed by Lark Grey Dimond-Cates, the author's stepdaughter and created by Sculptor and Artist Ron Henson. The sculpture garden features five large bronze statues.





Don't let these opportunities pass you by.  
Developers Encouraged.

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[www.springfield-ma.gov](http://www.springfield-ma.gov)

