COMMONWEALTH OF MASSACHUSETTS

43D SITE EVALUATIONS



Prepared for:
Massachusetts Alliance for Economic Development
Massachusetts Executive Office of Housing and Economic Development

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Osgood Landing ■ North Andover, MA

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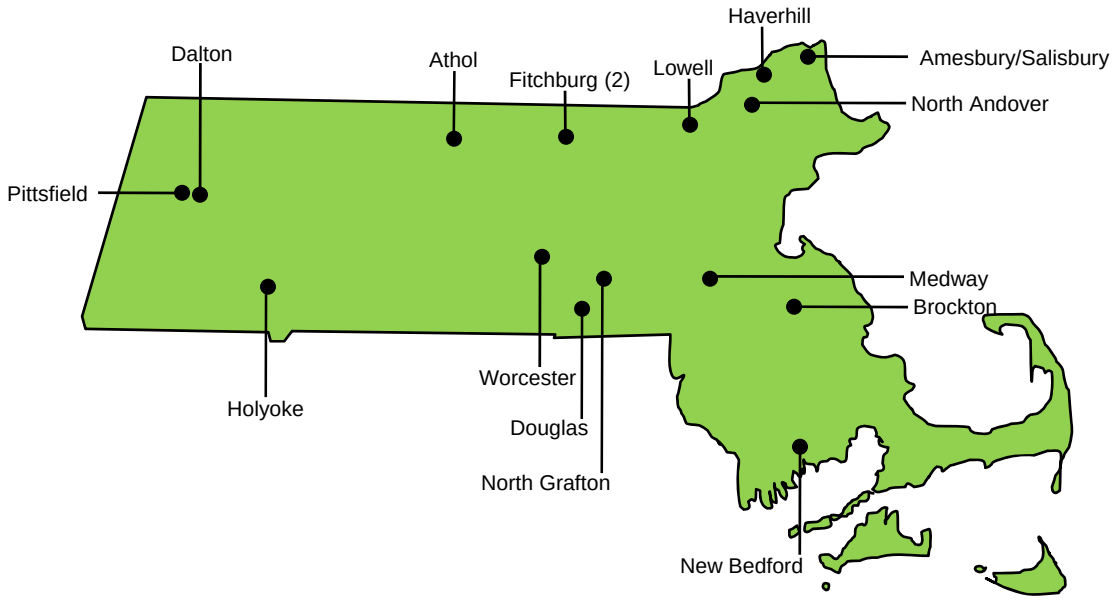
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Introduction

As part of an overall initiative to identify, evaluate and ultimately market sites under Massachusetts General Law Chapter 43D, The Massachusetts Alliance for Economic Development (MAED) along with the Massachusetts Executive Office of Housing and Economic Development retained Moran, Stahl & Boyer, a nationally known site selection and economic development consultant, to perform evaluations of selected sites (see Figure 1 below). The evaluation included on-site reviews, input from site contacts, data collection, and ultimately an assessment of site resources, best uses for the site, and recommendations for any site upgrade required to achieve a needed level of readiness.

Figure 1 – Location of the 43D Sites That Were Included in the Site Evaluation Process

Location	Description
Pittsfield	Former GE site being developed as William Stanley Business Park of the Berkshires
Dalton	Ashuelot Park (former Beloit manufacturing complex currently owned by Crane & Co.)
Holyoke	Multiple sites within Crossroads Business Park off I-91
Athol	North Quabbin Business Park at corner of SR 2 and SR 32
Fitchburg (2)	Sand and gravel operation off Airport Rd and site off Princeton Road (former sludge pits)
Lowell	Downtown Lowell Hamilton Canal District
North Andover	1600 Osgood Street (former Lucent Technology complex)
Haverhill	Industrial land off SR 125/Hilldale Avenue on NH/MA border
Amesbury/Salisbury	Golden Triangle site at intersection of I-95 and I-495
Worcester	South Worcester Industrial Park
Douglas	Current sand and gravel operation and other adjacent lots off SR146 and Gilboa St
North Grafton	Grafton Science Park adjacent to the Tufts University School Veterinary Medicine
Medway	Medway Industrial Park at I-495 and SR 109
Brockton	Former Howard Johnson and other food processing plant at 309 Battles St
New Bedford	Former Polaroid office and manufacturing complex in the New Bedford Business Park



Site Evaluation Overview

Site evaluation is a multi-step process that includes information gathering, reflecting on options, and assigning best use(s) as outlined in Figure 2 . Information is packaged into seven modules as noted in Figure 3 and presented as tabular data, maps and photographs. A sample Site Evaluation Form is presented at the end of this section.

The end result of the evaluation is to address the following questions:

- What types of resources (labor, transportation, education, R&D, industry employment, etc.) are accessible to the site?
- What are the primary attributes of the site and related buildings (as they exist)?
- What level of readiness is the site and related buildings (as they exist), including completion of any studies and securing any permits?
- What are the soil conditions and the presence of rock outcrops and wetlands/flood plain that may impact site development?
- What level of local market competition exists?
- What types of industries and operations would be most interested in the site and related buildings (as they exist)?

With this information, the site owner and/or developer can formulate a strategy for highest/best use as well as for marketing the site and seeking prospects with the most interest.

Figure 2 - Site Evaluation Process

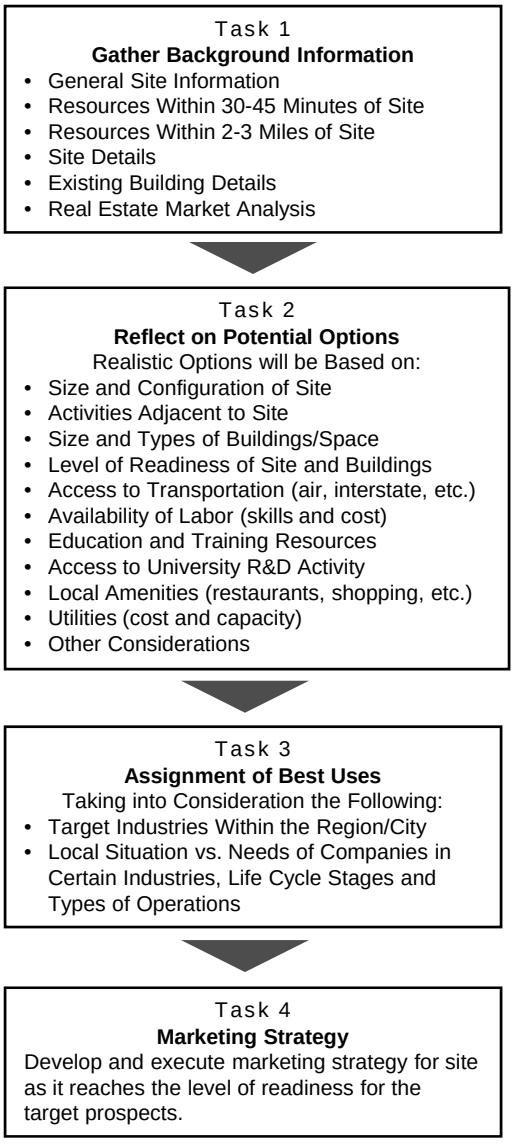


Figure 3 - Information Modules for Site Evaluation

Module 1:
Evaluation of Site

- General Comments and Resource Evaluation
- Recommendations for Site Use and Improvement

Module 2:
General Site Information

- Site designation
- Economic development region
- Address/location of site
- Local contact information
- Property owner(s)
- Current real estate broker
- Map identifying site location

Module 3:
Resources Within 30-45 Minutes of Site

- List regional airport(s) and travel distances
- Demographic map (population concentration) within 30-minute commute distance
- Demographic profile within 30-minute commute distance
  - Population
  - Average annual growth rate over past five years
  - Adult population with HS diploma only*
  - Adult population with 4-year college and above*
  - Median household income*
  - Population in the 25 to 34 year old cohort*

  * Compare with national averages
- Description of housing cost and supply within 30-45 minutes of site

Comment:
For the prospective company, the information related to a 30-minute commute from the site is of greater value than region or metro area data.

Module 4:
Resources Within 2-3 Mile Proximity to Site

- Distance to interstate or major limited access highway
- Condition of access road (pavement condition, shoulders, turning lanes, lights at intersections, etc.)
- Existence/plans for any of the following on the access highway between site and interstate: major shopping areas, schools, hospitals, parks or residential developments
- Access to public transportation (rail and/or bus)
- Access to any of the following amenities within two miles of the site: restaurants, shopping areas, banking, daycare, gym/workout facilities, outdoor trails, personal services
- Access to any of the following business services: copy/printing, office supplies, computer retail/service, etc.

Comment:
The resources that are within close proximity are important for headquarters, back office and R&D operations, and are less important for manufacturing operations.

Module 5:
Site Details

- Aerial photo of site noting proximity to other businesses, retail options and nearby residential properties
- Site plan of developed site/park
- Overall size of site/developable acres
- Level of site readiness to build new or move into existing structures
- Zoning classification/description and maximum allowable build-out (sf)
- Use/zoning of adjacent land
- Presence of wetlands or sections within 100-year flood plain
- Greenfield or brownfield site and current land cover
- Site studies completed, such as:
  - Environmental review (Phase 1 and 2)
  - Environmental Impact Study
  - Wetlands and flood plain review
  - MEPA review
  - Archaeological sites review
  - Traffic impact study
  - Soils analysis
- Site plans prepared
  - Overall site plan
  - Runoff Water Management Plan
- Permits secured
  - Site plan approval
  - Overall environmental permit
  - Wetlands permit
  - Highway access/curb cut permit
  - Army Corps permit (100-yr. flood plain)
  - Steep slope permit
  - Other permits
- Overview on utility services (power, gas, water, sewer, and telecom)
  - Name of utility
  - Capacity/availability (particularly water)
  - Dual feed/backup for power and telecom
  - Cost of power (cents/kWh)

Comment:
Site details provide not only general attributes of the site but also factors that help define the level of readiness of the site. Refer to Tables 3 and 4 for details on site readiness.

Module 6:
Existing Building Details

- Number of buildings on site
- Designated use(s) of buildings (office, light manufacturing, warehouse, lab, etc.)
- Age and condition of each building and class of office space (A,B or C)
- Overall square footage and size of floor plate for each building
- For industrial buildings: ceiling height, column widths, slab thickness, crane rails in place, etc.
- Parking capacity (open or garage)
- Lease or buy options
- Offering price/lease rate for space
- Level of building readiness (months to move in)
- Is this a LEED certified building?

Comments:

- For office space, parking capacity is often quoted in spaces per 1,000 sf of office.
- LEED Designation: the U.S. Green Building Council has defined The Leadership in Energy and Environmental Design (LEED) Green Building Rating System™ to encourage and accelerate global adoption of sustainable green building and development practices.

Module 7:
Real Estate Market Analysis

- Overall market situation (strong or weak)
- Average purchase price for land in similar situation (stand alone, within office or industrial park, etc.)
- Description of comparable property/building
- Average lease rate for comparable space
- Other information about local market

Comment:
The ability to define comparable market data will be determined by the level of specialization and unique features the site offers. The average lease rate for generic office and industrial space and gross inventory of space (in metro areas) will be the easiest information to gather from the marketplace.

Figure 4 – Sample Site Evaluation Sheet

General Comments and Resource Assessment

Site Designation	Address or other designation
Ownership	Current owner(s) of site
General Description of Site and Buildings	Overall size of site and usable acres as well as size of buildings and floor plate
Readiness of Site and Buildings	The time required to complete the site and/or building before the prospective company can have employees productively at their jobs
Site/Building Amenities	Parking, café, locker rooms, trails, etc.
Transportation Access	Air, interstate, rail, port and public transportation
Labor Resources	Population growth, education levels and specific industry presence
Education & Training	Two/four-year colleges and other technical/business training resources
University R&D Access	R&D as an economic engine and the support of specific industries
Amenity Access	Access to shopping, restaurants, personal services, gym, bank, etc.
Utilities	Note any extreme situation in capacity or cost for water, electric power, gas, sewer or telecom
Other Comments	Unique aspects of site or situation

Recommendations

1. Highest/best use for site/buildings
2. Considerations for improving the site
3. Other recommendations

Osgood Landing



North Andover, MA

General Comments and Resource Assessment

Site Designation	Osgood Landing (1600 Osgood St. in North Andover)
Ownership	1600 Osgood St, LLC
General Description	Formerly Lucent Technologies' New England R&D center, **1600 Osgood Street** was acquired by **Ozzy Properties** in 2003 and is being repositioned as an innovative site for industry and R&D.
Site and Building Readiness	Building permits only required, everything else in place
Site/Building Amenities	The 1.5 million square foot building has flex space available for manufacturing, offices and warehousing. The facility has been architecturally sub-divided to meet requirements for turn-key fit-ups with plug and play capabilities. It is a feature-rich building with amenities that offer high value and low operating costs.
Transportation Access	Air Access: Manchester-Boston Regional (32 mi) and Logan Int'l (32 mi). Site is located adjacent to Lawrence Municipal Airport. Interstate/Limited Access Highway: SR 125 (<1 mi), I-495 (5 mi), and I-93 (8 mi). Rail Access: Future commuter rail station to be constructed on site.
Labor Resources	• Area population growth rate higher than state average but significantly lower than national average. • College attainment levels are lower than national average – reflects traditional manufacturing base of the area. • Significant tech related industry within the region. • Unemployment rates in the area range from 4.1% to 4.9%.
Education & Training	Merrimack College (local) and Northern Essex Community College (Haverhill)
University R&D Access	Close proximity to UMass Lowell and 45-minute access to Cambridge.
Local Amenities	The area offers a variety of conveniently located business services and retail/restaurants.
Utilities	Utilities have been adequately sized for previous major manufacturing operation.
Other Comments	Facility represents a unique opportunity for large scale multi-tenant occupancy for tech related companies in their second stage of development.

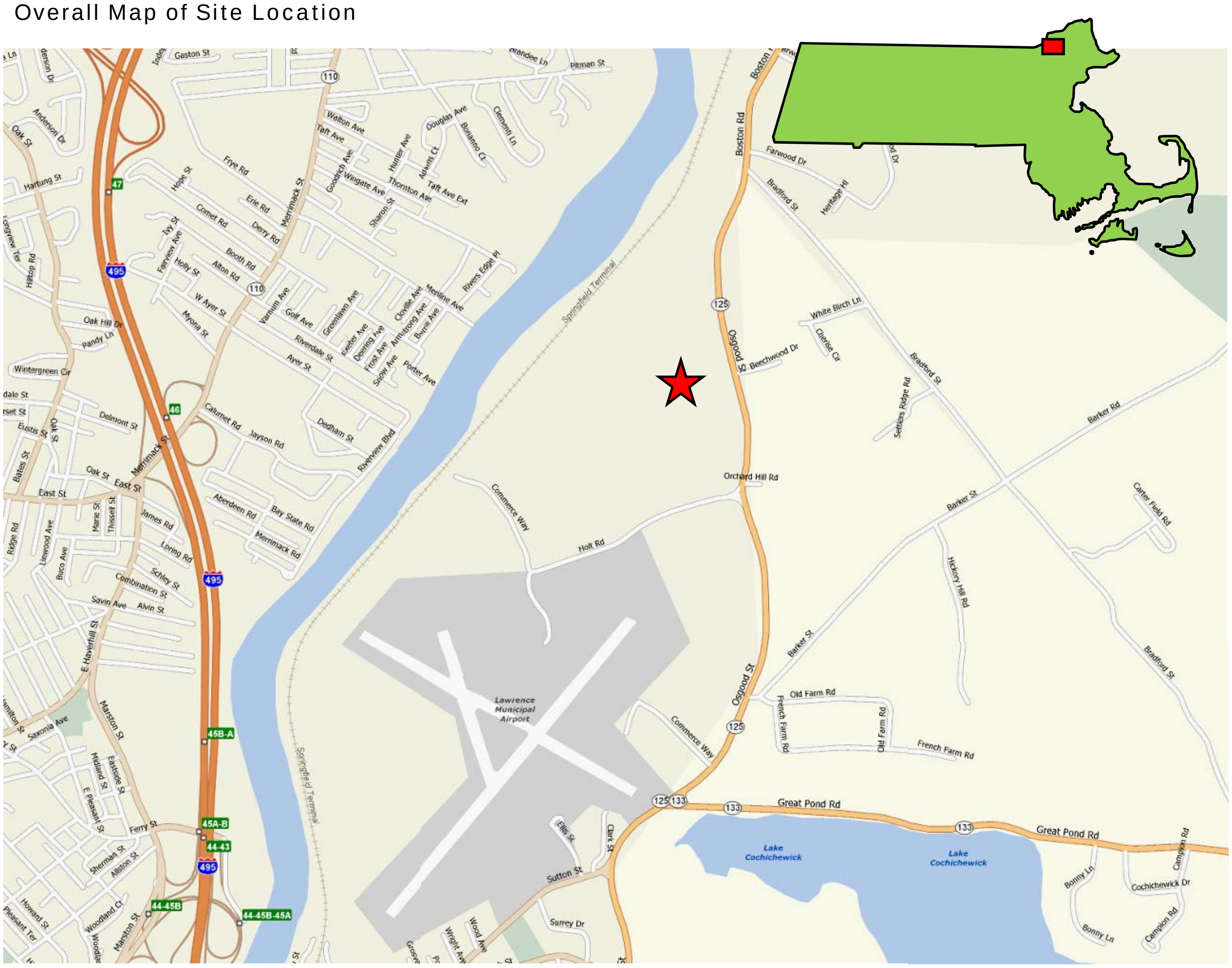
Recommendations

- Facility needs to be positioned as a multi-tenant, tech-related business center with a significant amenities and transportation package (including a future commuter rail station on-site).
- The site should become a second-stage growth facility for new businesses developed in Cambridge and Boston.
- The overall size of the facility will be intimidating to small and mid-sized companies and they will need to perceive the ability to have flexible space and the opportunity to co-locate with other strategic businesses.
- Installing lab facilities within the existing facility may be cost prohibitive and therefore plans for constructing laboratory facilities adjacent to the existing complex may be required to attract life sciences companies.
- The lease arrangements would best be positioned as flexible to allow companies to expand and contract as needed without significant penalties.

General Site Information

Site Designation	Osgood Landing
Region	Merrimack Valley
Address/location	1600 Osgood Street, North Andover, MA
Local contact Phone No. E-mail Address	Orit Goldstein, President (Ozzy Properties) 978.681.5004 Ext 115 ogoldsteiin@ozzyproperties.com
Property Owner(s)	1600 Osgood St, LLC
Current Broker Contact Phone No. E-mail Address	N/A Ellen J Keller, VP Commercial Real Estate, Ozzy Properties, Inc. 978-681-5004 x113 ekeller@ozzyproperties.com

Overall Map of Site Location



General Proximity Information

Description	Input
Closest regional airport(s) with travel distance	Manchester-Boston Regional (32 mi) Logan Int'l – Boston (32 mi)
Distance to Major Cities	Lawrence (4 mi) Lowell (16 mi) Boston (32 mi) Manchester, NH (32 mi)
Demographics W/ 30-Minute Commute	**Input**
Overall population	1,087,063
Growth rate (2000-2006)	1.62% / Mass Avg = 0.67% / Nat'l Avg = 6.4%
Adult population with HS diploma only	30.7% / Mass Avg = 28.2% / Nat'l Avg = 30.2%
Adult population with 4-year+ college	20.2% / Mass Avg = 37.0% / Nat'l Avg = 27.0%
Median household income	$65,769 / Mass Avg = $59,963 / Nat'l Avg = $48,451
Population in 25 to 34-year old cohort	17.0% / Mass Avg = 12.7% / Nat'l Avg = 13.3%
Cost of Living (Nat'l Avg = 100) • Overall Cost of Living • Cost of Housing • Cost of Utilities	Reference: Sperling's Best Places web site Within the Andover/North Andover Area: 143 195 137

Local Access Information

Description	Input
Distance to interstate/major highway	Rt 125 (<1 mi), Interstate 495 (5 mi), and Interstate 93 (8 mi)
Condition of access highway	Direct access to Rt 125 from site with slight in-town travel distance to interstates.
Existence/plans for any of the following on the access highway between site and interstate: major shopping areas, schools, hospitals, parks or residential developments	None
Access to public transportation (rail or bus)	MBTA Station in Downtown Andover, bus transit provided by Merrimack Valley Regional Transit Authority, and AMTRAK rail in nearby Haverhill (7 miles) and Woburn (12 miles)
Access to any of the following amenities within two miles of the site: restaurants, shopping areas, banking, daycare, gym/workout facilities, outdoor trails, personal services	Nearby amenities including: North Andover Mall, Spree Shopping Center, and Stop and Shop Grocery,
Access to any of the following business services: copy/printing, office supplies, computer retail/service, etc.	Access to Staples business supply store and other business services in surrounding area.

Site Characteristics

Description	Input
Overall size of site/developable acres	2 million gross square foot facility on 168 acres.
Cost of Land ($/Acre)	N/A
Zone classification/description and maximum allowable build-out (SF)	Industrial-2 with 40R overlay zone. No limits to build out
Use/zoning of adjacent land	Industrial
Level of site readiness	Building permits only required, everything else in place
Presence of wetlands or sections within 100-year flood plain	Wetlands locations have been mapped and flagged
Greenfield or Brownfield site and current land cover	N/A.
Site studies complete, such as: • Environmental reviews • Environmental Impact Study • Wetlands and flood plain review • MEPA review • Archeological sites review • Traffic impact study • Soils analysis	 • Complete • Complete • Complete • Complete • N/A • Complete • Complete
Site plans prepared • Overall site plan • Runoff Water Management Plan	 • Existing plans complete. Conceptual development plans in progress • Existing plans complete. Modifications would be necessary for new construction on site.
Permits secured • Site plan approval • Overall environmental permit • Wetlands permit • Highway access/curb cut permit • Army Corps permit (100-yr. flood plain) • Steep slope permit • Other permits:	 The site is part of the Greater Haverhill Economic Target Area and has been designated as a Certified Project by the Commonwealth. We have also successfully negotiated a Tax Increment Financing agreement with the Town of North Andover and established the parcel as both a MGL Chapter 40R Smart Growth District and a site identified for Expedited Permitting under MGL Chapter 43D. Other than municipal building permit, no other permits necessary for occupancy in existing facility.

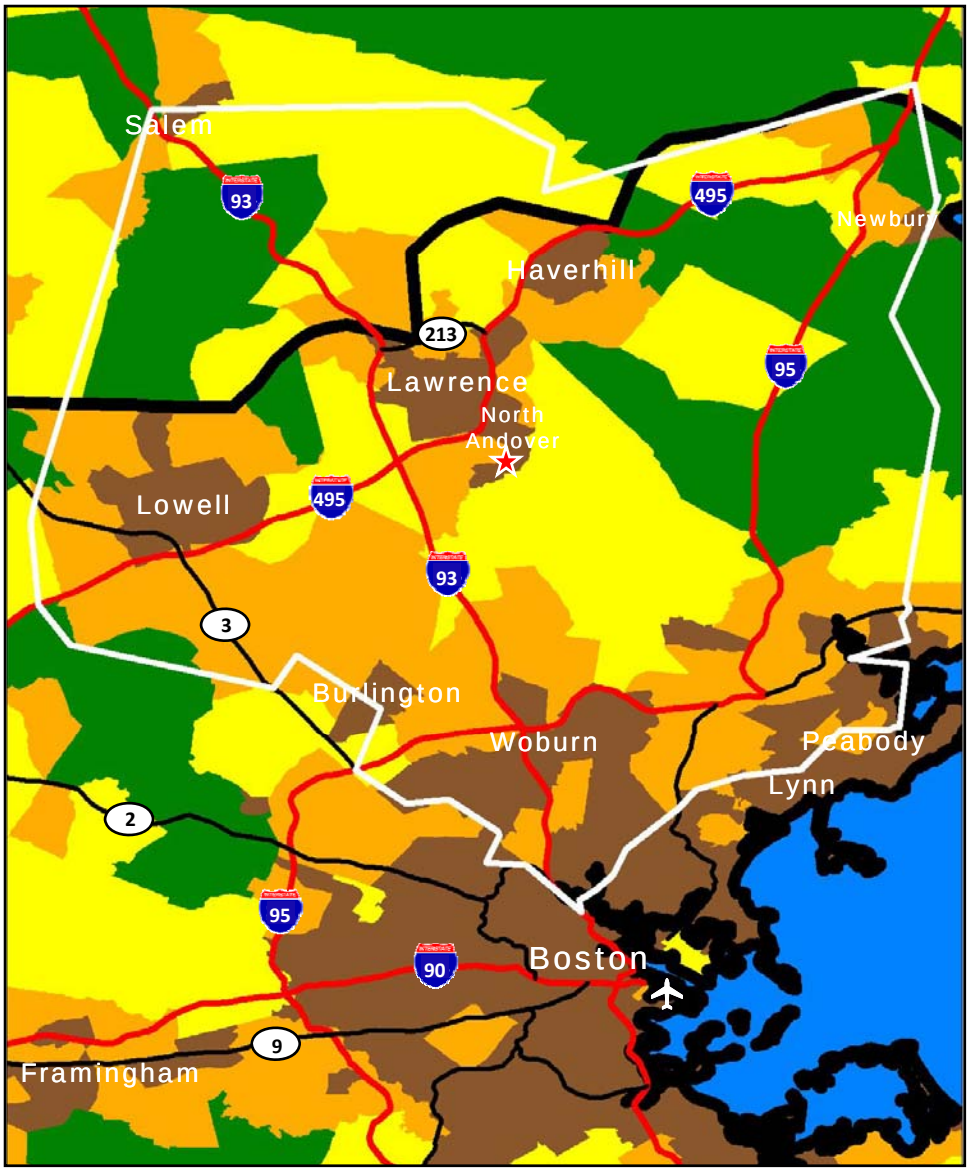
Site Characteristics

Description	Input
Electric Power Service • Capacity • Cost (cents/kWh) • Dual feed available (Y/N)	National Grid • 50 mVa • $0.12/kWh • Yes
Gas Service • Capacity • Cost	Bay State Gas • Gas service is currently >80,000 cubic feet per hour • $1.07983 per therm. Price represents most recent data and includes distribution, delivery charges and the cost of the gas.
Water Service • Capacity • Cost	Town of North Andover • 100 million gallons per year • $4.80/1,000 gallons
Wastewater Service • Capacity • Cost	Greater Lawrence Sanitary District • 1,000 gallons per day • $2.28862 per 1,000 gallons
Telecom Service • Capacity • Dual feed available (Y/N)	Multiple Utilities Available • Nearly infinite • Yes

Existing Building Characteristics

Description	Input
Number of buildings on site	Approximately 4-5
Sale/Lease of Building Space ($/sf)	Negotiable
Designated use(s) of buildings (office, light manufacturing, warehouse, lab, etc.)	Office, light manufacturing, warehouse and ancillary supporting structures including a sub-station, power house, chiller buildings, etc.
Age and condition of each building	Originally constructed in the mid-1950's, the site has enjoyed multiple renovations. In the 1990's Lucent spent $80 million in upgrades.
Overall square footage and size of floor plate for each building	The facility boasts 1.5 million rentable square feet in 5 main buildings. Floor plans are available for necessary details
For industrial buildings: ceiling height, column widths, slab thickness, crane rails in place, etc.	Ceiling heights vary between 12' clear to 37' clear. Column spacing is 20x30 on first floor and 40*60 on second. Floor loading is between 200 and 500 lbs/sq inch. Details available.
Parking capacity (open or garage)	6440 spaces in open parking
Lease or buy options	n/a
Level of building readiness (months to move in)	3-6 months.
Is this a LEED certified building?	Not yet

Demographic Map Covering 30-Minute Commute Zone Around Site



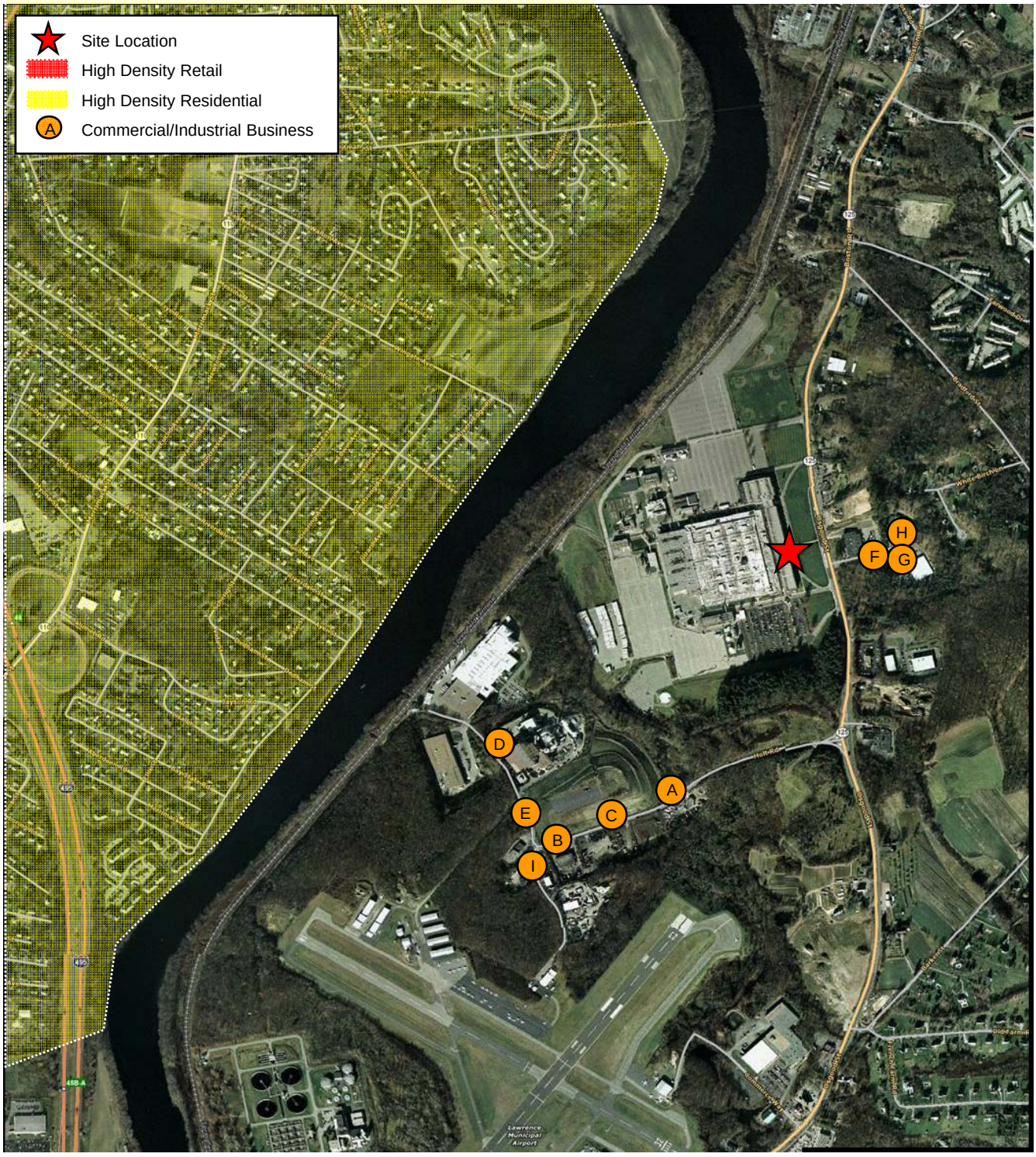
Nearby Commercial and Industrial Businesses

Letter	Business Name	Employment	Line of Work
A	Northside Carting, Inc	65	Refuse systems
B	Crusader Paper Co, Inc	55	Wholesale industrial/service paper
C	Wheelabrator North Andover, Inc - HQ	n/a	Refuse systems
D	Dymec	43	Mfg semiconductors/devices, optical device peripherals, instruments/lens, and conductive wire
E	Airlight Systems	5	Electrical apparatus/equipment and wiring supplies
F	L-Com Connectivity Products	100	Mfg electronic connectors
G	Surveillance Technology	7	Wholesale electronic parts and equipment
H	Document Management Solutions	6	Computer integrated systems design
I	Marco Rubber and Plastics, Inc	2	Lumber and other building materials
-	Eagle-Tribune Publishing Co - HQ	400	Newspaper publishing/printing
-	Schneider Automation, Inc	400	Mfg environmental controls and relays/industrial controls
-	Watts Regulator Co - HQ	230	Industrial Valves
-	Converse, Inc - HQ	200	Wholesale footwear
-	Esupportnow, Inc	210	Internet based technical support services
-	Win Enterprises, Inc	200	Mfg electronic computers
-	Watts Water Technologies, Inc - HQ	140	Mfg industrial valves
-	Volt Management Corp	130	Employment supply services
-	Flagship Press, Inc	129	Commercial printing, lithographic

Nearby Retail Businesses, Food Establishments, and Banks

Retail Businesses	Food Establishments	Banks
Stop and Shop Grocery	Casa Blanca Mexican Restaurant	Bank of America
CVS/Walgreen's Pharmacy	Jimmy's Famous Pizza	TD Banknorth
Staples	Beijing Restaurant	Citizen's Bank
	Subway	Sovereign Bank

Aerial View of Site and Surrounding Area



Pictures of Site/Facility



Aerial View of Entire Complex



Exterior Shot of Front of Building



Current Front Entrance of Main Office Building



Seating Within Video Conference/Auditorium



Outdoor Common Eating Area



Indoor Common Eating Area

Pictures of Site/Facility



Example of an Office Conference Room



Example of a Portioned Office Arrangement



Manufacturing Floor Set-Up for Former Tenant



Warehousing Area for Former Tenant

Housing Examples Within Surrounding Area

$200,000



Haverhill
$215,000 l 3 Bed, 1 Bath
1,003 Sq. Ft. l 0.17 Acres



North Andover
$219,900 l 3 Bed, 1 Bath
1,130 Sq. Ft. l 0.08 Acres



Lawrence
$210,000 l 3 Bed, 1 Bath
1,367 Sq. Ft. l 0.17 Acres

$250,000



Haverhill
$257,500 l 3 Bed, 1 Bath
1,328 Sq. Ft. l 0.17 Acres



North Andover
$249,900 l 2 Bed, 1.5 Bath
1,028 Sq. Ft. l 0.08 Acres



Lawrence
$249,000 l 3 Bed, 2 Bath
1,652 Sq. Ft. l 0.11 Acres

$350,000



Haverhill
$349,900 l 5 Bed, 2 Bath
2,706 Sq. Ft. l 0.54 Acres



North Andover
$349,900 l 4 Bed, 2 Bath
1,595 Sq. Ft. l 0.1 Acres



Lawrence
$349,900 l 5 Bed, 2.5 Bath
2,280 Sq. Ft. l 0.44 Acres

Commercial Real Estate Situation

- The current office market situation in the 495 North area is soft. Vacancy rates of 21.6% are quite high and represent over 2.7 million square feet.
- The net adsorption has been negative meaning there was a rise in inventory.
- Lease rate for Class A space is $21.70/sf and for Class B space is $18.60 – some of the lowest rates in the Greater Boston area.