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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Hilldale Industrial Properties ■ Haverhill, MA

Moran, Stahl & Boyer

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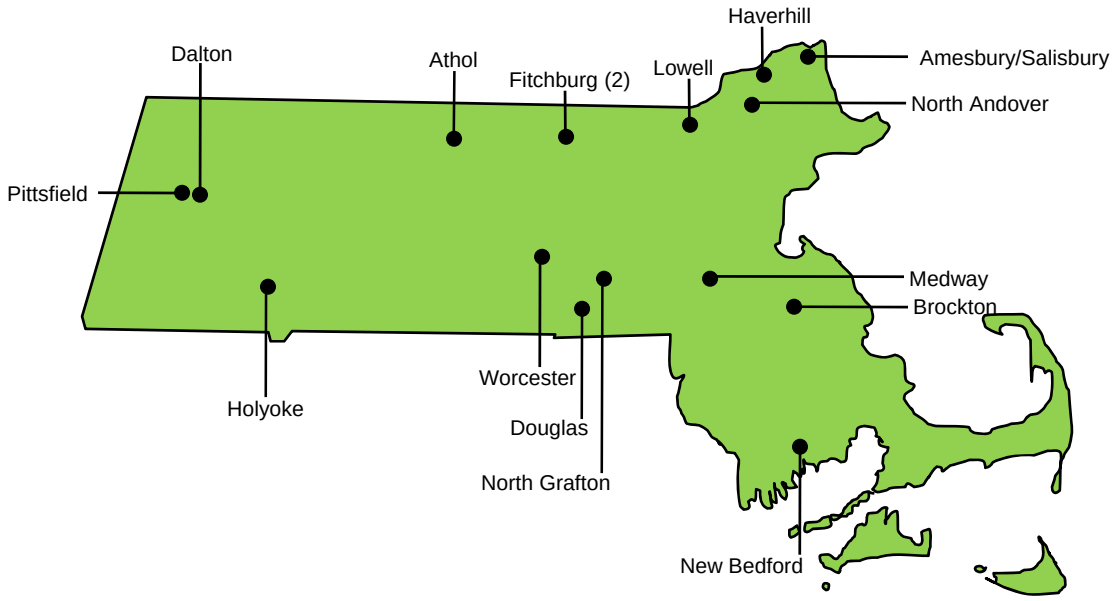
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Introduction

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

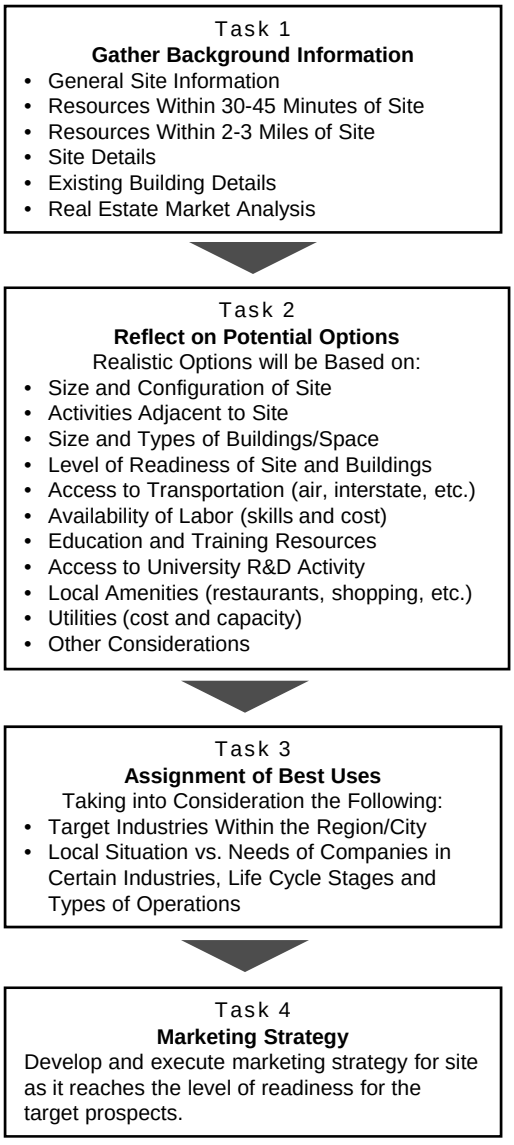


Figure 3 - Information Modules for Site Evaluation

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

Highest/best use for site/buildings

1. Considerations for improving the site
2. Other recommendations

Hilldale Industrial Properties



Haverhill, MA

General Comments and Resource Assessment

Site Designation	Hilldale Industrial Properties
Ownership	Privately owned
General Description	Four undeveloped sites (Lot 2A 5.13 acres, Lot 2B 4.89 acres, Lot 2C 22.37 acres, and Lot 2E 5.11 Acres) off Hilldale Avenue.
Site and Building Readiness	Level 6, currently undeveloped land which is slated to be an industrial park.
Site/Building Amenities	None
Transportation Access	Air Access: Manchester-Boston Regional (39 mi) and Logan Int'l (63 mi) Interstate/Limited Access Highway: I-495 access is ~2 miles from site but requires travel through residential/retail areas.
Labor Resources	Moderate growth area with high school and college labor that reflect national averages. Significant industrial base within the area to draw labor from.
Education & Training	Northern Essex Community College is located in Haverhill and Merrimack College (7 mi away) in North Andover.
University R&D Access	None
Local Amenities	Close proximity to restaurants and retail in and around the nearby Pawtucket Shopping Center.
Utilities	Available along Hilldale Avenue.
Other Comments	This is a multi-parcel development project focused on small to mid-sized light industrial and commercial applications.

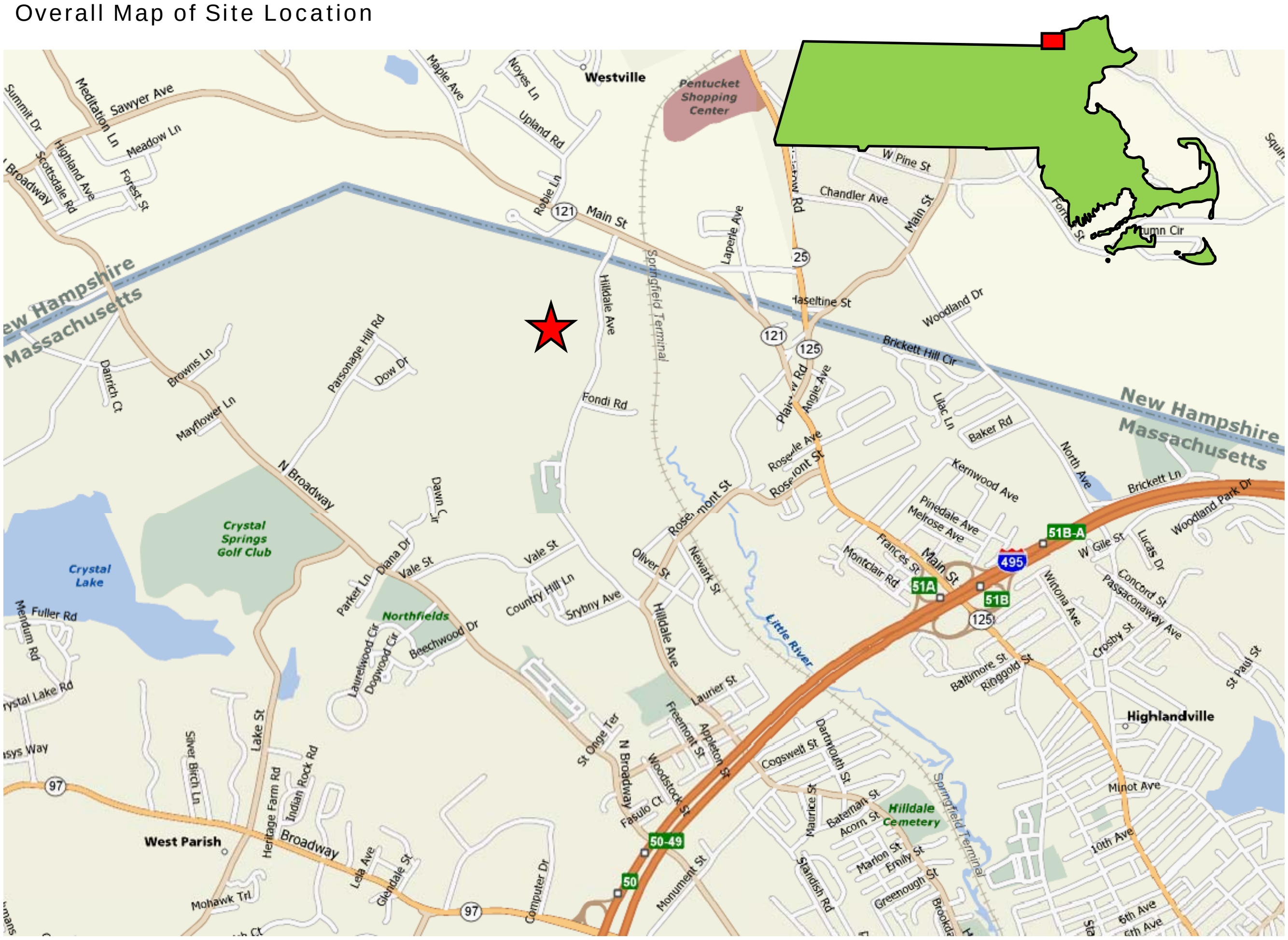
Recommendations

- The 2 mile access to I-495 is a plus, but vehicles must travel through both residential and retail areas. This makes high truck usage less attractive and therefore any significant warehousing operations are not appropriate.
- Due to the limited size of the sites and the potential for substantial wetlands, the net usable acreage will limit the floor plates of a potential facility. Therefore the expectations for the development should focus on small to mid-sized operations that require flex space.
- The best uses of the sites from an industry perspective will be small to mid-sized manufacturing with some warehousing requirement and have a desire for a low visual exposure.

General Site Information

Site Designation	Lots off Hilldale Ave in Haverhill (on NH border)
Region	Merrimack Valley
Address/location	Hilldale Ave. in Haverhill
Local contact Phone No. E-mail Address	William Pillsbury, Jr. (Economic Development & Planning Director) 978.374.2330 wpillsbury@cityofhaverhill.com
Property Owner(s)	Privately held
Current Broker Contact Phone No. E-mail Address	

Overall Map of Site Location



General Proximity Information

Description	Input
Closest regional airport(s) with travel distance	Manchester-Boston Regional (39 mi) Logan Int'l – Boston (63 mi)
Distance to Major Cities	Worcester (29 mi) Greenfield (46 mi) Manchester, NH (61 mi) Boston (62 mi)
Demographics W/ 30-Minute Commute	**Input**
Overall population	269,900
Growth rate (2000-2006)	3.8% / Mass Avg = 0.67% / Nat'l Avg = 6.4%
Adult population with HS diploma only	30.4% / Mass Avg = 28.2% / Nat'l Avg = 30.2%
Adult population with 4-year+ college	26.6% / Mass Avg = 37.0% / Nat'l Avg = 27.0%
Median household income	$37,004 / Mass Avg = $59,963 / Nat'l Avg = $48,451
Population in 25 to 34-year old cohort	11.9% / 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 97 73 110

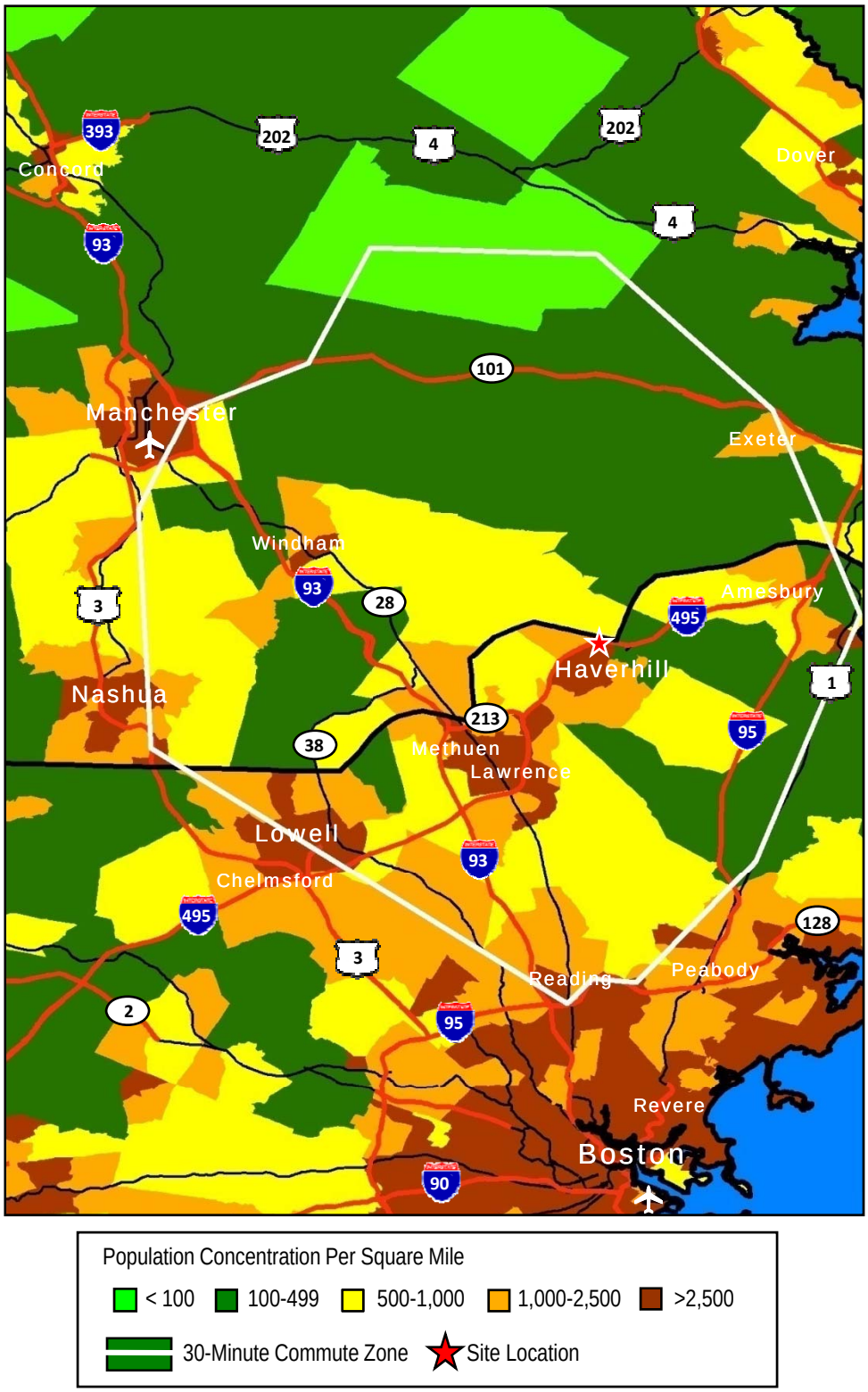
Local Access Information

Description	Input
Distance to interstate/major highway	Rt 121 (<0.1 mi), Rt 125 (<1mi), and Interstate 495 (2 mi)
Condition of access highway	Small two lane road (Rt 121 & Rt 125) on the way to I-495
Existence/plans for any of the following on the access highway between site and interstate: major shopping areas, schools, hospitals, parks or residential developments	The Pawtucket Shopping Center and surrounding retail businesses all utilize Rt 125 to access I-495.
Access to public transportation (rail or bus)	There is an AMTRAK station located in downtown Haverhill and bus transport provided by the Merrimack Valley Regional Transit Authority.
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	Close proximity to restaurants and retail in and around the nearby Pawtucket Shopping Center.
Access to any of the following business services: copy/printing, office supplies, computer retail/service, etc.	Nearby access to both office copy/shipping services (FedEx Kinko's) and office supply stores (Staples and Office Max).

Site Characteristics

Description	Lots off Hilldale Ave in Haverhill (on NH border)
Overall size of site/developable acres	~38 acres divided among 4 lots
Cost of Land ($/Acre)	
Zone classification/description and maximum allowable build-out (SF)	Light industrial
Use/zoning of adjacent land	Industrial or undeveloped
Level of site readiness	Varies by individual lot – undeveloped land in private ownership that is being developed by lot on a speculative basis. They are currently constructing
Presence of wetlands or sections within 100-year flood plain	Significant wetlands throughout the area
Greenfield or Brownfield site and current land cover	Greenfield
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	Unknown
Site plans prepared • Overall site plan • Runoff Water Management Plan	Unknown
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:	Unknown
Access to utilities	Utilities run along Hilldale Avenue and serve existing industrial sites.

Demographic Map Covering 30-Minute Commute Zone Around Site



Nearby Commercial and Industrial Businesses

Letter	Business Name	Employment	Line of Work
A	Epichem, Inc - HQ - SAFC Hitech	20	Mfg custom chemicals for high tech and performance materials industries
B	Pella Window and Door Co	19	Lumber, plywood, millwork, and wood panels
C	WBC Extrusion Products, Inc	35	Mfg unsupported plastic film/sheet
D	Demetri Enterprises	n/a	Trucking company
E	Royal Limousine Manufacturers	50	Mfg motor vehicle/car bodies
F	New England Die Cutting	27	Mfg hand/edge tools
G	Associate X-Ray Imaging	33	Wholesale hospital/medical equipment
H	Coastal Industries, Inc	40	Mfg metal door/sash/trim and sheet metal work
I	Accurate Engineered Concrete	4	Concrete contractor and encapsulation of nuclear waste
J	North Central, Inc	n/a	Packaging and distribution services
K	Gare, Inc	50	Mfg pottery products
-	Globalware Solutions Mass, Inc	550	Misc. publishing
-	JPC Pasta Co	175	Mfg food preparations
-	Hans Kissle Co, Inc	140	Mfg food preparations
-	Parker Hannifin Corp	120	Mfg air filtration systems
-	LMI, Inc	100	Refuse systems

Nearby Retail Businesses, Food Establishments, and Banks

Retail Businesses	Food Establishments	Banks
Wal-Mart	D'Angelo Grilled Sandwiches	Bank of America
Home Depot	Primo Pasta	Haverhill Bank
Shaw's Grocery	Papa Gino's	TD Northbank
Staples/Office Max	Subway	Georgetown Savings bank

Aerial View of Site and Surrounding Area



Letter	Business Name
A	Epichem, Inc - HQ - SAFC Hitech
B	Pella Window and Door Co
C	WBC Extrusion Products, Inc
D	Demetri Enterprises

Pictures of Site/Facility



SAFC Hitech



WBC Extrusion Products



Pella Door and Window



Construction of Spec Building

Housing Examples Within Surrounding Area

$200,000



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



Groveland
$209,900 l 3 Bed, 1.5 Bath
1,200 Sq. Ft. l 0.22 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



Groveland
$269,900 l 3 Bed, 1 Bath
1,747 Sq. Ft. l 0.29 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



Groveland
$349,900 l 4 Bed, 2 Bath
2,581 Sq. Ft. l 0.12 Acres



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

Industrial Real Estate Situation

- The current industrial market situation in the 495 North area is soft but absorption is steady. Vacancy rates of 15.4% are higher that the rest of the Greater Boston area that is at ~13.5% and represent s over 12.9 million square feet.
- The net adsorption rate for the first quarter was 144,900 sf.
- Lease rate for warehouse/distribution space is $5.47/sf and for R&D/flex space is $10.20/sf.

Source: Grubb and Ellis (First Quarter 2008)