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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Crossroads Business Park ■ Holyoke, MA

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Table of Contents

Description	Page
Introduction	1
Site Evaluation Overview	2
Evaluation of Site	7
• General Comments and Resource Assessment	8
• Recommendations	8
• General Site Information	9
• Overall Map of Site Location	9
• General Proximity Information	10
• Local Access Information	10
• Site Characteristics	11
• Existing Building Characteristics	12
• Demographic Map of 30-Minute Commute Zone Around Site	13
• Nearby Commercial and Industrial Businesses	14
• Nearby Retail Businesses, Food Establishments and Banks	14
• Aerial View of Site and Surrounding Area	15
• Pictures of Site/Facilities	16
• Housing Examples Within Surrounding Area	17
• Commercial Real Estate Situation	18

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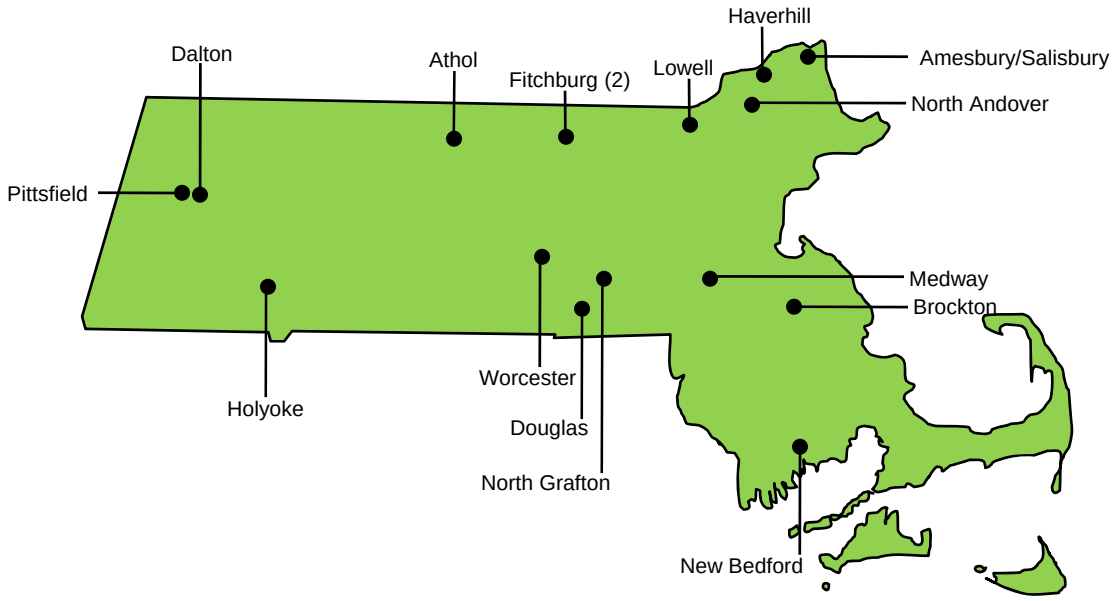
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Introduction

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

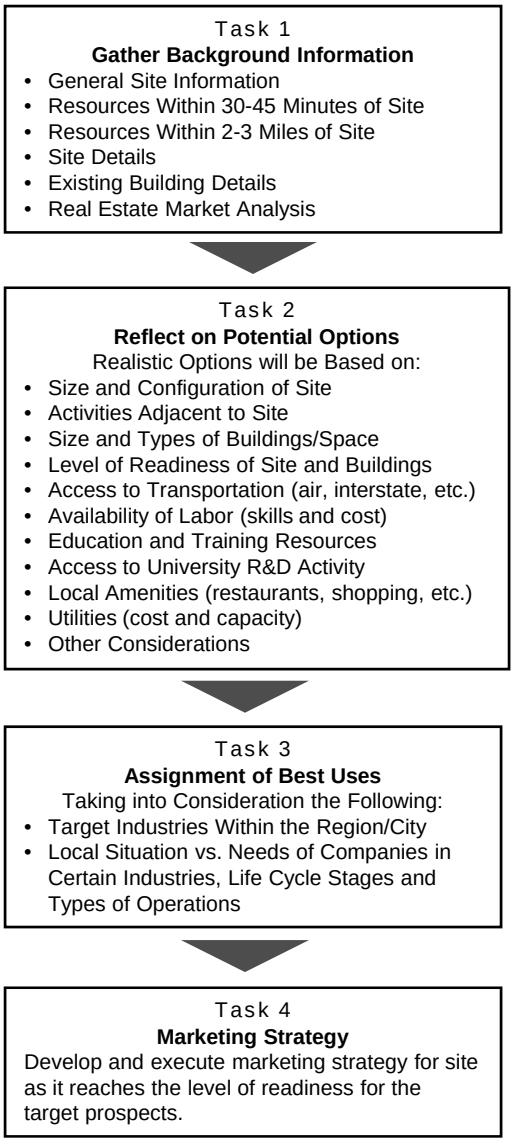


Figure 5 - Information Modules for Site Evaluation

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 (structure integrity of soil and existence of rock outcrops)
- 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, Telecom/cellular phone)
  - 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 and access to cellular phone
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

Crossroads Business Park



Holyoke, MA

General Comments and Resource Assessment

Site Designation	Crossroads Business Park
Ownership	O'Connell Development Group, Inc.
General Description	Fully developed office park with multiple lots totaling 54 acres of which 34.6 acres are developable.
Site and Building Readiness	Master plan developed for site with roads and utilities in place. Building sites needing site preparation and leveling.
Site/Building Amenities	None
Transportation Access	Air Access: Bradley International (29 miles) Interstate Access: Located adjacent to interchange onto I-91
Labor Resources	Excellent supply of high school and college labor drawing from nearby cities and the Pioneer Valley to the North.
Education & Training	Multiple colleges and universities and other training resources accessible to the site.
University R&D Access	UMass Amherst is primary research facility within the region.
Local Amenities	The site is within 2 miles of major retail mall (Holyoke Mall).
Utilities	Primarily provided by local municipality.
Other Comments	Perceived competition from significant available office space from Springfield, however, the lack of parking in the downtown area and the ability to intercept commuters, both local and from the North, may provide and advantage to the Crossroads Business Park.

Recommendations

The primary assets of this location include:

- Access to both I-91 (on the north side of Springfield) and the Mass Pike
- Access to low cost municipal utilities including electric power that is supported by a city-owned hydro-electric plant and a fiber optic ring telecom network.
- Workforce draw from the Pioneer Valley (both high school and college-level)

Primary potential for the site includes:

- Back office for financial services and other industries
- Offices/labs for technical and other professional services
- Flex space for light manufacturing and related operations

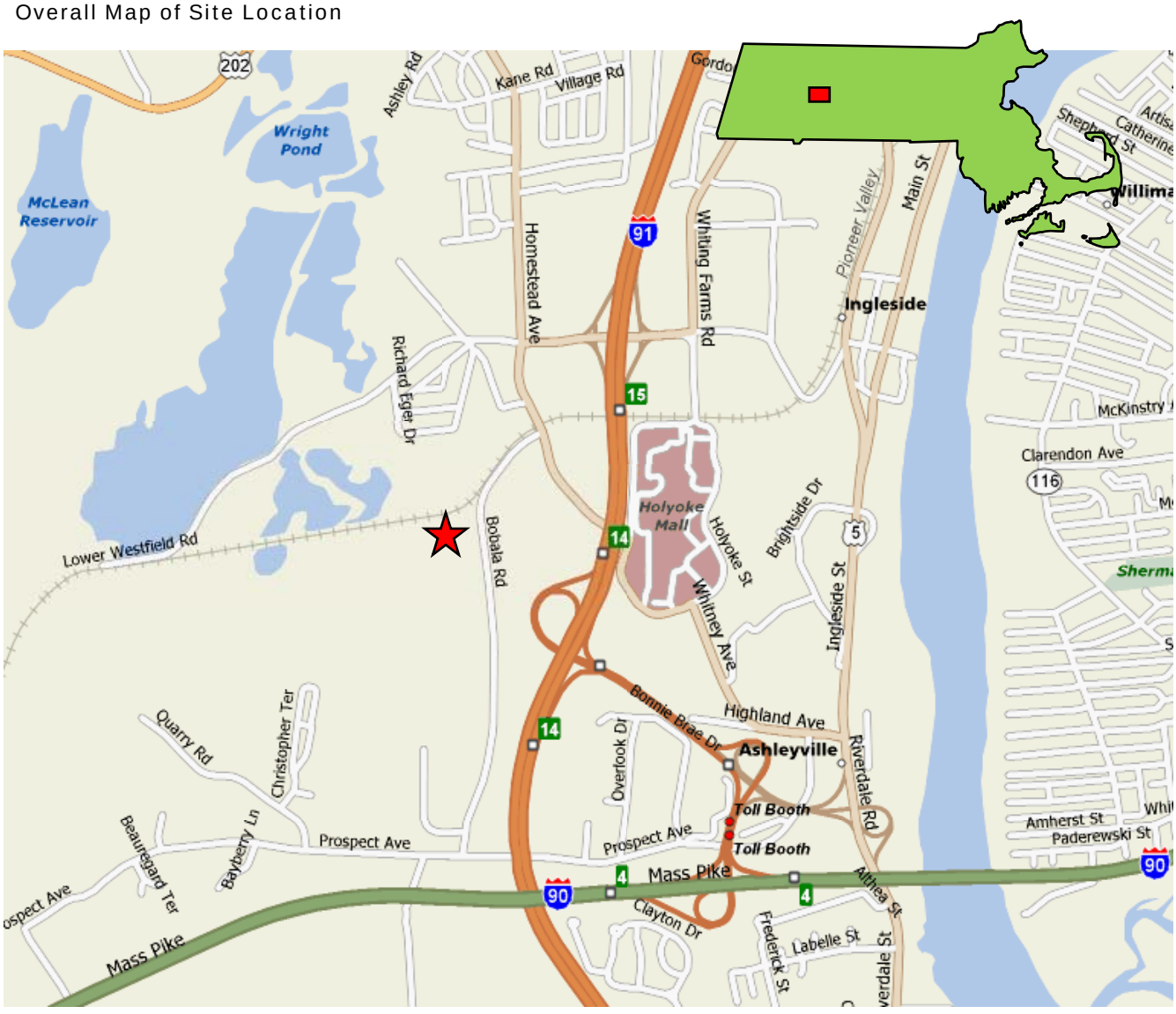
Most tenants within the office market would prefer an existing facility. Therefore, a spec-built office building (with a 25,000 sf floor plate) on one of the sites may be the best strategy for attracting prospects to the site.

Another consideration may be to construct an office building that can be utilized by either multiple or single tenants.

General Site Information

Site Designation	Crossroads Business Park
Region	Western
Address/location	Kelly Way (Holyoke)
Local contact Phone No. E-mail Address	Francesca Maltese 413-534-0243 fmaltese@oconnells.com
Property Owner(s)	O'Connell Development Group, Inc.
Current Broker Contact Phone No. E-mail Address	Marketed by owner

Overall Map of Site Location



Pictures of Site/Facility



View of Undeveloped Site Terrain



Wooded Area Surrounding Undeveloped Site



View of Honda Leasing Back Office Building

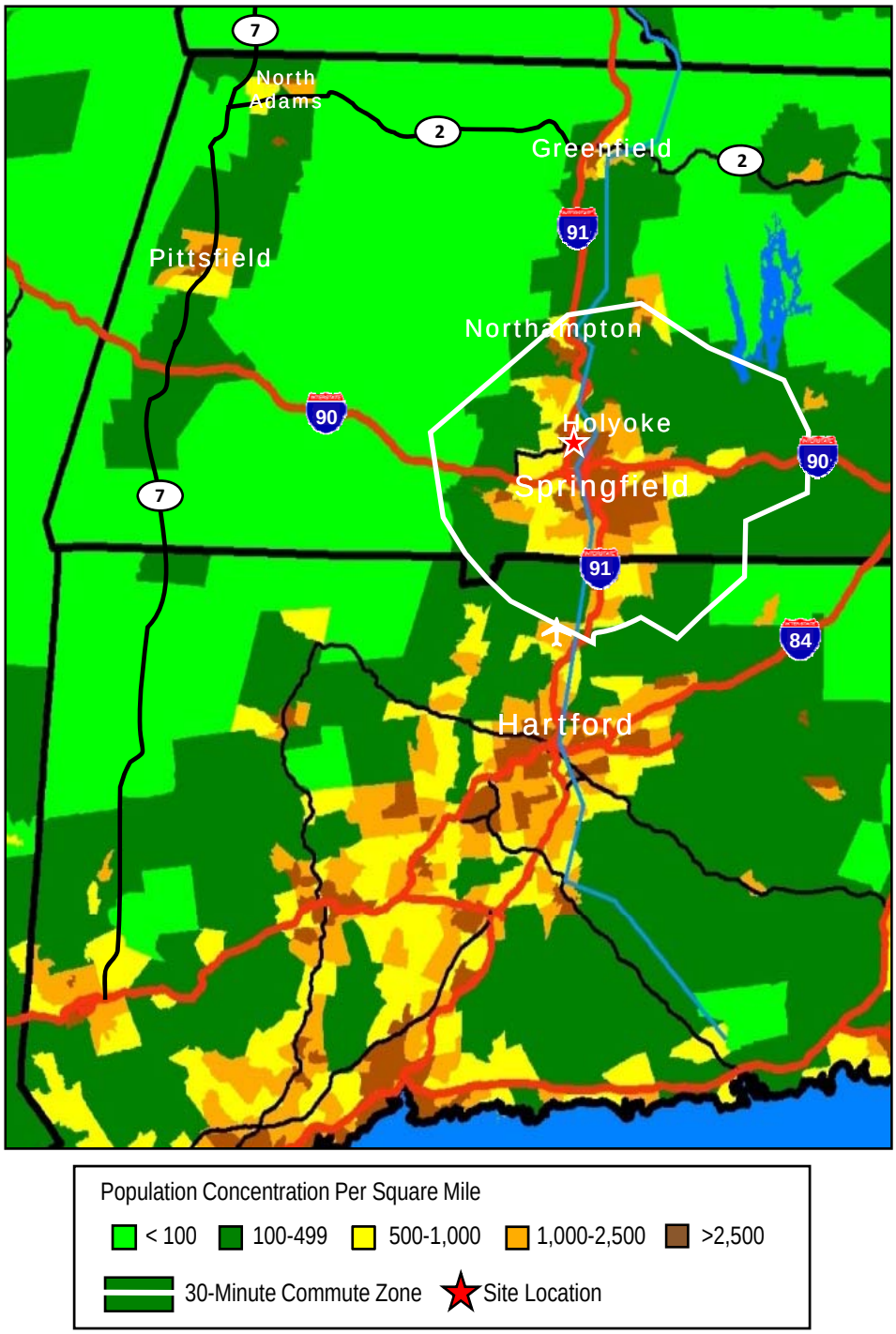


Green Space Build-Out Expansion Area



View of Site Towards End of Turn Around

Demographic Map Covering 30-Minute Commute Zone Around Site



General Proximity Information

Description	Input
Closest regional airport(s) with travel distance	Bradley International – Hartford (29 miles)
Distance to Major Cities	Springfield (8 mi) Hartford, CT (34 mi) Worcester (54 mi) Boston (92 mi)
Demographics W/ 30-Minute Commute	**Input**
Overall population	626,500
Growth rate (2000-2006)	1.08% / Mass Avg = 0.67% / Nat'l Avg = 6.4%
Adult population with HS diploma only	32.2% / Mass Avg = 28.2% / Nat'l Avg = 30.2%
Adult population with 4-year+ college	22.5% / Mass Avg = 37.0% / Nat'l Avg = 27.0%
Median household income	$44,765 / Mass Avg = $59,963 / Nat'l Avg = $48,451
Population in 25 to 34-year old cohort	13.8% / 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 88 48 103

Local Access Information

Description	Input
Distance to interstate/major highway	Interstate 90 (<1 mi) and Interstate 91 (2.2 mi)
Condition of access highway	2-lane road (needs to be resurfaced)
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)	None
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	Regional mall within 2 miles of site.
Access to any of the following business services: copy/printing, office supplies, computer retail/service, etc.	A variety of business amenities with 2 miles of the site.

Site Characteristics

Description	Input
Overall size of site/developable acres	54 acres/36.4developable
Cost of Land ($/Acre)	$**74,870/developable acre**
Zone classification/description and maximum allowable build-out	Industrial Park, R&D, office, light industrial
Use/zoning of adjacent land	Same on three sides. To the west is protected land, undevelopable
Level of site readiness	Roadway and utilities are complete
Presence of wetlands or sections within 100-year flood plain	Limited wetlands. Not included in developable acreage calculation
Greenfield or Brownfield site and current land cover	Greenfield, field and forest coverage
Site studies complete, such as: • Environmental review (Phase I/II) • Environmental Impact Study • Wetlands and flood plain review • MEPA review • Archeological sites review • Traffic impact study • Soils analysis	 • complete • complete and approved for full build-out (425,000 sf) • complete • complete and approved for full build-out (425,000 sf) • complete, no action required • complete and approved for full build-out (425,000 sf) • complete, bearing capacity 3 tons
Site plans prepared • Overall site plan • Runoff Water Management Plan	 • concept drawings for full build out of industrial and office • completed and installed for roadway
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:	 • must be done on an individual basis • done • delineation complete • na • na • na • na

Site Characteristics

Description	Input
Electric Power Service • Utility • Capacity • Cost per kWh • Dual feed	 • municipal • line size 3Kv or at acceptable secondary voltage, capacity not limited • $0.08 kWh, $6.60/kW demand charge, no one time charges • yes
Gas Service • Utility • Capacity • Cost	 • municipal • line size, 6 inches, 35 psi • $1.95 per ccf or approx. $0.69 per cm plus $90/month
Water Service • Utility • Capacity • Cost	 • municipal • no limitation, 2004 flow test 2360 GPM • $1.09 cm
Wastewater Service • Utility • Capacity • Cost	 • municipal • line size 10 inches. Treatment operation capacity of 17.5 MGD • $4.66/1000 gallons. Special rates depending upon load
Telecom Service • Utility • Dual feed available (Y/N) • Cell phone service	 • municipal • yes • yes

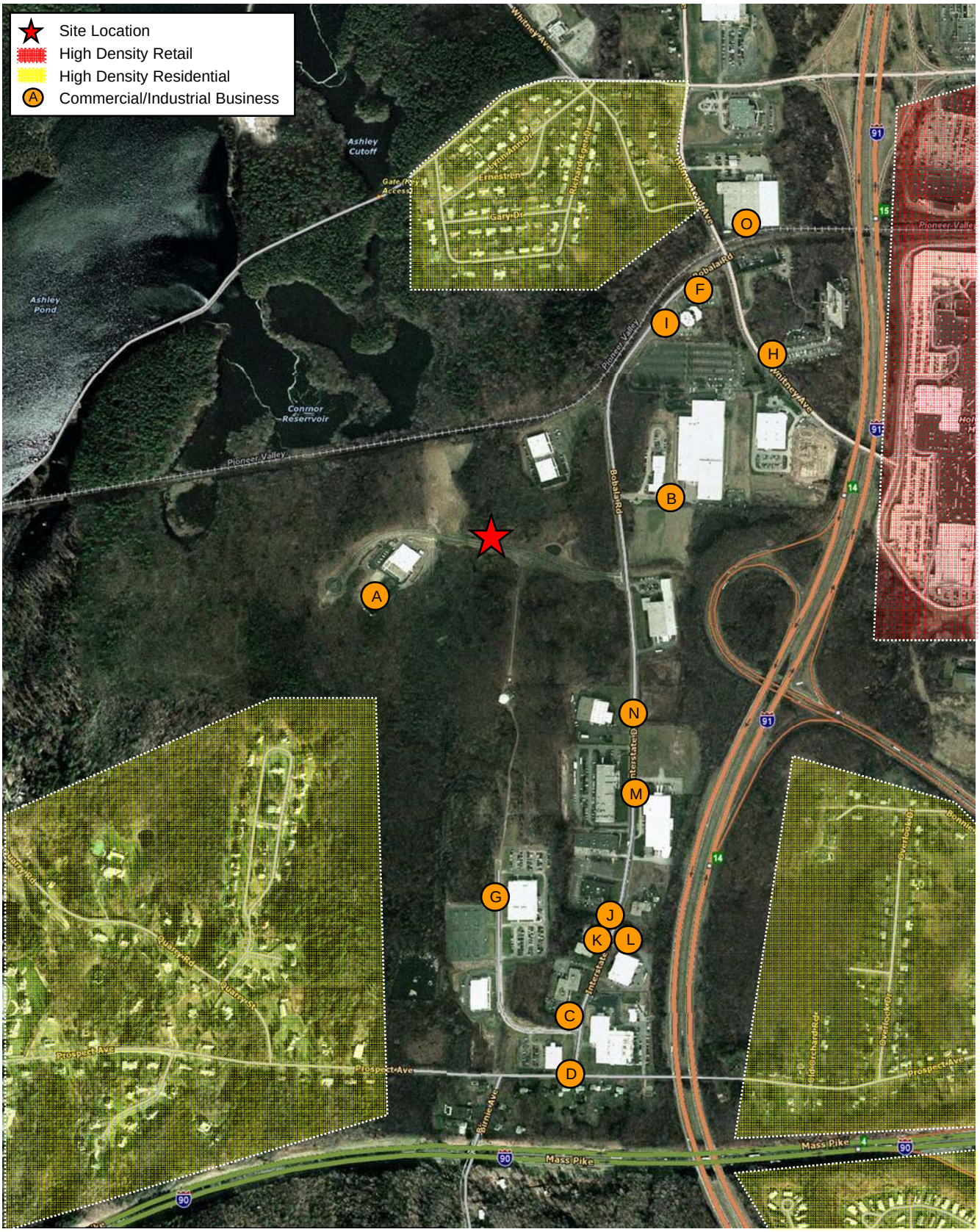
Nearby Commercial and Industrial Businesses (Refer to aerial view on next page)

Letter	Business Name	Employment	Line of Work
A	Honda Leasing Service Dept	n/a	Back office support center
B	RR LeDuc Corp	n/a	Sheet metal fabrication and custom powder coating
C	ITT Power Solutions	382	Custom high and low voltage power supplies for military, commercial, and other high end electronics
D	Fountain Plating	95	Provide plating and finishing services to customers including aerospace and defense
E	Dinn Brothers Trophies and Plaques	100	Mfg trophies, misc. signs, and advertising specialties
F	American Express Financial Advisors	n/a	American Express's line of business services
G	ATC Associates	7	Mfg analytical equipment
H	Meyers Brothers Kalicka	25	Certified public accountants
I	Positive Results	7	Accounting, auditing, and bookkeeping services
J	Fuss and O'Neil	18	Structural engineering consultants
K	MTI Systems	28	Prepackaged software services and custom computer programming
L	Applied Software Technologies	15	Custom computer programming, data processing, and school computer systems design
M	Mt Tom Box Co	44	Mfg corrugated/solid fiber boxes
N	Chandler Architectural Products	28	Glass and glazing contractors
O	Sealed Air Corp	100	Packaging products division

Nearby Retail Businesses, Food Establishments, and Banks

Retail Businesses	Food Establishments	Banks
Holyoke Mall	Ninety Nine Restaurant	Bank of America
CVS Pharmacy	Friendly's Restaurant	Citizen's Bank
Barnes and Noble Booksellers	Ruby Tuesday, Cracker Barrel	PeoplesBank
Bed Bath and Beyond	McDonald's, Subway, Wendy's	United Bank

Aerial View of Site and Surrounding Area



Housing Examples Within Surrounding Area

$200,000



Holyoke
$204,000 l 4 Bed, 1 Bath
1,780 Sq. Ft. l 0.14 Acres



Springfield
$200,000 l 3 Bed, 1 Bath
1,225 Sq. Ft. l 0.21 Acres



Chicopee
$204,000 l 3 Bed, 1 Bath
1,098 Sq. Ft. l 0.2 Acres

$250,000



Holyoke
$249,900 l 3 Bed, 1.5 Bath
1,820 Sq. Ft. l 0.24 Acres



Springfield
$259,000 l 3 Bed, 1.5 Bath
1,638 Sq. Ft. l 0.21 Acres



Chicopee
$264,500 l 3 Bed, 2.5 Bath
1,600 Sq. Ft. l 0.3 Acres

$350,000



Holyoke
$349,000 l 4 Bed, 2.5 Bath
2,794 Sq. Ft. l 0.94 Acres



Springfield
$349,000 l 4 Bed, 2.5 Bath
3,728 Sq. Ft. l 0.48 Acres



Chicopee
$334,000 l 5 Bed, 2 Bath
2,052 Sq. Ft. l 0.32 Acres

Commercial Real Estate Situation

Office Space

Most available office space within the area is relatively small (<10,000 sf.).

There is no appreciable spec building taking place in the region. Most construction is occurring as the result of a customer commitment for a stand-alone building.

The majority of Class A space is in downtown Springfield and includes One Financial Plaza, which has 140,000 sf available. Attracting businesses to the downtown area is a challenge due to available parking as well as actual and perceived crime issues.

There appears to be greater demand for suburban office space.

The most recent new back office employer is Liberty Mutual who placed an operation in the STCC Park (the former Springfield Armory facility) that was leased for ten years and will house ~150 employees.

Industrial Space

Vacancy rate has been steady at ~9%.

Pre-permitted sites of varying sizes are available at area industrial parks.

Large inventory of manufacturing and warehouse properties, but a limited supply of modern facilities… "the good space goes quickly."

More demand for distribution than for industrial space with interstate access, and for smaller industrial facilities with 10,000 – 30,000 sf.