

## **PRELIMINARY CONCLUSIONS ON REUSE OF THE PEPPERELL MILL SITE**

The preliminary conclusions on the reuse of the Pepperell Mill Site are based on the work that has been completed:

- ◆ Demographic, Economic, Housing and Market Analysis
- ◆ Stakeholder and other interviews from the public and private sectors at the local, regional and state level and Discussion with Mill Site Study Committee (Summaries attached last)
- ◆ Site tour (including engineering analysis)

In addition to the work completed the following considerations were taken into account:

- ◆ the mixed-use overlay zone,
- ◆ the designation of the mill site as an Economic Target Area (ETA) relative to potential grants
- ◆ the Chapter 43D program guaranteeing prospective developers an expedited permitting process

And as initial background material, Bartram & Cochran also reviewed the following information:

- ◆ Pepperell Comprehensive Plan Update 2007-2016
- ◆ Pepperell's Conservation Land and Open Spaces
- ◆ Pepperell's Zoning By-Law—Mixed Use Overlay District
- ◆ Pepperell Historical Commission—A Brief History of Pepperell
- ◆ Pepperell Mill Site Study Committee Documents
  - Pepperell Downtown Business District and Mill Site Preliminary Assessment by FinePoint Associates, LLC
  - Minutes to Pepperell Planning Board Meeting with FinePoint Associates
  - Draft of NMCOG's Regional Economy Report
  - NMCOG Memorandum regarding Chapter 43D
  - Proposed Outline for Mill Site Master Plan
  - Visioning Session Memorandum
  - NMCOG's Visioning Session Notes and Spreadsheet
  - Mill Site Plan
  - Various Mill Site Study Committee Meeting Minutes
  - Summary of 1995 Phase II Comprehensive Site Assessment
  - Full text of April 2003 Phase I Environmental Site Assessment
- ◆ Pepperell Business Certificate List from Town Clerk
- ◆ Pepperell Personal, Commercial, Industrial Property Lists from Assessor's Office

## UNDERLYING OBSERVATIONS

It is perhaps worthwhile to first state that reuse options always require a careful balancing between what a municipality might desire at a location with what is realistically achievable there. This does not mean that a community should be satisfied with the status quo. In fact, Bartram & Cochran believes it is useful to stretch, think outside of the box and realize exceptional results. However, this process must still consider what is possible, sustainable and works with the surrounding areas.

Many of the following observations that underlie our conclusions compare Pepperell to the County and/or the State:

- ◆ Pepperell's population is somewhat younger overall than the county or the state with a larger average household size
- ◆ Pepperell has less vacant housing and a much higher owner occupancy (versus rental)
- ◆ Pepperell has a substantially higher population in the labor force and a longer average commute to work; education levels are lower than the county
- ◆ Pepperell has a lower percentage of workers in management/professional (vs. the county) and service positions; but a higher percentage in construction jobs and production/transportation positions
- ◆ Industry sector wise, Pepperell has a higher percentage of workers in construction, manufacturing and retail; with a lower percentage in financial services, professional occupations, education and health services, and arts and entertainment
- ◆ A slightly higher percentage of workers in Pepperell are in the private sector and less in the government sector
- ◆ Pepperell has a higher median household income than the county or state with a lower percentage of families below the poverty level
- ◆ Housing wise, Pepperell has a significantly higher percentage of single family detached housing; and on the automobile side of the equation a substantially higher percentage of households with 2 or more vehicles
- ◆ Median house value (in 2000) in Pepperell was higher than the state but lower than the county
- ◆ *With housing operating costs as well as rental costs lower than the county, combined with a higher median income than the county, purchasing power for Pepperell residents exceeded that of Middlesex County residents, overall*
- ◆ From 1990 to 2000, Pepperell's population grew by 10.3%. However, there was a much more modest 2.4% growth from 2000 to 2007 with no significant changes from 2004 through 2007, indicating a relatively stable population base since 2000.
- ◆ The 2008 FinePoint Associates Downtown Business District and Mill Site Study projected Pepperell population growing from 11,840 in 2008 to 12,082 in 2013 (based on ESRI BIS forecasts). Similar forecasts for median household income predicted an increase (from \$65,162 in the 2000 census) to \$89,073 in 2008 and \$102,685 in 2013.

- ◆ Statistics from the MA Department of Workforce Development show unemployment in Pepperell increasing from 3.5% in December, 2007 to 4.0% in November, 2008 and then 4.9% in December, 2008, reflecting the impact from recent economic conditions.
- ◆ Pepperell has a much higher proportion of construction related businesses than either the county or the state. On the other hand retail, wholesale and financial services are relatively less represented in Pepperell than in either of the other two larger geographic areas. Professional services are less represented in Pepperell than in the county overall. Health and social services appear under-represented in Pepperell compared to Middlesex County and the State of Massachusetts.
- ◆ Restaurants and hotels and related businesses are relatively more prevalent in the county and the state than in Pepperell.
- ◆ From a purely retail perspective, the FinePoint Associates Downtown Business District and Mill Site Study indicated that representatives from the community identified the strongest competing retail as located to the north and east—especially in Nashua, NH, which is sales tax-free. In that same study, sales leakage—the amount of purchases that residents are making outside of Pepperell—was identified for all categories of sales other than at Health and Personal Care Stores. This latter situation has a number of possible explanations including purchases made by customers from outside of Pepperell or with the lack of a major supermarket nearby, residents are buying supermarket type items at a drugstore.
- ◆ While there is leakage in virtually all categories, unmet demand (in potential sales dollars) is highest for supermarkets, restaurants, clothing stores and other general merchandise. However, also determined in the analysis were the categories with the most extreme leakage—those where a 30% capture rate of the unmet demand would be sufficient to support a new business (given typical store sizes). These were determined to be clothing stores, other general merchandise stores and home furnishing stores.
- ◆ Finally, that study indicated that traffic counts on Main Street near the downtown business district and the mill were approximately 10,400 per day.
- ◆ Current homes for sale range from \$135,000 to \$889,900 with a median price of \$364,900. Average home size (for sale) is 2,235 SF to 2,297 SF.
- ◆ A 55-unit permitted project is just underway on Nashua Road constructing single family homes in a tight cluster. Original asking prices were anticipated to be in the high \$200,000's to low \$300,000's. It appears the developer may be holding off on actively marketing the project due to the economy. Another project in the Leighton Street area is proposed with 41 units, 29 single family and 12 multi-family. Permitting is not complete but the project could be underway by summer or early fall. Pricing is not final but could be in the low to mid-\$200,000 range and up. There are no other big residential projects starting in surrounding communities. An affordable condo project in Groton is not selling well.
- ◆ In Pepperell, 2008 home sales were down 20.3%, dropping from 123 to 98, with median sales price in the Fourth Quarter of 2008 falling to the area of just under \$200,000 from roughly \$280,000 in the Fourth Quarter of 2007 (according to city-data.com). Expectations from state realtors (according to RE/MAX) are that the

- 2008 trends will continue into 2009, but that low interest rates and more realistic pricing will start to yield improvements in the second half of this year.
- ◆ Representative statistics, provided by Century 21 from a variety of sources including MLS, indicate that for single family homes (the vast majority of sales) in Pepperell Average Days on Market decreased from 173 in 2008 to 145 in 2009 (through mid-March). While 2009 is just underway, the time it takes to sell has improved by almost one month.

## **PRELIMINARY CONCLUSIONS**

Based on all the above facts, observations and input from a broad array of contacts, our conclusion is that the best use of the site is to create a *mixed use lifestyle development* in harmony with the adjacent Nashua River and complementary to Railroad Square.

What we mean by a mixed use lifestyle development is a combination of a lifestyle center—mid range to upscale specialty shops, a restaurant and related uses in an open-air venue portraying an old fashioned main street configuration with well landscaped streets, public green spaces and vintage style street lights and benches—along with a mixture of professional, residential and other features.

Suggested retail uses would include an antiques/collectibles shop, a gift shop, a bakery/coffee/tea shop, arts/crafts gallery, a jewelry store, a boutique grocery/specialty store, a country store, men's clothing, women's clothing and women's shoes.

Professional uses would include medical offices and medical related businesses; while related health and personal care uses would include a pharmacy and medical related sales, as well as a health club/fitness center.

Hospitality uses would include a bed & breakfast. A quality, sit-down restaurant (with a liquor permit) would also be complementary with the types of shops previously described, as would a brew-pub. Along with a museum (for mill history as well as Pepperell history), the shops identified above would create enough opportunities for residents and tourists to want to stop at several locations and then grab a coffee and snack at the bakery/coffee/tea shop or a lunch or dinner at the restaurant depending on the time of day.

There are three mostly brick buildings on the site that are worthy of further consideration for saving and reusing, while the remaining buildings and structures should be demolished and removed. One building, on Main Street, is the original office for the mill that could become a small museum for the both the mill history as well as that of Pepperell. Near the office building and alongside the river, facing the dam is another building that is well situated to become a restaurant or be ideal for a brew-pub with a music venue space. A third building is near the Main Street / Mill Street intersection and could be used for residential, office or hospitality (bed & breakfast) uses. These buildings along with the site uses and amenities would create a "village" feel.

Residential uses for the site should include market rate as well as affordable condominiums / apartments. Live/work lofts for local artists and artisans could also be part of the development. Residences provide “feet on the street” for the rest of the businesses on the site and can make the project come alive with a 24/7 presence and dynamic. Artists and artisans can also sell their work at the arts/crafts gallery.

As an iconic marker, the tall silver stack should be left standing to identify the site quickly to passersby and tourists. Along with the completed covered bridge nearby, the mill site with the uses described above should be able to draw both local and regional residents.

Remember too, that this development process will be a fairly long term undertaking, and, as a result, that allows for the economy to turn around.

Finally, envisioning the development as described above, our preliminary recommended branding of the site would be as **The Village at Pepperell Crossing.**

## Pepperell Mill Site Information Interviews

Jay Donovan, Assistant Director, NMCOG  
 Joe Sergi, Chair, Mill Site Study Committee and Pepperell Selectman  
 Robert Hanson, Pepperell Town Administrator  
 Bonnie Biocchi, Regional Dir., Massachusetts Office of Business Development  
 Davis Hobbs, G.M. and V.P., Swift River Hydro  
 Roger Goscombe, Owner/Broker, Century 21 Nashoba  
 Michael Coffey, Chair, Pepperell Board of Assessors  
 Max Craig (at site tour), previously Power Plant Manager at mill site  
 Laurie Masiello, President, Masy Systems  
 Frank Hartnett, Jr., ERA Morrison  
 Fran Strimenos, Owner, Skydive Pepperell  
 Mark Matthews, President, Astron  
 Richard Green, CEO, 1A Auto  
 Andre Porter, Exec. Dir., MA Office of Small Business & Entrepreneurship  
 Mike Mitchell, VP, Planning & Development, MassDevelopment  
 Nicholas Cate, Chair, Pepperell Planning Board  
 Russ Smith, Exec. Dir., Lowell, MA Small Business Assistance Center  
 Diane Cronin, Owner, Covered Bridge Country Store  
 Theresa Park, Economic Development Director, Lowell, MA  
 Roger Bintliff, Developer, Edgecomb Development  
 Tom Niemann, Developer, Niemann Capital, LLC  
 Katie Hearn, Developer, Struever Bros. Eccles & Rouse  
 Rick Quesada, Developer, Fore River Co.

Information interviews were conducted with the individuals above, identifying the following key Opportunities and Concerns/Constraints/Issues for the Mill Site:

<b>Opportunities</b>	<b>Concerns/Constraints/Issues</b>
Tie the site to Railroad Square, river activities and the residential area around the mill	Limited market for retail and related businesses
Integrate open space and access to the river with the rest of the plan	Possible environmental issues, particularly in courtyard area near old machine shop; some asbestos within buildings; environmental concerns could impose limitations on development for uses involving children
Manageable number of residential units—less than 100-150	Town should identify what it wants on the site to the property owner so that he will know the desirable range of opportunities that are possible for development

Site could be designated Economic Opportunity Area (EOA)	Concern on density of development not leading to congestion; although traffic issues can likely be solved
Site could have Tax Increment Financing (TIF) designation	Concern about wrong kind of development occurring--and leading to a future scenario with empty storefronts
Mill site provides opportunity to draw people to downtown	Municipality would not have the funding to acquire the site nor should it become a developer of the site
Well-balanced mixed use development with light commercial uses, a park, some residential build-out, a possible destination restaurant (requiring a liquor license) and retail uses that are appropriate and that address the leakage to Nashua	River, dam and current appearance of the power plant is a limitation on the site
Low traffic volume uses are best; no high truck traffic bringing in raw materials or bringing out finished goods; no large manufacturers	Access issues—site is end-wise to the main street; entrance on Main St. is difficult for access as is the Main St./Mill St. intersection due to traffic flow
Office park environment would be good with R&D, non-retail uses; medical offices probably not likely	Public park is a nice idea but a very costly one for the result that would be achieved
River is an asset (but also a potential impediment)	Pepperell is eight miles and three towns away from a major roadway
Due to Pepperell's being a transportation backwater, drawing people to the site would require unique, niche uses at the site	Demographics don't work for getting a major restaurant or a major retailer like a Lowe's or Home Depot
Mill site is a significant, if not critical location within the town; and will become more and more important in how Pepperell continues to grow	Rehab of existing mill buildings, if even possible, could be very costly due to state of disrepair
Town should be proactive on site development versus reactive by putting in safeguards related to the parcel	Swift River Hydro has rights through mill site to access river to maintain their operations
Small manufacturing / industrial operations are a possible use	A lot of thinking underway on possible future residential projects—just in the talking stage now; and while current demand is not high, the economy will come back
Smart growth approach would have residential on site to accommodate and support businesses that are started there	Residential direction is refocusing on smaller sized homes
Possibility of historic buildings tax credit and State economic incentive programs can be explored	Potential declining school enrollment for next 10 years

Swift River Hydro plans to upgrade the cosmetic appearance of their power station to make it more pleasing	Visibility from Main St. is an impediment to retail; previously interested developer had acquired corner parcel at Mill St./Main St. to potentially use to improve visibility and/or access
Pepperell is geographically well positioned within an hour from Boston, Worcester, Southern Maine, Southern Vermont and New Hampshire	\$2 million asking price for property ( and may be increasing)
Multi-family rental might make sense for meeting potential residential demand	Developers may be concerned about the town's approval processes in terms of time required and complexity
Hotel or B&B	Another building in town with light manufacturers is not filled
Residential units for people over 50; possibly on second floor with shops on first floor	Affordable housing component as 10% of residential build-out
Grocery store / supermarket	Junk in backyards of adjacent residences
Office space for home-based businesses to expand into when they need to grow	Steep river banks
Pharmacy plus medical related businesses	Sewer access for reuse of office building and building near dam
Once highest and best uses are identified, town should pre-permit the site for those uses	Subterranean tunnels
Site would show better (to prospective buyers/users) if many of the vacant blighted buildings were taken down	Difficulty in obtaining financing for private developers
Overlay district is a huge plus	
Residential with the New England small town, old style motif of Main Street; taking advantage of the river vistas and large land area	
Extension of Main St. type businesses	
Artists live/work apartments/condos; or artists studio space	
Quaint, small scale stores in old-fashioned setting for arts/crafts/jewelry/collectibles/antiques as well as gift shop, sentimental items, personal items, "last minute" items	
Completion of covered bridge will create huge historic tourism draw to area; mill site should include history of mill	

Leverage “shop local” demand in the area and desire for quality goods, relationships with store owners and buying something different (not at malls)	
Five points of access; four on Mill St., one on Main St.	
Three buildings potentially salvageable and desirable—brick building on corner near residences and nearby Main St; old office building on Main St.; brick building on corner of site facing dam and river	
Possible reuse of tall silver stack as iconic symbol for site	
Site has river water rights	
Possible Joint Venture opportunity between owner and developer who would do build-out, marketing, management on a cost plus commission basis as opposed to seeking an equity position; or developer that would work with owner on a fee for service basis	

**Discussion with Mill Site Study Committee  
3/11/09**

Attendees:

Committee Members  
Stephanie Cronin  
Albert Harris  
Michael Landino  
Matt Nesbit  
Ronald Karr  
Georgette Rogers  
Jeff Sauer  
Joseph Sergi  
Stephen Themelis

And also Selectman Patrick McNabb

A discussion with the Mill Site Committee identified the following key Opportunities and Concerns/Constraints/Issues for the Mill Site:

<b>Opportunities</b>	<b>Concerns/Constraints/Issues</b>
Restaurant-brewpub, microbrewery; sit-down service	Declining school enrollment projections may mean less need for youth oriented activities; at the same time there does not seem to be enough places for young people to “hang out”
Assisted Living Facility along with Alzheimer’s care Daycare for kids and seniors Senior Apartments	Environmental concerns
Community Center	Visibility of site; small Main St. frontage—how to open it up
Tie the site together with the river, the trail and the downtown Possible bridge over the river to connect the site to the trail as a branch off of trail	Amount of SF available at the site may limit commercial uses within the context of a balanced group of uses and possible open space
Use the site to create a downtown renaissance	Intersection of Mill St. and Main St. may need to be re-engineered
Unique <u>destination</u> retail like the VT Country Store (no chain retail)	Businesses generally should be more oriented to servicing the townspeople as opposed to being an attraction to draw outsiders

Leverage opportunity like the National River Watershed Association in Groton with its 11,000 people per year getting educated there	Any draw to the area has consequences such as increased traffic
Sporting Goods retail possibility	Distance from major roadways
Leverage any advantage in MA laws vs. NH laws such as the meal tax differential	Riverbank is too steep and rough for (canoe) access
Health Club/Fitness Center	Town needs to allow liquor licenses (beyond beer and wine) to encourage restaurants
Open Space should be integrated into the site and the overall aesthetic should be attractive	Parking availability on site
Recreation/Park use	
Move uses from industrial park that reflect underutilization of that site to the mill site-- such as gym type uses	
Other light industrial uses may be appropriate like a small auto body shop— uses that are not high traffic generators	
Medical / Professional Offices	
Coffee Shop to attract trail users	
Site has utilities available	
An attractive mill site will enhance the adjacent residential neighborhood	
Save some key aspects of the site to highlight its historic past—not necessarily going so far as a museum	
Completion of nearby covered bridge may attract tourists	
Nearby conservation land may provide overlook potential	
Hotel or Bed & Breakfast with possible conference facilities	
Ecotourism possibility	
Leverage town's other resources like skydiving school, soccer tournament, horse farms, farmer's market	
Off the beaten path	
Need for function room space	
Possible music group (jazz) venue as part of restaurant, inn, etc.	

Retain access to river with a trail or benches for the use of the whole community	
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