

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

The 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
- ◆ 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.

## 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 recommended branding of the site would be as **Old Mill Village at Pepperell Crossing.**