Business Site Study
Gardner Massachusetts
October 17, 2017
Purpose

- Identify land suitable for new business park in Gardner
- Expand the opportunities for economic growth in the City

Approach

- Analyze available data and work with stakeholders to guide site selection
- Generate list of properties that fit a predetermined criteria for development
- Identify potential opportunities and constraints associated with potential development properties
- Develop conceptual Build-out scenarios to determine development potential and associated development costs
- Review supply and demand indicators for business growth
Analysis

**Process**

- Gather and review all available City GIS data
  - Zoning
  - Natural Resources
  - Utilities
  - Etc.
- Develop criteria for screening potential development parcels
  - **Size (50-100 acres)**
  - Location
  - Useable Land Area
  - Access to existing City Utilities (gas, water, sewer etc.)
  - City owned vs. Privately owned
Existing Industrial Areas

Opportunities

- Easy site accessibility
- Currently Zoned Industrial
- Access to Existing Utilities

Constraints

- Undeveloped parcels landlocked / inaccessible
- Low useable land area
  - Wetlands / Vernal Pools
  - Steep Slopes
  - Floodplain
- Priority habitat for protected species
**Opportunities**

- Easy site accessibility
- Large tracts of undeveloped land
  - Consolidation of contiguous parcels
- Municipal Transit (Bus Route)

**Constraints**

- Low useable land area
  - Wetlands / Vernal Pools
  - Steep Slopes
  - Floodplain
- Priority habitat for protected species
- Access to existing utilities
Preferred Parcels

Opportunities

- Easy site accessibility via Route 140, Matthews & Pearl Street
- Large tracts of undeveloped land
  - Consolidation of contiguous parcels
- Municipal Transit (Bus Route)
- Access to existing utilities
- Adjacent to Summit Industrial Park

Constraints

- Wetlands
- Steep Slopes
- Access to existing utilities
- Privately owned land
Parcel Summary

- Approximately 610,000 sf of potential development footprint
- Wetland divides site into a north and south development area
- North Development currently does not have access to existing sewer, water or gas
- South Development has access to existing sewer & water
Parcel Summary

- Approximately 820,000 sf of potential development footprint
- Steep slopes divide site into separate development areas
- Larger development area has access to existing water. Sewer would need to be extended 375 LF.
- Smaller cul-de-sac development area has access to existing water. Sewer would need to be extended 1,600 LF.
- No access to gas.
Market Analysis

To provide an independent market evaluation for the development of a new business park.

- Review the change in employment across a variety of industrial/occupational sectors over the 2007 to 2016 time-period for Gardner and the North Central WDA.

- Consider 2026 employment projections to develop estimates of potential demand for space.

- Assess the competitive environment along selected Route 2 communities.

- Develop a sample of land, buildings and other industrial inventories available for lease or for sale.

- Review the historical “performance” and benchmarks of the Summit Industrial Park.
KEY FINDINGS

• More than 1,500-acres of industrial land available throughout business parks along the Route 2 Corridor, often lacking existing water/sewer, with asking land prices of $20,000 to $100,000/acre.

• More than 2.5 ± million SF of available inventory with average for-lease properties at $4.07/SF and for-sale properties at $26.57/SF.

• Mass Development identified 630-acres of land along Route 2 communities, asking price of just under $50,000/acre for average two-acre parcel with average DOM of 3.6 years.

• Projected WDA employment is 3,120 jobs resulting in an estimated annual demand for approximately 11 acres of land.

• However, not all demand equates to new-built space and not all WDA demand equates to an opportunity for Gardner.
PRO-FORMA and CONCLUSIONS

- RKG estimates absorption of $53 \pm 20$ acres over a 20-year period for a proposed business park in Gardner.

- Over this period (in constant dollars) the City of Gardner may realize a net $1.3 \pm 20$ million in revenues from land sales (net of administrative fees of $318,000).

- The City may realize an approximate $3.4 \pm 20$ million in property taxes.

- Potential capital costs associated with the extension of water, sewer and gas lines, along with interior roadway construction could total $14.51 \pm 20$ million.

- Revenues from estimated land sales are insufficient to recover the capital costs, resulting in an estimated net income (or cash flow) loss of $13.24 \pm 20$ million.
CONSIDERATIONS

Lengthy absorption period and high capital costs to the “entire” park. Consider a possible phasing of build-out between a possible Route 140 North and Route 140 South park, weighing:

- Costs associated with acquisition and/or overall ease of assemblage.

- Potential build-out (SF) over the long-term.

- Potential needs and costs associated with the extension of water, sewer or gas lines, as well as developing interior road networks.

- Any possible zoning or other regulatory constraints potentially impacting access point(s) from major arterials.

- Possible site-layout options that would best facilitate a phased development within the park.
Next Steps

- Compile stakeholder and public comment
- Further analyze and compare infrastructure and permitting costs of preferred site areas.
- Select preferred site for future development
- Identify potential funding sources

Open Discussion...