

MARKET ANALYSIS

HAMILTON MILLS REDEVELOPMENT AREA

Southbridge, Massachusetts

Prepared For:
Town of Southbridge

Prepared By:
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&
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October, 1989

Leggat McCall Advisors, Inc.

An Affiliate of The Leggat McCall Companies

October 20, 1989

Ms. Mary Homan
Community Development Director
Town of Southbridge
Southbridge Town Hall
Southbridge, MA 01550

Dear Ms. Homan:

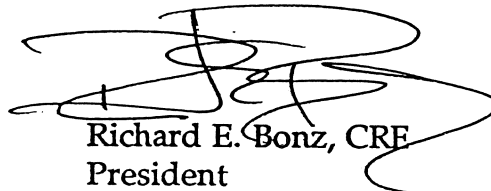
In accordance with your request, we respectfully submit herewith our analysis of the redevelopment potentials of the Hamilton Mills project area in Southbridge, Massachusetts. The report puts forth our analysis of the site's physical characteristics, the underlying demography of the market area, and the characteristics of the local area's residential, retail, commercial office, and industrial real estate markets which impact redevelopment of the site.

We hereby certify to the best of our knowledge and belief that the statements contained in this report and upon which the opinions expressed herein are based are accurate, subject to the limiting conditions set forth. Employment in and compensation for making this report are in no way contingent upon the conclusions reported, and we certify that we have no financial interest in the subject property.

We appreciate the opportunity of assisting you in this most interesting and challenging assignment. Should you have any questions concerning the analysis or findings, please do not hesitate to contact us.

Respectfully submitted,

LEGGAT McCALL ADVISORS, INC.



Richard E. Bonz, CRE
President



Robert W. Gadsden
Associate

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SECTION I

INTRODUCTION

Study Objective

The purpose of this analysis has been to assess the market conditions which impact redevelopment of the Hamilton Mills project area and to determine reuses of the site for which there is potential market support. The project area centers on the site of the former Hamilton Mills buildings, destroyed by fire in 1987, and is comprised of ten individual lots of record held by six owners. The findings of this report are intended to aid the Town of Southbridge in its planning efforts for revitalization of the site.

Study Methodology

The analysis which is presented in subsequent sections of this report follows a three phase approach. The first phase seeks to describe the locational, legal, and topographical issues which influence the marketability of the property. The second portion of the analysis examines the underlying demography of the market as well as the markets for new industrial, retail, office, and residential development. Finally, prospective site reuses identified through analyses of market conditions are evaluated and a potential development program is presented.

SECTION II

PROPERTY DATA

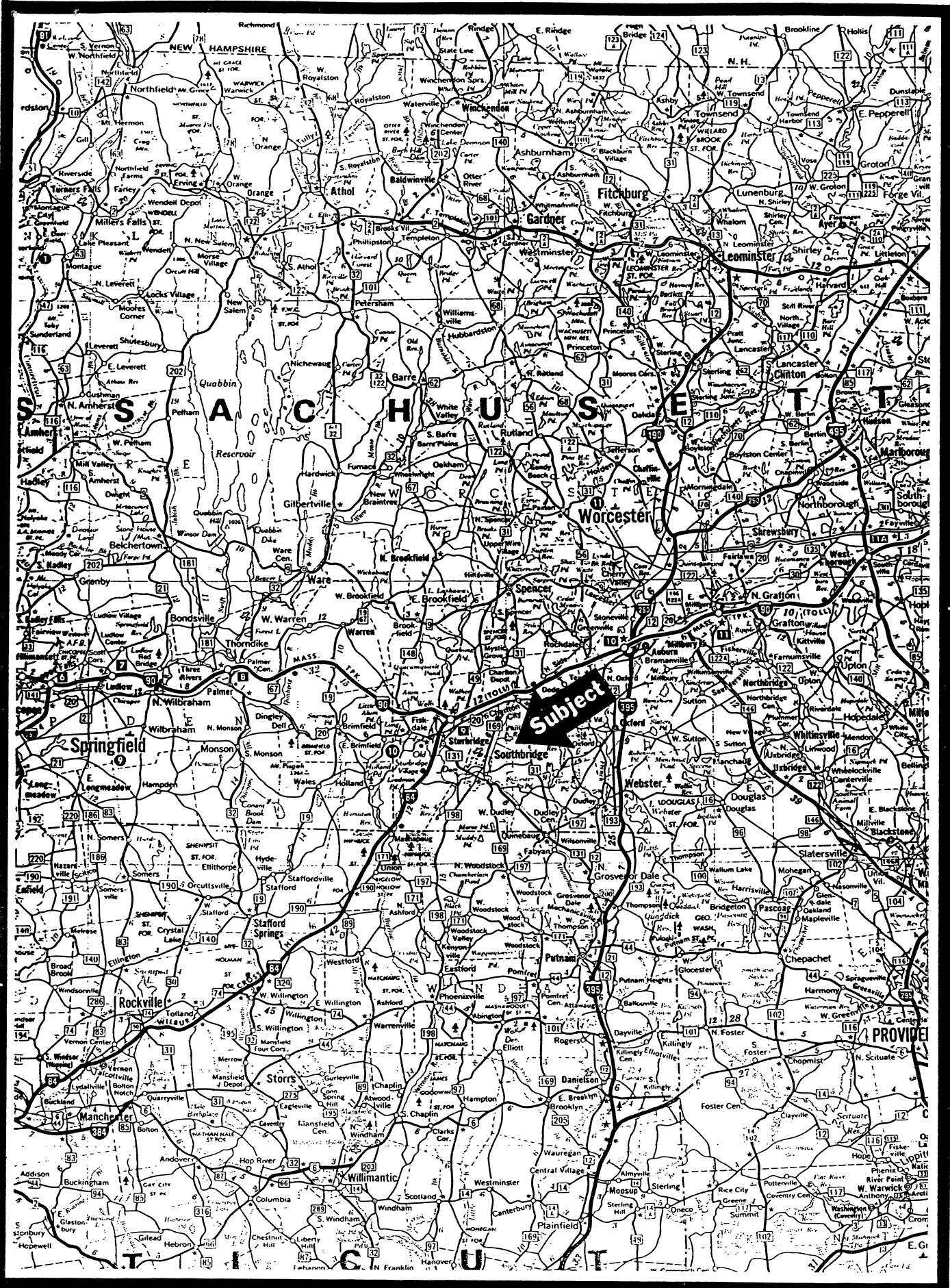
This section of the report provides an overview of the physical characteristics of the Hamilton Mills project area which are relevant to its redevelopment potentials. An analysis of the study area's location, current uses, zoning, roadway access, and topographical features is set forth in the following text.

Location

The subject property is located along the Quinebaug River in the western section of Southbridge, Massachusetts within a roughly triangular section of land that is bounded to the north and northeast by West Main Street (Route 131), to the southeast by West Street, and to the west by the properties of the Pilsudski Polish Club and the West Street School. The site is approximately one mile west of downtown Southbridge.

The Town of Southbridge is located in south central Massachusetts, bordered by Sturbridge on the west, Charlton on the north and northeast, Dudley on the east, and the State of Connecticut on the south. It is 65 miles southwest of Boston, 21 miles from Worcester, 45 miles from Springfield, and 160 miles from New York City. Encompassing 20.74 square miles in area, Southbridge is served by State Highways 131, 169, and 198 and is within five miles of the Massachusetts Turnpike, Interstate Route 84/86, and Route 20.

Regional Location Map



Site Description

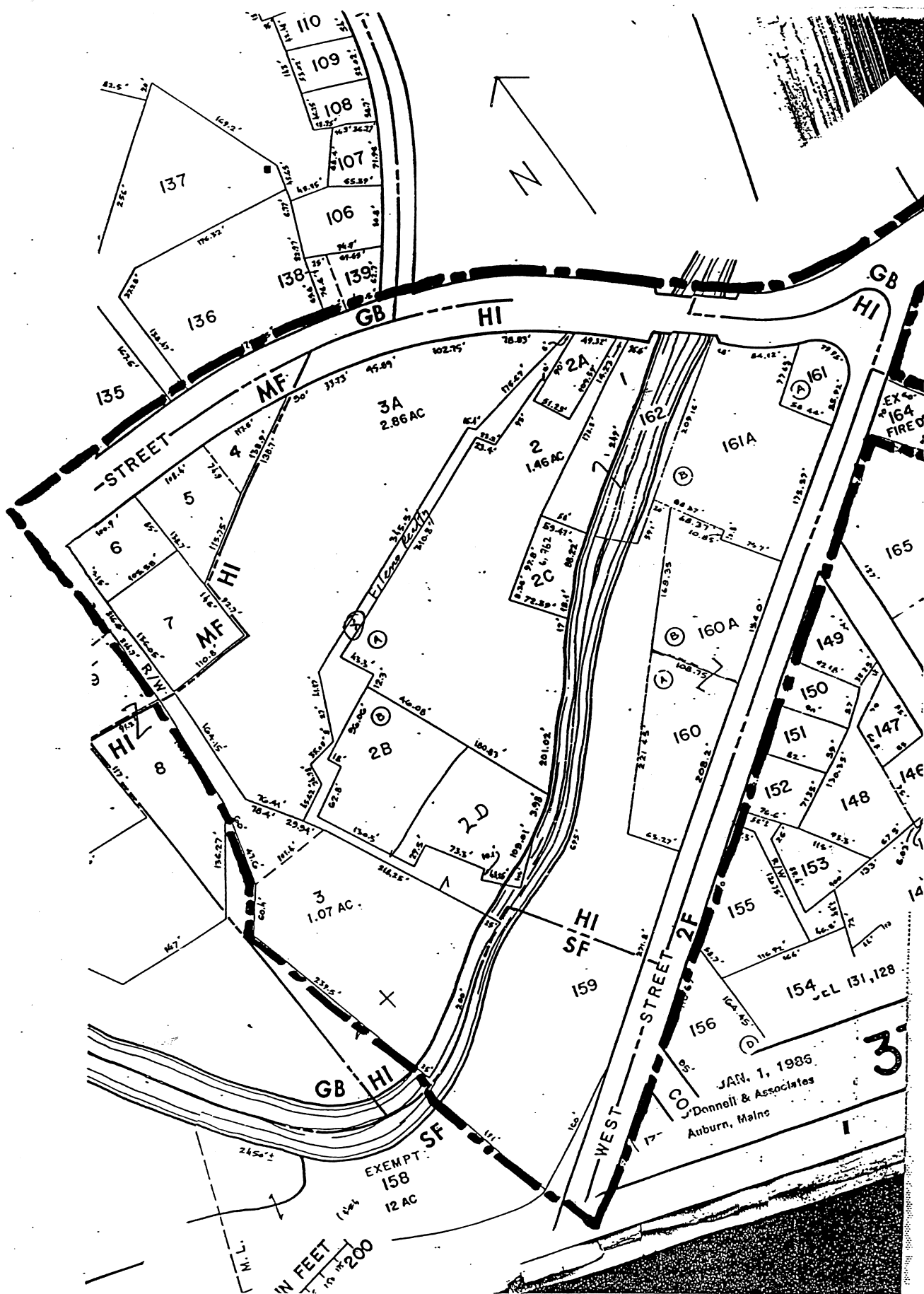
The Hamilton Mills redevelopment site consists of approximately 11 acres of land, 7.4 acres of which are located to the north of the Quinebaug River and 3.6 acres of which are on the southern side of the river. The 7.4 acre portion of the property includes the former site of the Hamilton Woolen Mills buildings, most of which were destroyed by fire in 1987 and have since been cleared. The 7.4 acre portion comprises nine separate lots of record that are held by five owners. The 3.6 acre portion of the property consists of two lots of record under the ownership of one entity.

The site features approximately three-hundred and forty feet of frontage along West Main Street (Route 131) over nine hundred feet of frontage along the northern edge of the Quinebaug River, approximately 700 feet of frontage along the southern edge of the river, and approximately 430 feet along West Street to the south.

Topography

The site is steeply sloped along its western and northern edges, particularly the portion fronting West Main Street, yet relatively flat within the interior of the site in the area formerly occupied by the Hamilton Mills buildings. The Quinebaug River separates the northern and southern portions of the property and ranges from forty to sixty feet in width in this area. There is little wetland associated with the river on the site. The Quinebaug River and its floodplain areas comprise about 1.3 acres of the site. The Quinebaug River is viewed as a strong visual asset for potential redevelopment of the site.

Site Map



Current Uses and Improvements

The site is currently utilized for industrial and storage functions and is improved by seven separate structures. The existing buildings include a one story concrete block storage building, a one-story woodframe structure, a pair of two and three story brick manufacturing buildings fronting West Main Street, just north of the Quinebaug River, and three two and three story brick structures sited within the interior of the property. Existing uses include a shop for fiberglass manufacturing, a craftshop, and a self storage facility. The portion of the redevelopment site south of the river is undeveloped.

Access

The site is accessed from Main Street at two separate locations. The principal access occurs at the eastern edge of the property approximately twenty-five feet north of the Quinebaug River between the two above referenced brick manufacturing buildings. A secondary access occurs at the northwest corner of the site by means of a right of way located east of land occupied by the Pilsudski Polish Club facilities.

In terms of access to regional roadways, the site is approximately five miles from the junction of Route 20 and Interstate Route 84 via Route 131. Route 131 is a predominantly two-lane roadway connecting downtown Southbridge to Sturbridge to its northwest and West Dudley and Quinebaug, Connecticut to its southeast.

Utilities

The site is currently served only by electric power and water at its eastern edge. There are no connections to the town sewer system at this time. Pumping

stations will be likely required for connection to the town sewer line which runs at a slightly higher elevation along West Main Street than the interior portions of the property.

Adjacent Uses

The site is surrounded by industrial, commercial, residential, and institutional land uses. The western portion of the site borders the facilities of the Pilsudski Polish Club and open space associated with the West Street Elementary School. Immediately to the northwest of the site are four improved residential lots, three of which front on West Main Street. The land to the north of the site across West Main Street has been developed for retail use. Retail uses include a fast food restaurant, liquor store, car wash, and the Big Bunny Shoppers Plaza, which is a neighborhood center anchored by the Big Bunny Market and includes eight additional stores and offices. To the site's south and southeast are several active industrial users located between the Quinebaug River and West Street. Across West Street to the south is a residential neighborhood comprised of two and three story wood-framed single and two family homes.

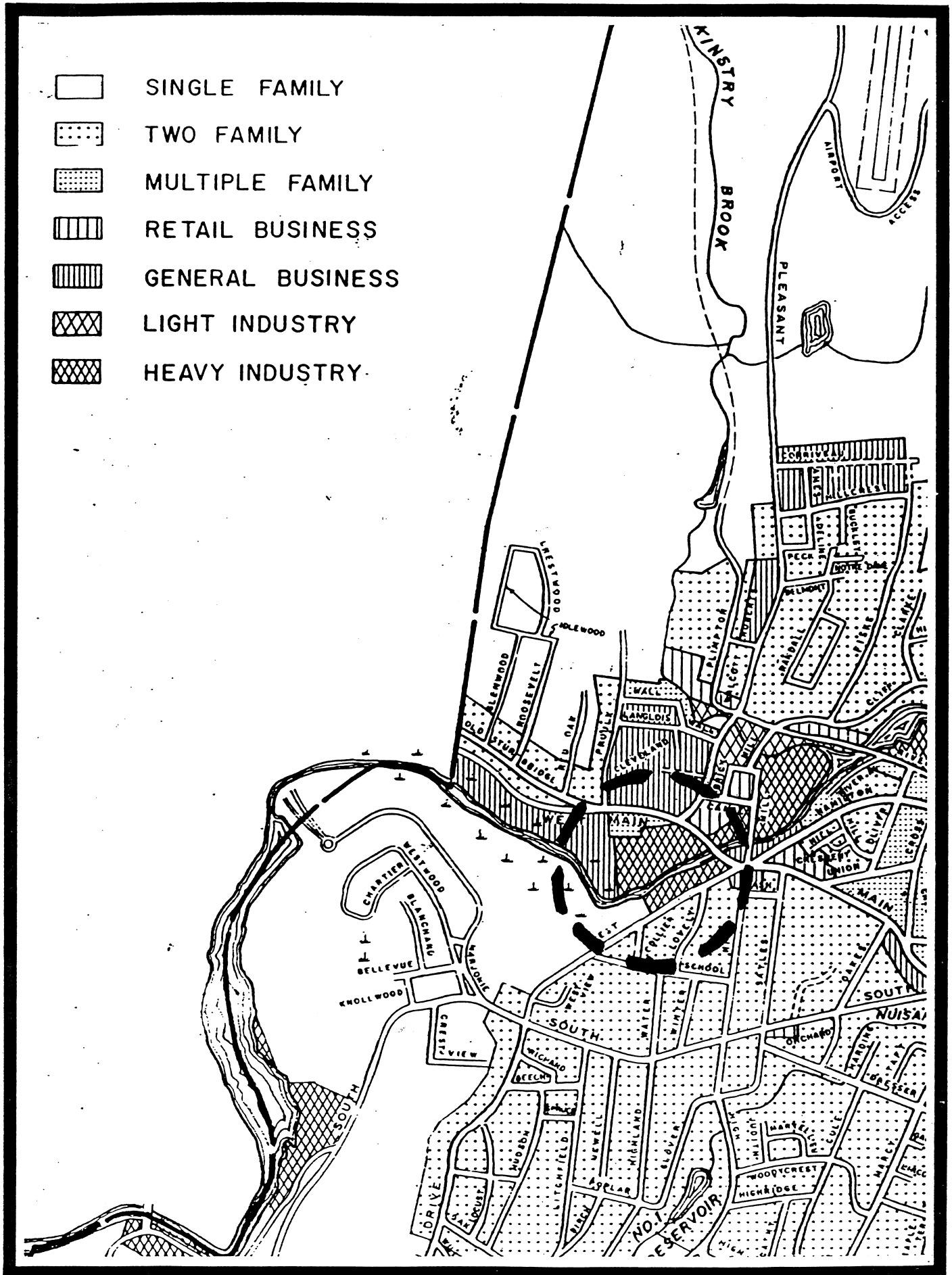
Zoning

The majority of the site is located within an area zoned Heavy Industrial (HI). The southwest corner of the property is located within a Single Family (SF) designated area.

Permitted uses within an HI zone include manufacturing and related uses, subject to plan approvals, administrative and professional offices, public parks and playgrounds, and retail uses with some retail uses subject to plan approvals.

Residential, hospital, and nursing/convalescent uses may be permitted by special permit only. It is assumed for this analysis that redevelopment of the Hamilton Mills project area will be accomplished through joint efforts of public and private sectors with site related zoning and plan approvals assisted by means of the Southbridge Redevelopment Authority and the Town of Southbridge.

Zoning Map



SECTION III

MARKET ANALYSIS

The following section of this report focuses on a discussion of the market factors which impact potential development of the subject site. Demographic data, including population, household, and income trends, and employment patterns are presented and analyzed. In addition, the characteristics of Southbridge's industrial, commercial office, retail, and residential real estate markets which bear on the marketability of various development options for the Hamilton Mills site are examined in the following text.

Population Trends

Southbridge has experienced a decline in its total population since the 1980 census. The 1980 census indicated that Southbridge had a population of 16,665 residents which represented a 2.3% decline from its 1970 total of 17,057. The declining trend in Southbridge's population was estimated to have continued between 1980 and 1988 with total population in 1988 estimated at 16,458. Moreover, this downward trend is projected to continue, though at a slower pace, with population falling to 16,351 by 1993. These past and future estimated population declines are the likely result of several factors including smaller households, fewer children as a result of two career families, and, in particular, a decline in Southbridge's employment base.

In contrast to Southbridge, during the same time periods population trends in the surrounding market area have demonstrated growth in total residents. In the adjacent communities of Sturbridge, Charlton, Dudley, Woodstock, Connecticut,

and Union, Connecticut, hereafter referred to as the five town primary area, the overall population is estimated to have increased by 17.6% from 27,075 in 1980 to 31,848 in 1988 and is projected to increase further by 9.6% to 34,899 in 1993. In eight additional surrounding communities which lie outside the above mentioned inner ring of adjacent towns — Brimfield, Holland, Wales, East Brookfield, Oxford, Warren, Webster, Eastford, Connecticut, and Thompson, Connecticut — the overall population is also estimated to have increased between 1980 and 1988 from 46,145 to 49,749, representing a 7.8% growth rate, and is projected to increase further to 52,074 by 1993.

Population Age Distributions

Population aging trends experienced throughout the northeast have also been evident in Southbridge and surrounding communities. Indeed, the median age of Southbridge's population as well as the median ages of the populations of the five town inner ring and eight town outer ring described above are expected to continue their increasing trends. The median age of Southbridge was 32.6 in 1980, was estimated to be 33.7 in 1988, and is projected to be 34.9 in 1993 while those of the five town and eight town areas were 30.1 and 31.4 in 1980, and 33.6 and 33.9 in 1988, and are projected to be 36.1 and 35.7 in 1993, respectively.

In terms of population age distributions at the Southbridge, five town primary ring, and eight town secondary ring levels, there are projections for declines in the 25-34 year old age group, increases in the 35-54 year old range, and increases in the 75+ year old age group. At the Southbridge town level, the 25-34 age group is expected to decline from 2,904 in 1988 to 2,751 in 1993 while the 35-54 age is expected to increase from 3,599 to 4,231 and the 75+ age group

POPULATION TRENDS
TOWN OF SOUTHBRIDGE

	Age Group	1980	1988 est.	% Change	1993 proj.	% Change
<u>Southbridge</u>						
	Total Population	16,665	16,458	-1.2%	16,351	-0.7%
	0 - 9	2,335	2,336	0.0%	2,428	3.9%
	10 - 14	1,448	1,053	-27.3%	1,100	4.5%
	15 - 17	887	747	-15.8%	607	-18.7%
	18 - 24	1,887	1,572	-16.7%	1,308	-16.8%
	25 - 34	2,338	2,904	24.2%	2,751	-5.3%
	35 - 44	1,570	2,264	44.2%	2,581	14.0%
	45 - 54	1,548	1,335	-13.8%	1,650	23.6%
	55 - 64	1,980	1,498	-24.3%	1,209	-19.3%
	65 - 74	1,541	1,580	2.5%	1,395	-11.7%
	75 +	1,131	1,169	3.4%	1,322	13.1%
<u>Primary Market Area *</u>						
	Total Population	27,075	31,848	17.6%	34,899	9.6%
	0 - 9	3,844	4,428	15.2%	5,016	13.3%
	10 - 14	2,524	2,062	-18.3%	2,348	13.9%
	15 - 17	1,588	1,516	-4.5%	1,330	-12.3%
	18 - 24	3,289	3,175	-3.5%	2,851	-10.2%
	25 - 34	4,493	5,503	22.5%	5,233	-4.9%
	35 - 44	3,339	5,272	57.9%	6,189	17.4%
	45 - 54	2,597	3,240	24.8%	4,546	40.3%
	55 - 64	2,627	2,801	6.6%	2,864	2.2%
	65 - 74	1,786	2,415	35.2%	2,536	5.0%
	75 +	988	1,436	45.3%	1,986	38.3%
<u>Secondary Market Area *</u>						
	Total Population	46,145	49,744	7.8%	52,076	4.7%
	0 - 9	6,612	7,115	7.6%	7,689	8.1%
	10 - 14	4,200	3,237	-22.9%	3,573	10.4%
	15 - 17	2,788	2,305	-17.3%	1,987	-13.8%
	18 - 24	4,962	4,378	-11.8%	3,856	-11.9%
	25 - 34	7,061	8,855	25.4%	8,334	-5.9%
	35 - 44	5,150	7,520	46.0%	8,793	16.9%
	45 - 54	4,526	4,601	1.7%	5,949	29.3%
	55 - 64	5,112	4,576	-10.5%	4,093	-10.6%
	65 - 74	3,675	4,376	19.1%	4,221	-3.5%
	75 +	2,060	2,781	35.0%	3,581	28.8%

* Defined as Sturbridge, Charlton, Dudley, Woodstock, Ct., and Union, Ct.

* Defined as Brimfield, Holland, Wales, Brookfield, Oxford, Warren, Webster, Eastford, Ct., and Thompson, Ct.

Source: National Planning Data Corp.