

MassDevelopment Site Readiness Program: Westminster Industrial Sites Market Analysis

April 2018

Prepared for:

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About Camoin Associates

Camoin Associates has provided economic development consulting services to municipalities, economic development agencies, and private enterprises since 1999. Through the services offered, Camoin Associates has had the opportunity to serve EDOs and local and state governments from Maine to California; corporations and organizations that include Lowes Home Improvement, FedEx, Volvo (Nova Bus) and the New York Islanders; as well as private developers proposing projects in excess of \$600 million. Our reputation for detailed, place-specific, and accurate analysis has led to projects in 29 states and garnered attention from national media outlets including *Marketplace* (NPR), *Forbes* magazine, and *The Wall Street Journal*. Additionally, our marketing strategies have helped our clients gain both national and local media coverage for their projects in order to build public support and leverage additional funding. We are based in Saratoga Springs, NY, with regional offices in Portland, ME; Boston, MA; and Brattleboro, VT. To learn more about our experience and projects in all of our service lines, please visit our website at www.camoinassociates.com. You can also find us on Twitter [@camoinassociate](https://twitter.com/camoinassociate) and on [Facebook](https://www.facebook.com/camoinassociates).

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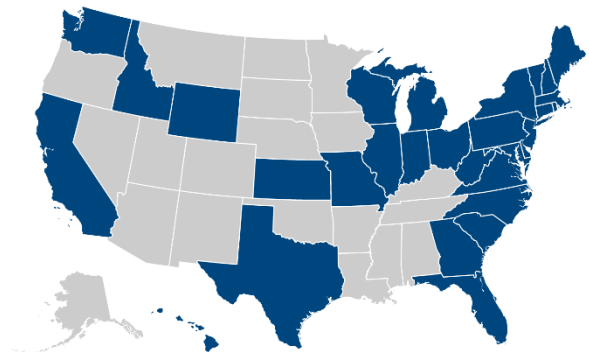


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Executive Summary

Through the Massachusetts Site Readiness Program, the Town of Westminster was awarded grants to study and advance the development of two large-scale industrial properties in the town. Administered by the Massachusetts Development Finance Agency (“MassDevelopment”), the Site Readiness Program is a new statewide initiative that recognizes that Massachusetts has relatively few large-scale industrial sites available for development, and is intended to help identify and advance key sites in the state to get them “market ready” for economic development opportunities. Based on MassDevelopment’s success with large industrial and commerce parks in Devens and Taunton, much of the focus is on positioning older sites for new private investment through a mix of site assembly and planning, environmental permitting, infrastructure improvements, and marketing.

The two industrial sites in Westminster chosen as part of this program are:

- Simplex Drive – a 76-acre wooded site on the north side of Simplex Drive, across the street from existing industrial tenants and near Route 2.
- Theodore Drive – a 44-acre sand and gravel site in the Westminster Business Park with direct freight rail access.

For each site, MassDevelopment and their consultants: 1) assessed the infrastructure, utilities, and other physical site characteristics; and 2) conducted a market analysis of industry opportunities and the steps necessary to make the sites more attractive to end-users. This report is focused on the market analysis for Westminster and includes site descriptions, an assessment of the regional economic context, profiles of targeted industries, a real estate market analysis, and recommendations about the utility, infrastructure and other factors needed to attract companies in the identified target industries.

Recommendations

The key assets of both sites are their large size (40+ acres), existing industrial zoning, and infrastructure assets (including access to Route 2 and, in the case of Theodore Drive, access to freight rail). Leveraging these assets, the purpose of this analysis is to identify suitable target industries for the sites and to lay out the steps that the Town of Westminster, property owners, and/or other stakeholders would need to take to make the sites more competitive for business attraction. The main findings and recommendations from the analysis are summarized as follows.

Overall, market demand for industrial space in the Westminster area will likely continue to be relatively weak over the near term. Despite declining vacancies and rising rents for industrial properties in the Boston region, Westminster’s distance from major population centers makes it less competitive relative to other sites in terms of attracting industrial development. However, large warehouses in 200,000+ SF range present an opportunity for Westminster given strong demand and limited supply for this type of space in the region. To be most competitive, Westminster may need to partner with a local developer and/or offer incentives to construct a building facility that is ready to occupy, as users may be unwilling to bear the expense and delay of a “build to suit” arrangement when they could undertake a similar project on a more centrally located site.

In the absence of a concerted effort to develop a large-scale warehouse/distribution facility or facilities—which would likely require public-private partnerships—multiple end users with smaller space requirements may be considered. Other potential uses for the site may include manufacturing space, particularly for the plastics, fabricated metal, and food production industries, which have a strong presence in the region.

In order for these sites to be competitive options for industrial users and developers, they need to work towards becoming completely pad ready, with all necessary infrastructure upgrades. This could occur in phases where an initial phase might focus on: a) mapping key development parcels and how they could be sub-divided; b) detailed information on each site in terms of current utilities and infrastructure, and the costs to upgrade or connect to the site; c) expanding current marketing efforts; and d) determining if the Town and/or other public entities can offer

incentives or grants to help offset upfront infrastructure and development costs. These kinds of tasks would need to be discussed by the landowner, the Town of Westminster, and MassDevelopment to develop a near-term plan of action to upgrade the sites to become closer to market-ready, but before investing millions of dollars in site upgrades.

A second phase may entail more extensive work to prepare pad-ready sites, install and connect utilities to the sites, and identify partners/developers to help invest in business development opportunities.

The Simplex Drive site would require the following:

- Clearing a portion of land, and identifying and creating development parcels/pads. This would likely be done by the landowner in phases, with the creation of a road granting access to the most developable sections of the sites.
- Undertaking pavement upgrades on Simplex Drive within four to five years. This would be the responsibility of the roadway owner.
- Water connection into the site and potential upgrades to pumping system. Responsibility of the landowner, but may qualify for state grants or other public funding.
- Connection to natural gas, telecom, and electric. Responsibility of the landowner, but may qualify for state grants or other public funding.
- Additional investigation into the condition of the system, the design and implementation of improvements is critical to support development of the parcel. Based on the Fuss & O'Neil analysis, the condition and availability to connect to the privately-owned sewer system in Simplex Drive is a major uncertainty.

The Theodore Drive site would need to implement the following upgrades:

- Complete the clearing of sand/gravel from the site and level the land to create a development-ready site
- Signalization and geometric improvements at Bathrick Road/Depot Road and Route 2A/State Road to facilitate access to Route 2 by landowner
- Pavement upgrades to Theodore Drive by landowner
- Installation of all utilities up to project site, including on-site sewer pump station. Responsibility of the landowner, but may qualify for state grants or other public funding.
- Driveway access from Theodore Drive down to the site. Responsibility of the landowner.

There are existing marketing brochures for both the Westminster Business Park and the 100 Simplex Drive property, which is across the street from the Simplex Drive subject site. The business park and 100 Simplex Drive are also listed on MassEcon's statewide site selection website. To advance and expand these marketing efforts to the subject sites, we recommend the following:

- Develop marketing materials specific to the vacant land along Simplex Drive with the developable sites clearly identified; and
- Provide more detailed information on the Theodore Drive site focused on the 35 developable acres and how that could potentially be subdivided.

Marketing materials should be updated as additional information about the sites is learned and infrastructure improvements are made.

Introduction

Through the Massachusetts Site Readiness Program, the Town of Westminster was awarded grants to study and advance the development of two large-scale industrial properties in the town. Administered by the Massachusetts Development Finance Agency (“MassDevelopment”), the Site Readiness Program is a new statewide initiative that recognizes that Massachusetts has relatively few large-scale industrial sites available for development, and is intended to help identify and advance key sites in the state to get them “market ready” for economic development opportunities. Based on MassDevelopment’s success at large industrial and commerce parks in Devens and Taunton, much of the focus is on positioning older sites for new private investment through a mix of site assembly and planning, environmental permitting, infrastructure improvements, and marketing.

The two industrial sites in Westminster chosen as part of this program are:

- Simplex Drive – a 76-acre wooded site on the north side of Simplex Drive, across the street from existing industrial tenants and near Route 2.
- Theodore Drive – a 44-acre sand and gravel site in the Westminster Business Park with direct freight rail access.

For each site, MassDevelopment and their consultants are: 1) assessing the infrastructure, utilities, and other physical site characteristics; and 2) conducting a market analysis of industry opportunities and the steps necessary to make the sites more attractive to end-users. This report is focused on the market analysis for Westminster, and includes the following analyses and research:

- Description of each site and its current status for development;
- An assessment of the regional economic context in Westminster and the North Central Massachusetts area;
- Economic base analysis of industry trends and concentrations in Westminster and the region;
- Profiles of targeted industries: 1) Warehousing and Storage and 2) Manufacturing, with a focus on plastic and rubber products, fabricated metals, and food
- Real estate market analysis of industrial properties; and
- Recommendations about the utility, infrastructure and other factors needed to attract companies in the identified target industries.

The ultimate objectives are to understand the best market opportunities and target industries that could locate at these sites in Westminster, and the physical improvements needed to position these sites for business attraction, job growth and tax revenue.

Description of Sites

The Camoin team performed site visits to the two sites. The follow site descriptions are based on what we learned from these visits as well as infrastructure assessment findings memos prepared for each site by Fuss & O’Neill.

Simplex Drive

The Simplex Drive site is a 76-acre site located in Westminster, MA, off Route 2. The site is easily accessible – located one mile from Route 2, 18 miles from I-495, 24 miles from Worcester, and 53 miles outside of Boston. The site is an undeveloped fully wooded site with considerable areas of wetlands, located near office and industrial buildings. The wetlands present a challenge for development and are estimated to reduce the total developable area of the site to approximately 50 acres and will require permitting under the Wetlands Protection Act. Additionally, the parcel could be subdivided into smaller parcels to maximize the developable areas.

Available site utilities include water, natural gas, telecom, electric, sewer and storm drainage. The condition and availability of sewer is currently unknown and would need to be further addressed. Fuss & O'Neill notes that privately owned sewer may not have been extended to Simplex Drive in the vicinity of the project site the condition of the sewer system on the remainder of Simplex Drive is unknown, and that the proposed development parcel would need to connect to this system. Attempts to contact the out-of-state owner have been unsuccessful. Additionally, the fire storage pond and fire pump as well as site roadway development require further evaluation and cost estimates.

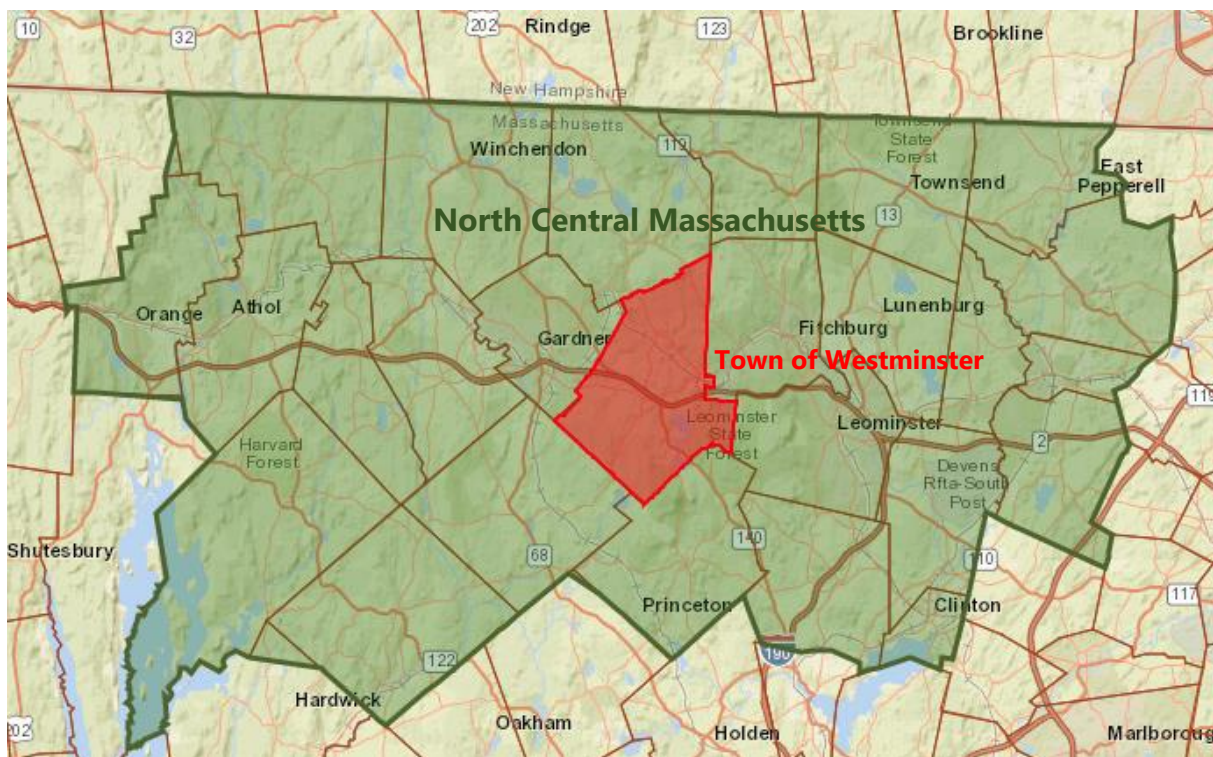
Theodore Drive

Located in the Westminster Business Park Development, the Theodore Drive site is a 44-acre undeveloped parcel currently used for sand and gravel extraction. The site is accessible from Route 2A and Depot Road. Utilities have been approved and constructed to a point nearby the parcel, including water, sewer, gas, electric service and telecom. Due to low elevation, the site will require an on-site sewer pump station. A major asset of the site is that it has direct access to the Pan Am Railways freight rail line. A stream runs through the southern portion of the site and it is undetermined if development of the site will involve Wetland Protection Act permitting. Additionally, the costs of extending utilities and road improvements into the site have not been determined yet. Another asset is that the site has been pre-permitted under the Massachusetts Environmental Policy Act (MEPA).

Regional Economic Context

Westminster is a town of about 7,500 residents located in North Central Massachusetts. It lies along the Rt. 2 east-west corridor between Fitchburg to the east (the largest city in the region) and Gardner to the west. For a comprehensive sense of regional trends and conditions, the Camoin team gathered economic and demographic data for a North Central Massachusetts region consisting of 31 cities and towns.

Figure 1: North Central Massachusetts (Green) in Relation to the Town of Westminster (Red)



Source: Esri

North Central Massachusetts, comprising sections of both Middlesex and Worcester counties, comprises about 270,000 in population, representing a modest increase over the past decade. Westminster's population has increased 1.9% since 2007. The median age in Westminster is 44.4, somewhat older than the regional average of 41.4 and the statewide average of 39.1.

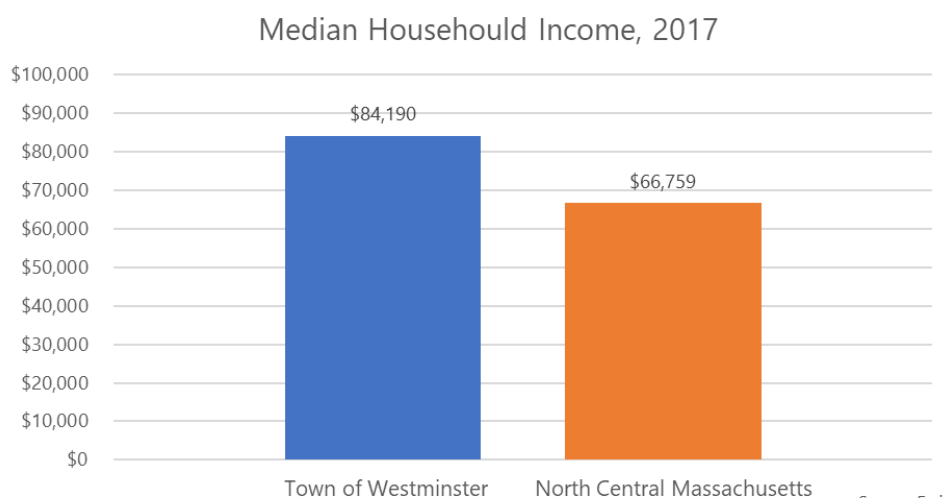
Table 1: Town of Westminster and North Central Massachusetts Comparison

Town of Westminster and North Central Massachusetts Comparison		
	Town of Westminster	North Central Massachusetts
Population (2007)	7,408	265,709
Population (2017)	7,380	270,682
Population Change %	(0.4%)	1.9%
Current Average Earnings	\$61,981	\$63,257
Median Household Income	\$84,190	\$66,759
Employed Population 16+	4,572	139,927
Unemployment Rate	4.2%	5.7%
Median Age	44.4	41.4
Education Attainment of Population 25 + (% with Bachelor's degree or higher)	43.4%	31.1%

Source: EMSI, Esri

Westminster is a relatively affluent town with median household incomes over \$84,000 compared to \$71,460 statewide and \$66,759 at the regional level.¹ In addition, the unemployment rate in Westminster is relatively low (below five percent) with regional unemployment rates somewhat higher. Educational attainment in Westminster is very high with over 43 percent of adults holding a bachelor's degree or higher. This is well above the regional average of 31.1 percent and the statewide average of 41 percent – indicating a skilled residential population in Westminster in a region that historically tends to be more blue-collar and similar to US educational trends.

Figure 2: Median Household Income, 2017



¹ Esri 2017 data

The region's economy is beyond the I-495 Greater Boston area, and distant from the booming economy and housing market in eastern Massachusetts. The region's primary highway corridor is the east-west Route 2 which is a four-lane divided highway in the area and connects easily to I-190 to Worcester and the I-495 beltway. The area has both freight rail service (primarily on the east-west Patriot Corridor run by Pan Am Southern) and commuter rail to Boston (the MBTA's Fitchburg line to North Station). Regional assets include a number of colleges and universities such as Fitchburg State and Mount Wachusett Community College, along with the Great Wolf Lodge in Fitchburg, and Mt. Wachusett ski resort.

The North Central Massachusetts region is home to a relative concentration of jobs in manufacturing, and has a strong history of industrial production including plastics manufacturing in Leominster and Fitchburg, and furniture making and distribution in Gardner. A 2016 report for MassDevelopment entitled "North Central Massachusetts Industrial Property Study"² focused on industrial development opportunities in a sub-set of the broader region: Ayer, Clinton, Fitchburg, Gardner, Lancaster, Leominster, Shirley, Sterling, and Westminster. Relevant findings from that regional study include:

- This nine-municipality region is home to 8,000 manufacturing employees, representing 12 percent of all workers (compared to seven percent in MA), and generating 22% of wages.
- Plastics and rubber, paper, and fabricated metals represent more than half (52 percent) of manufacturing jobs in the area.
- There were 10,560 acres of industrially zoned land identified in the study, with 17 percent of that (1,795 acres) vacant. But only 168 acres were listed as "pad ready" with site plan approvals and infrastructure in place.
- The majority of manufacturing firms are small-scale, with less than ten employees and needing less than 25,000 SF of space.
- The vast majority of industrially zoned parcels are small (five acres or less) but demand for industrial end-users (warehousing, food, biopharma) tend to require larger sites.
- Recommendations that the region better position key sites for development (i.e., develop more pad ready sites with site plan approvals and infrastructure), and form a regional industrial development corporation.

In summary, the North Central Massachusetts region continues to have strengths in manufacturing (despite some overall long-term declines) but has experienced less warehousing and distribution center development. The area has abundant land but relatively little of it is "market ready" for new businesses to locate in existing buildings or on pad ready sites.

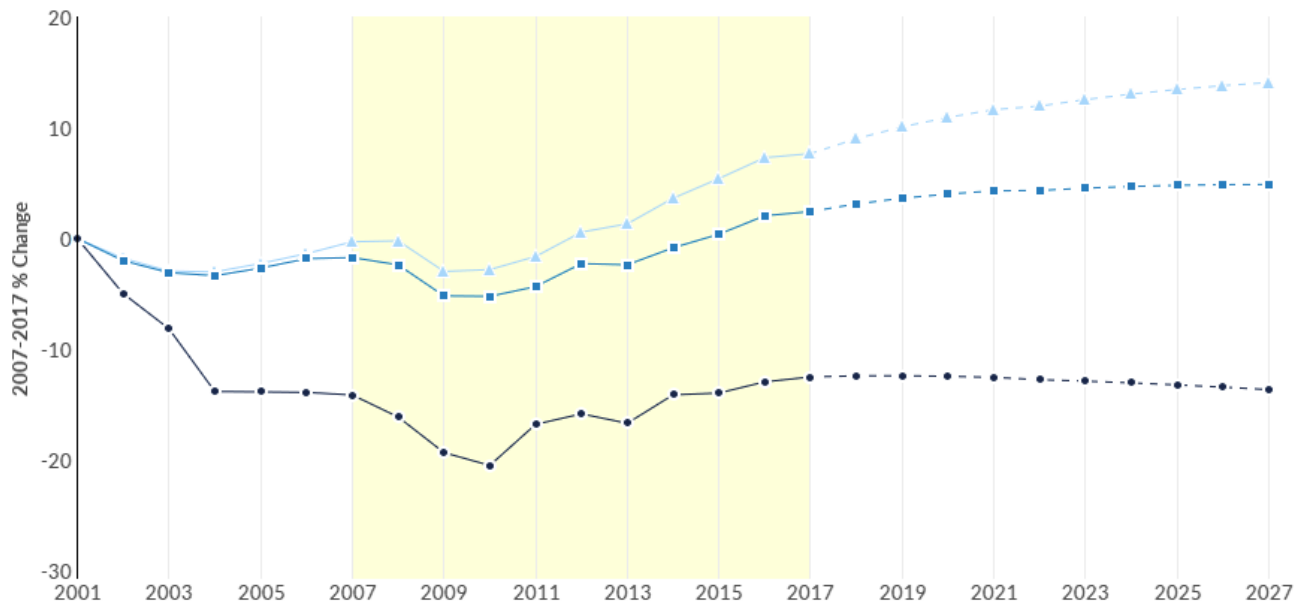
² "North Central Massachusetts Industrial Property Study" for MassDevelopment by Ninigret Partners et al, October 2016.

Westminster Market Overview

Employment Trends

The Town of Westminster added 38 jobs over the last 10 years, representing an increase of 2.0%. This growth was surpassed by job growth across North Central Massachusetts and the state as a whole, which grew by 4% and 9% respectively. However, it is important to note that due to the small size of Westminster, success in a few firms can greatly influence employment growth figures. The figure below illustrates job growth, outlining the impact of the 2008 recession and subsequent recovery in yellow. Unlike the region and the state, job growth in Westminster was declining prior to the recession.

Figure 3: Industry Change Summary, 2001 – 2027



Region	2007 Jobs	2017 Jobs	Change	% Change	2017 Average Earnings
Westminster, MA (in Worcester county)	2,008	2,046	38	2%	\$61,981
North Central Massachusetts	98,484	102,645	4,161	4%	\$63,257
Massachusetts	3,611,668	3,900,114	288,446	8%	\$77,779

Source: EMSI

Industry Trends

The Town of Westminster economy is deeply rooted in Manufacturing. Despite recent declines, the industry currently comprises 20% of the jobs in the Town of Westminster.

Crop and Animal Production currently leads as the most concentrated industry within Westminster, with a location quotient (LQ) of 7.13.³ This indicates that employment in the Crop and Animal Production sector in Westminster is over 7 times more concentrated than it is in the nation as a whole. This sector represents about 9% of overall jobs.

Employment growth in Westminster was driven by the job growth in Crop and Animal Production, Wholesale Trade and Health Care and Social Assistance which added 5, 26 and 16 jobs respectively from 2007 to 2017. Wholesale Trade experienced the largest job growth during that time period with a job growth of 144%. Conversely, Manufacturing and Management of Companies and Enterprises and Administrative exhibited the highest job losses, losing 60 and 36 jobs respectively over the last decade.

Examining the top average earning industries, three out of the four top earning industries experienced job loss. Finance and Insurance, Management of Companies and Enterprises, and Manufacturing have average earnings per job of approximately \$99,000, \$98,000 and \$80,000 respectively and each experienced job decline over the last decade. Government was the highest-earning industry to experience job growth, growing by three jobs or a 1% growth rate.

Table 2: Historic Job Growth by Sector, Town of Westminster, MA, 2007-2017

Historic Job Growth by Sector, Town of Westminster, MA, 2007 - 2017							
NAICS	Description	2007 Jobs	2017 Jobs	2007 - 2017 Change	2007 - 2017 % Change	Avg. Earnings Per Job	2017 Location Quotient
11	Crop and Animal Production	124	181	57	46%	\$ 25,736	7.13
21	Mining, Quarrying, and Oil and Gas Extraction	<10	<10	Insf. Data	Insf. Data	Insf. Data	0.04
22	Utilities	0	0	0	0%	\$ -	0.01
23	Construction	179	172	(7)	(4%)	\$ 54,514	1.54
31	Manufacturing	465	405	(60)	(13%)	\$ 79,666	2.50
42	Wholesale Trade	18	44	26	144%	\$ 61,595	0.56
44	Retail Trade	80	84	4	5%	\$ 33,286	0.39
48	Transportation and Warehousing	14	17	3	21%	\$ 66,027	0.23
51	Information	<10	<10	Insf. Data	Insf. Data	Insf. Data	0.02
52	Finance and Insurance	11	10	(1)	(9%)	\$ 99,382	0.13
53	Real Estate and Rental and Leasing	32	34	2	6%	\$ 61,788	0.99
54	Professional, Scientific, and Technical Services	45	58	13	29%	\$ 57,850	0.43
55	Management of Companies and Enterprises	197	161	(36)	(18%)	\$ 97,861	5.49
56	Administrative and Support and Waste Management and Remediation Services	160	134	(26)	(16%)	\$ 37,175	1.03
61	Educational Services	<10	<10	Insf. Data	Insf. Data	Insf. Data	0.07
62	Health Care and Social Assistance	101	120	19	19%	\$ 67,504	0.45
71	Arts, Entertainment, and Recreation	19	20	1	5%	\$ 27,328	0.56
72	Accommodation and Food Services	222	253	31	14%	\$ 22,449	1.42
81	Other Services (except Public Administration)	105	113	8	8%	\$ 26,661	1.14
90	Government	262	265	3	1%	\$ 91,702	0.84
99	Unclassified Industry	0	0	0	0%	\$ -	0.00
Total		2,037	2,076	39	2%	\$ 59,173	

Source: EMSI

³ A location quotient (LQ) quantifies the concentration of a particular industry as compared to the nation. An LQ greater than 1 for a particular industry indicates that that industry is more concentrated in the study region than it is for the nation overall.

Significant Industries

At the 4-digit North American Industry Classification System (NAICS) level there are 20 industries that experienced a positive job growth from 2007 to 2017 in the Town of Westminster. Logging showed the most growth expanding by 37 jobs for a growth of 148%. Logging is a strong driver of growth in the Crop and Animal Production super-sector.

Although declines in Manufacturing were significant, Converted Paper Product Manufacturing gained 14 jobs for a job growth of 48% over the 2007-to-2017 time period.

Several industries within the Health Care and Social Assistance super-sector exhibited job growth including Offices of Other Health Practitioners, Offices of Physicians, Outpatient Care Centers, Residential Intellectual and Developmental Disability, Mental Health, and Substance Abuse Facilities and Individual and Family Services.

Table 3: Top Industries (4-digit NAICS) by Historic Job Growth, Town of Westminster, MA, 2007-2017

Top Industries (4-digit NAICS) by Historic Job Growth, Town of Westminster, MA, 2007 - 2017							
NAICS	Description	2007 Jobs	2017 Jobs	2007 - 2017 Change	2007 - 2017 % Change	Avg. Earnings Per Job	2017 Location Quotient
1133	Logging	25	62	37	148%	\$26,055	62.88
7225	Restaurants and Other Eating Places	183	203	20	11%	\$21,541	1.48
3222	Converted Paper Product Manufacturing	29	43	14	48%	\$76,151	12.38
6213	Offices of Other Health Practitioners	23	36	13	57%	\$50,069	2.74
1110	Crop Production	68	80	12	18%	\$21,262	7.37
5419	Other Professional, Scientific, and Technical Services	30	42	12	40%	\$48,957	3.84
7211	Traveler Accommodation	34	45	11	32%	\$26,234	1.81
8121	Personal Care Services	23	33	10	43%	\$20,843	2.01
1120	Animal Production and Aquaculture	21	29	8	38%	\$31,521	5.12
9039	Local Government, Excluding Education and Hospitals	128	135	7	5%	\$78,455	1.85
6211	Offices of Physicians	25	29	4	16%	\$102,711	0.84
4471	Gasoline Stations	17	20	3	18%	\$27,746	1.62
4451	Grocery Stores	17	19	2	12%	\$25,816	0.52
7139	Other Amusement and Recreation Industries	17	19	2	12%	\$27,798	1.05
8111	Automotive Repair and Maintenance	15	17	2	13%	\$43,797	1.13
9011	Federal Government, Civilian	38	40	2	5%	\$92,326	1.09
5313	Activities Related to Real Estate	17	18	1	6%	\$71,948	1.72
6214	Outpatient Care Centers	17	18	1	6%	\$100,647	1.48
6232	Residential Intellectual and Developmental Disability, Mental Health, and Substance Abuse Facilities	13	14	1	8%	\$45,635	1.70
6241	Individual and Family Services	19	20	1	5%	\$39,520	0.61

Note: Industries with a 2007 - 2017 change of 0 were omitted

Source: EMSI

North Central Massachusetts Market Overview

Employment Trends

Over the past ten years, North Central Massachusetts added 4,284 jobs, representing an increase of 4%. Growth in North Central Massachusetts surpassed the Town of Westminister, at 2% but paled in comparison to the state, which grew by 9%.

Industry Trends

The Health Care and Social Assistance and Government industries make up a large share of the jobs in North Central Massachusetts. Health Care and Social Assistance employs nearly 19,000 workers, 18% of the jobs in the region. An additional 18% of the region's jobs fall within the Government sector which employs approximately 18,000.

Employment growth in North Central Massachusetts was driven by job growth in the Health Care and Social Assistance industry which expanded by 4,081 jobs. Conversely, Manufacturing exhibited the highest job loss over the period, losing 2,407 jobs.

Despite job decline, Manufacturing is the most concentrated industry in North Central Massachusetts with an LQ of 1.85. Crop and Animal Production and Health Care and Social Assistance are also highly concentrated with LQs of 1.46 and 1.44 respectively.

Overall average earnings per job are higher across North Central Massachusetts (\$62,315) compared to Westminister (\$59,173).

Table 4: Historic Job Growth by Sector, North Central Massachusetts, 2007-2017

Historic Job Growth by Sector, North Central Massachusetts, 2007 - 2017							
NAICS	Description	2007 Jobs	2017 Jobs	2007 - 2017 Change	2007 - 2017 % Change	Avg. Earnings Per Job	2017 Location Quotient
11	Crop and Animal Production	1,321	1,833	512	39%	\$ 33,044	1.46
21	Mining, Quarrying, and Oil and Gas Extraction	96	100	4	4%	\$83,289	0.25
22	Utilities	101	165	64	63%	\$ 102,057	0.46
23	Construction	5,585	5,625	40	1%	\$ 64,174	1.02
31	Manufacturing	17,365	14,958	(2,407)	(11%)	\$ 91,108	1.86
42	Wholesale Trade	2,467	2,506	39	2%	\$ 82,478	0.65
44	Retail Trade	11,393	11,422	29	0%	\$ 35,261	1.08
48	Transportation and Warehousing	2,157	2,247	90	4%	\$ 50,035	0.63
51	Information	1,182	775	(407)	(34%)	\$71,162	0.41
52	Finance and Insurance	1,890	1,914	24	1%	\$ 79,214	0.48
53	Real Estate and Rental and Leasing	1,023	911	(112)	(11%)	\$ 58,667	0.54
54	Professional, Scientific, and Technical Services	3,376	3,913	537	16%	\$ 94,481	0.59
55	Management of Companies and Enterprises	873	745	(128)	(15%)	\$ 109,475	0.51
56	Administrative and Support and Waste Management and Remediation Services	3,213	3,114	(99)	(3%)	\$ 43,838	0.48
61	Educational Services	1,778	2,322	544	31%	\$ 46,500	0.87
62	Health Care and Social Assistance	14,745	18,826	4,081	28%	\$ 60,654	1.44
71	Arts, Entertainment, and Recreation	1,094	1,098	4	0%	\$ 23,515	0.62
72	Accommodation and Food Services	6,859	7,742	883	13%	\$ 22,503	0.88
81	Other Services (except Public Administration)	4,459	4,299	(160)	(4%)	\$ 28,112	0.88
90	Government	17,497	18,244	747	4%	\$ 79,007	1.17
99	Unclassified Industry	0	0	0	0%	\$ -	0.00
Total		98,474	102,758	4,284	4%	\$ 62,315	

Source: EMSI

Significant Industries

The table below lists the top 25 4-digit NAICS by job growth in the region. Individual and Family Services gained 1,451 jobs from 2007 to 2017, for a job growth of 93%. Ten of the top 25 4-digit industries by job growth fall within the Health Care and Social Assistance super-sector including General Medical and Surgical Hospitals, Home Health Care Services, Outpatient Care Centers, and Continuing Care Retirement Communities and Assisted Living Facilities for the Elderly.

While the Manufacturing super-sector experienced significant decline, examination of the top 25 4-digit NAICS indicated growth among 3 Manufacturing subsectors. Semiconductor and Other Electronic Component Manufacturing; Pharmaceutical and Medicinal Manufacturing; and Other Chemical Product and Preparation Manufacturing grew by 252, 116, and 106 jobs respectively.

Table 5: Top Industries (4-digit NAICS) by Historic Job Growth, North Central Massachusetts, 2007 - 2017

Top Industries (4-digit NAICS) by Historic Job Growth, North Central Massachusetts, 2007 - 2017							
NAICS	Description	2007 Jobs	2017 Jobs	2007 - 2017 Change	2007 - 2017 % Change	Avg. Earnings Per Job	2017 Location Quotient
6241	Individual and Family Services	1,552	3,003	1,451	93%	\$31,349	1.84
7225	Restaurants and Other Eating Places	5,483	6,419	936	17%	\$21,144	0.95
6221	General Medical and Surgical Hospitals	5,600	6,270	670	12%	\$84,736	2.11
4529	Other General Merchandise Stores	325	767	442	136%	\$28,024	0.60
6216	Home Health Care Services	365	797	432	118%	\$46,569	0.82
4451	Grocery Stores	2,261	2,682	421	19%	\$26,446	1.52
9026	Education and Hospitals (State Government)	1,912	2,295	383	20%	\$63,192	1.18
5415	Computer Systems Design and Related Services	799	1,159	360	45%	\$144,957	0.82
6111	Elementary and Secondary Schools	1,435	1,792	357	25%	\$51,779	2.42
6214	Outpatient Care Centers	939	1,286	347	37%	\$70,559	2.12
1110	Crop Production	736	1,077	341	46%	\$23,494	2.00
9036	Education and Hospitals (Local Government)	6,317	6,638	321	5%	\$80,491	1.20
3344	Semiconductor and Other Electronic Component Manufacturing	543	795	252	46%	\$112,138	3.41
9039	Local Government, Excluding Education and Hospitals	3,819	4,063	244	6%	\$80,686	1.12
6213	Offices of Other Health Practitioners	400	612	212	53%	\$49,699	0.93
6233	Continuing Care Retirement Communities and Assisted Living Facilities for the Elderly	297	488	191	64%	\$30,499	0.80
1120	Animal Production and Aquaculture	208	392	184	88%	\$67,939	1.41
5419	Other Professional, Scientific, and Technical Services	350	530	180	51%	\$53,495	0.97
4541	Electronic Shopping and Mail-Order Houses	70	238	168	240%	\$63,245	0.83
6243	Vocational Rehabilitation Services	308	453	145	47%	\$33,398	2.04
5629	Remediation and Other Waste Management Services	101	245	144	143%	\$74,370	2.53
6116	Other Schools and Instruction	288	424	136	47%	\$23,242	1.12
6212	Offices of Dentists	650	783	133	20%	\$69,473	1.24
2382	Building Equipment Contractors	1,139	1,271	132	12%	\$75,059	0.86
6242	Community Food and Housing, and Emergency and Other Relief Services	100	230	130	130%	\$48,964	2.05

Source: EMSI

Targeted Industries for the Study Sites

Based on regional economic trends and interviews with local industry and development leaders, the Camoin team identified industries that would be the most likely fit for the Westminster study sites from a business attraction perspective. These industries were chosen based on their existing presence in the region, compatibility with the study sites and available infrastructure, and Westminster's competitiveness relative to other locations. The targeted industries are:

- Warehousing and Storage
- Manufacturing, with a focus on plastic and rubber products, fabricated metal products, and food production

Warehousing and Storage

The Warehousing and Storage industry involves the operation of warehousing and storage facilities for the storage and distribution of general merchandise, refrigerated goods and other warehouse products. Establishments in this industry are not responsible for selling the products they house but merely are responsible for keeping them secure.⁴ Major services within the Warehousing and Storage industry include contract storage, handling services, packing services, ordering picking, and supply chain management. Common products that are stored under this industry include bulk petroleum and other chemicals, farm equipment and crops, fresh and frozen food, automobiles, whiskey, lumber and healthcare products.^{5,6,7}

Regional examples of warehousing companies include Tighe Logistics Group and Quiet Logistics, both in Devens.

Industry Trends

Analysis of 2007 to 2017 data shows no Warehousing and Storage presence in the Town of Westminster. In North Central Massachusetts, the Warehousing and Storage industry has gained over 116 jobs over the last decade, boosting the size of the industry by 26%. The state of Massachusetts has experienced similar growth of 27%, expanding from 9,228 jobs in 2007 to 11,743 in 2017. Currently Massachusetts has 202 Warehousing and Storage establishments. Average earnings for the industry are approximately \$48,000 at the regional level and significantly higher at the state level at \$65,000.



Major Subsectors:

- General Warehousing and Storage
- Refrigerated Warehousing and Storage
- Farm Product Warehousing and Storage
- Other Warehousing and Storage

Warehousing and Storage Industry (NAICS 493)						
	2007 Jobs	2017 Jobs	2007 - 2017 Change	2007 - 2017 % Change	Avg. Earnings Per Job	Business Establishments
Town of Westminster	0	0	0	0%	\$ -	N/A
North Central Massachusetts	440	556	116	26%	\$ 48,142	N/A
Massachusetts	9,228	11,743	2,515	27%	\$ 65,000	202

Source: EMSI

⁴ Bureau of Labor Statistics Report NAICS 493

⁵ IBIS Public Storage and Warehousing Report NAICS 49311

⁶ IBIS Farm Product Storage and Warehousing Report NAICS 49313

⁷ IBIS Refrigerated Storage Report NAICS 49312

Market Trends

The Warehousing and Storage industry is highly correlated with consumer spending. Increases in consumer product and manufacturing output have contributed to excess demand for Warehousing and Storage. Additionally, e-commerce's growth will continue to spur demand for additional space and labor requirements from online companies with limited or no-brick-and-mortar stores and/or warehouses. However, e-commerce is also generating demand from smaller sellers that lack their own warehouse space. Nationally, e-commerce sales are projected to grow at an annualized rate of 7.8% into 2022.

The industry is experiencing increased demand from producers outsourcing to cut costs and preserve profit margins. Vertical integration through clients operating their own warehouses poses a threat to the industry. This is already true for large companies such as Walmart, General Motors, and Amazon.

Success in the Warehousing and Storage industry is dependent on price, location and service offerings. The addition of new and value-added services has helped operators remain competitive. For example, increases in consumer spending on food products has stimulated a rise in refrigerated warehousing and storage facilities. The need for specific warehousing facilities may shift as improved logistics coordination reduces lead times in supply and demand chains.

Facilities for Warehousing and Storage are typically rectangular in design with ceilings upwards of 40 feet and ample loading docks. Establishments aim to maximize efficiency in packaging and loading, and therefore transportation planning is essential to reduce delivery time. Logistically, sites should offer connections to areas with high manufacturing and retail sector concentration. Some areas have restrictive limitations on warehousing square footage therefore driving demand for nearby facilities outside the confines of those restrictions.

Utility Needs and Infrastructure Improvements

Warehouse/distribution centers require a minimum of 25 to 75 developable contiguous acres. In metropolitan areas, sites with less acreage can be supported. A site of 50 contiguous acres can accommodate a building of one million square feet. Typical warehousing facilities have ceilings in excess of 30 feet to allow movement of shipments to and from trucks and allow for high stacking pallets. Ease of transportation access is one of the more important factors when choosing a location. Therefore, location of sites should be within 15 miles of a major interstate or highway. Sites with rail access are more desirable due to the competitive advantage of cost-effective shipping options.

Minimum utility infrastructure for a 50-acre site includes electricity demand of 1,350 kilowatts, 15 kVA line or larger, and potential for dual feed from a substation. Natural gas demand is a minimum of 8,300 CF/hour with an annual usage of 175,000 therms. Sites should have access to a 4 to 6-inch high pressure natural gas line within three miles. The water distribution line should be at least 10 inches in diameter and allows for a minimum capacity of 2,500 to 4,000 gallons per minute. The sewer and wastewater system needs a capacity of 20,000 gallons per day or greater at the site boundary with a preference for a municipal system. For telecommunication a minimum of T-1 level of service capacity is required.⁸ All of these requirements will vary depending on the nature of the end user.

⁸ Build Now New York Development Profile for Warehouse/Distribution/Logistics Center Sites

Manufacturing

The Manufacturing industry involves the mechanical, physical, or chemical transformation of materials, substances, or components into new products. Establishments in this industry include plants, factories and mills and typically house power-drive machines and materials-handling equipment. Establishments that process materials and those that contract with other businesses to outsource production are included in this sector.⁹ This industry profile delves into the following Manufacturing subsectors, which have a strong presence in North Central Massachusetts: Plastics and Rubber Products Manufacturing (NAICS 326), Fabricated Metal Product Manufacturing (NAICS 332) and Food Manufacturing (NAICS 311).



Major Subsectors:

- Plastics and Rubber Products Manufacturing
- Fabricated Metal Product Manufacturing
- Food Manufacturing

The Manufacturing industry and specific subsectors were chosen based on several factors including information provided in the North Central Massachusetts Industrial Study for MassDevelopment and location quotients that represent strong industry presence despite some long-term declines in Manufacturing jobs. Additionally, the presence of competitive Manufacturing firms in the region, indicate expansion within the Manufacturing industry is occurring and that sites with appropriate infrastructure serve as opportunities for business location. Notable manufacturing businesses in the region include:

- Mayhew Basque Plastics, Westminster - <http://www.mayhewbasqueplastics.com/>
- Wachusett Brewing, Westminster - www.wachusettbrewingcompany.com
- Ranor Corporation, Westminster - <http://www.ranor.com/>
- Rocheleau Tool and Die, Fitchburg - <http://www.rocheleautool.com/>
- Moduform, Fitchburg - <http://moduform.com/>
- Nasoya Foods, Ayer - <http://www.nasoya.com/>

Industry Trends

In the Town of Westminster, Manufacturing lost 30 jobs over the last decade, reducing the size of the industry by 7%. North Central Massachusetts experienced greater decline, losing over 1,905 jobs since 2007 for a decline of 11%. Massachusetts had the greatest Manufacturing job decline, going from over 300,000 jobs in 2007 to approximately 250,000 by 2017. In comparison to the other geographies, the Town of Westminster was less impacted by Manufacturing job decline. Currently Massachusetts has nearly 7,000 Manufacturing establishments. The industry shows high average earnings at approximately \$79,000 in the Town of Westminster, \$92,000 at the regional level and \$108,000 at the state level. Although the industry experienced decline in terms of number of jobs over the past decade, Manufacturing grew in terms of Gross Regional Product (GRP). Massachusetts GRP grew by nearly \$3.9 billion from 2007 to 2016, meaning the value of Massachusetts goods and services in Manufacturing grew by 9%.

⁹ Bureau of Labor Statistics Report NAICS 31 - 33

Manufacturing Industry (NAICS 31-33)									
	2007 Jobs	2017 Jobs	2007 - 2017 Change	2007 - 2017 % Change	Avg. Earnings Per Job	Business Establishments	2017 Location Quotient	2007 - 2016 Change in GRP	2007 - 2016 % Change in GRP
Town of Westminster	443	413	(30)	(7%)	\$ 79,466	N/A	2.56	N/A	N/A
North Central Massachusetts	17,328	15,423	(1,905)	(11%)	\$ 92,437	N/A	1.91	N/A	N/A
Massachusetts	300,858	250,031	(50,827)	(17%)	\$ 107,713	6,949	0.81	\$3,883,261,228	9%

Source: EMSI

Concentration:¹⁰ When examining an industry, a location quotient (LQ) greater than 1 denotes that a given industry is more concentrated in a specified area than across the entire United States. A LQ of higher than 1.2 denotes significant concentration of an industry within a region. The Town of Westminster (LQ = 2.56) and North Central Massachusetts (LQ = 1.91) have a significant higher concentration of Manufacturing employment relative to the nation as a whole.

Westminster has experienced some manufacturing business growth in recent years with new tenants helping to fill space at 100 Simplex Drive. For example, three of the four major spaces (pods) at that facility now have industrial tenants, including the recent relocation of Mayhew Basque Plastics which brought 45 new jobs to Westminster.

Market Trends

Generally, as disposable income rises it increases demand for new products as well as more expensive, higher quality products within the Manufacturing industry. Location of establishments is primarily based on proximity to major distribution centers, necessary infrastructure and major markets and population centers.

Industry trends, key products and services and market trends for Plastics and Rubber Products Manufacturing (NAICS 326), Fabricated Metal Product Manufacturing (NAICS 332) and Food Manufacturing (NAICS 311) are characterized below.

Success Factors

For Manufacturing establishments to remain successful their industries, operators will need to:

- Adapt to changes in consumer preferences and operating environment
- Continue to be adept in further diversification of services and reach a wider range of downstream markets
- Adopt new technology and computerized tools
- Ensure quality and safety of products
- Match the needs of the employers with an adequately skilled workforce

Plastic and Rubber Products Manufacturing (NAICS 326)

North Central Massachusetts is deeply rooted in plastics manufacturing and has played an integral role in the development of the plastics industry in the United States. In fact, the City of Leominster, located ten miles from the Town of Westminster, is known as the "Plastics City" for its abundance of prominent plastic manufacturers throughout history including current day companies First Plastics Corporation, L & C Plastics Inc., F & M Tool Plastics Inc., etc.

Currently, the Town of Westminster has 178 Rubber and Plastic Products Manufacturing jobs with the highest average earnings of the three study areas at approximately \$83,000 per job. North Central Massachusetts has almost

¹⁰ Location Quotient (LQ) analysis determines how concentrated a particular industry, demographic group, or other variable is compared to a larger geography. Concentration is a measure of local and regional strength when assessing economic growth potential. LQ is calculated by comparing the variable at a regional and national level. For example, if an industry accounts for 0.16% of all jobs in the region but only 0.015% of all national jobs then the LQ for that industry in that region would be 10.67 (0.16/0.015), demonstrating that industry is 10 times more concentrated in that region than the national average.

3,000 jobs with average earnings of \$81,000. Massachusetts has approximately 13,000 jobs over 264 establishments and average earnings of \$79,000.

And while Plastic and Rubber Products Manufacturing industry has declined in jobs at the town, region, and state level by 9%, 6% and 10% respectively, it is important to note Gross Regional Product for the industry grew by \$167 million from 2007 to 2016. Additionally, the Plastic and Rubber Products Manufacturing industry is significantly concentrated in the Town of Westminister and North Central Massachusetts.

Rubber and Plastic Products Manufacturing Industry (NAICS 326)									
	2007 Jobs	2017 Jobs	2007 - 2017 Change	2007 - 2017 % Change	Avg. Earnings Per Job	Business Establishments	2017 Location Quotient	2007 - 2016 Change in GRP	2007 - 2016 % Change in GRP
Town of Westminister	196	178	(18)	(9%)	\$ 82,851	N/A	19.59	N/A	N/A
North Central Massachusetts	3,191	2,992	(199)	(6%)	\$ 81,318	N/A	6.57	N/A	N/A
Massachusetts	13,994	12,589	(1,405)	(10%)	\$ 79,019	264	0.73	\$ 166,521,306	12%

Source: EMSI

Concentration: With an LQ of 19.59, the Town of Westminister is nearly 20 times more concentrated with Rubber and Plastic Products Manufacturing compared to the national average. North Central Massachusetts is also highly concentrated with an LQ of 6.57.

Key Products and Services

The two most prominent Plastic and Rubber Products Manufacturing industries in Massachusetts are Other Plastics Product Manufacturing (NAICS 32619) and Plastics Packaging Materials and Unlaminated Film and Sheet Manufacturing (NAICS 32611). Major products and service within Other Plastics Product industry include consumer, institutional and commercial fabricated plastic products specifically for building, electrical/electronic, and transportation applications. Plastic packaging, plastic plumbing fixtures, and reinforced fiberglass products are also key products.¹¹ Major products within NAICS 32611 include plastic bags as well as film and sheets used for packaging.¹²

Market Trends

Businesses in this subsector are commonly small- to medium in size with approximately 88% of all businesses employing fewer than 100 workers. Low industry concentration coupled with few input suppliers encourages new operators to enter the market and compete. Plastic and Rubber Products Manufacturing requires significant financial investment for research and plant equipment, which can deter smaller businesses from entering the market. The industry also faces competition from abroad, which is a constant consideration for US manufacturers.

Key Site Requirements

Plastic and Rubber Products operators tend to prefer to move into existing buildings rather than acquire raw land and build to suit. Typically, sites are five to ten acres in size with buildings ranging from 75,000 to 150,000 square feet. Facilities require amenities such as basic sewer and water and a substantial electricity capacity as these facilities are big electricity users. Access to suppliers and plastics industry ecosystem including repair shops and skilled workforce are important. Businesses in this industry typically range from 35 to 80 employees. Sites also need decent highway access. However, it does not need to be direct access and has been noted that companies have entertained locations five to ten miles from Route 2. Access to freight rail is less important but could be used to help reduce costs for inbound shipments.

¹¹ IBIS Plastic Products Miscellaneous Manufacturing Report NAICS 32619

¹² IBIS Plastic Film, Sheet & Bag Manufacturing Report NAICS 32611

Fabricated Metal Product Manufacturing (NAICS 332)

There are 143 Fabricated Metal Product Manufacturing jobs in the Town of Westminster. Jobs in this industry have declined by 11% since 2007. North Central Massachusetts has experienced similar decline, declining 12% from 2007 to 2017. Massachusetts has approximately 33,000 Fabricated Metal Product Manufacturing jobs after declining 8% over the past decade. There are 1,323 Fabricated Metal Product Manufacturing establishments in the state, comprising 19% of all Manufacturing establishments in the state. Average earnings in this industry are over \$81,000 at the town level, \$70,000 for North Central Massachusetts, and nearly \$83,000 for the state. From 2007 to 2016, Massachusetts GRP in the Fabricated Metal Product Manufacturing grew by 8% or an additional \$292 million.

Fabricated Metal Product Manufacturing Industry (NAICS 332)									
	2007 Jobs	2017 Jobs	2007 - 2017 Change	2007 - 2017 % Change	Avg. Earnings Per Job	Business Establishments	2017 Location Quotient	2007 - 2016 Change in GRP	2007 - 2016 % Change in GRP
Town of Westminster	160	143	(17)	(11%)	\$ 81,378	N/A	7.77	N/A	N/A
North Central Massachusetts	2,262	1,999	(263)	(12%)	\$ 69,909	N/A	0.65	N/A	N/A
Massachusetts	35,480	32,530	(2,950)	(8%)	\$ 82,581	1,323	0.93	\$ 291,558,528	8%

Source: EMSI

Concentration: The Town of Westminster has a significantly higher concentration of Fabricated Metal Product Manufacturing compared to the national average with a location quotient of 7.77.

Key Products and Services

Machine Shops (NAICS 33271) are a prominent Fabricated Metal Product Manufacturing subsector in North Central Massachusetts and the state. Products and services in Machine Shops include Electrical discharge machining (EDM) and electrochemical machining (ECM), grinding, milling and turning.¹³ Cutlery and Handtool Manufacturing (NAICS 33221) is the most prominent subsector in North Central Massachusetts and third most prominent in the state by 2017 job count. The industry is mainly composed of production of razor blades and razors; mechanic hand tools; cutting and precision measuring tools; cutlery utensils, scissors and snips; and edge tools, saw blades and handsaws.¹⁴ Another significant subsector among the region and state is Coating, Engraving, Heat Treating and Allied Activities (NAICS 3328). Electroplating, plating, polishing, anodizing, coloring, metal coating, engraving, and metal heat treating are common services in this industry.¹⁵

Market Trends

The array of services offered in this industry have allowed for establishments to operate independently. However, larger establishments can benefit from economies of scale and a greater market share. The Fabricated Metal Product Manufacturing industry commands a workforce with technical expertise and adept in advance technologic procedures specific to their subsector. Competition in this sector is highly based on product quality and control to achieve high standards in all phases of operations and customer service. The main subsectors in Fabricated Metal Product Manufacturing (NAICS 332) are projected to continue growing and expanding over the next five years presenting an opportunity for well suited sites.

Key Site Requirements

Industry interviews expressed that Fabricated Metal Product Manufacturing typically are smaller scale firms with less than 30 employees. Due to the relatively small scale of operation, large sites and acreage are not always required. Operators tend to prefer to locate in existing industrial buildings rather than raw land to cut down on infrastructure costs and speed the time to market.

¹³ IBIS Machine Shop Service Report NAICS 33271

¹⁴ IBIS Hand Tool & Cutlery Manufacturing Report NAICS 33221

¹⁵ IBIS Metal Plating & Treating Report NAICS 33281

Food Manufacturing (NAICS 311)

While many of the Manufacturing subsectors have experienced decline over the past decade, the Food Manufacturing industry has shown growth at the regional and state level, growing by 22% and 9% respectively. Data indicates that the Town of Westminster has not employed workers in this industry in 2007 or 2017. North Central Massachusetts currently has 1,300 workers with average earnings of over \$73,000. Currently the state has 790 Food Manufacturing establishments employing approximately 25,000 people. Average earnings in this industry are just shy of \$60,000 at the state level. The subsector's Gross Regional Product grew by 42% from 2007 to 2016, adding an additional \$793 to the Massachusetts' economy.

Food Manufacturing Industry (NAICS 311)									
	2007 Jobs	2017 Jobs	2007 - 2017 Change	2007 - 2017 % Change	Avg. Earnings Per Job	Business Establishments	2017 Location Quotient	2007 - 2016 Change in GRP	2007 - 2016 % Change in GRP
Town of Westminster	0	0	0	0%	\$ -	N/A	0	N/A	N/A
North Central Massachusetts	1,103	1,341	238	22%	\$ 73,452	N/A	1.32	N/A	N/A
Massachusetts	23,123	25,191	2,068	9%	\$ 59,723	790	0.65	\$ 792,894,767	42%

Source: EMSI

Concentration: The Town of Westminster and Massachusetts fall below the national average in terms of Food Manufacturing employment. North Central Massachusetts has an LQ of 1.32, which denotes significant concentration of the industry within the region.

Key Products and Services

Major products within the Food Manufacturing industry are fresh and frozen breads; fresh and frozen desserts; frozen foods; egg products; flavoring powders, tablets, paste and ingredients; perishable prepared foods sold in bulk or packages; and other foods. While bread and perishable food items remain staples recent changes in dietary trends and consumption patterns have spurred demand in fresh and high-quality products.^{16,17}

Market Trends

Product price, quality, and level of differentiation determine competition within the Food Manufacturing industry. Manufacturers and brands with a reputation for high quality goods command premium prices. However, when the price of goods increases price sensitive consumers may switch brands to find more affordable options. The ability to secure premiere shelf space in retailers gives brands a competitive advantage. Yet, more informal methods of marketing and distributing goods have created opportunities for smaller producers.

Key Site Requirements

Food Manufacturing processes tend to be water and energy intensive. Water and energy intake is dependent on the type of food being processed. For example, breweries use water in the heating and cool processes, packaging and to meet hygiene standards. Implementing efficient strategies and technology can reduce the amount of water and energy needed and therefore make the site more profitable. Massachusetts is home to major food producers including the largest tofu manufacturer in New England. Tofu processing often requires reverse osmosis, vacuum evaporation, nanofiltration and heating which requires large amounts of water and energy. Therefore, sites will require adequate water and electricity capacity and wastewater infrastructure for the specific food(s) they are processing.

¹⁶ IBIS Bread Production Report NAICS 31181

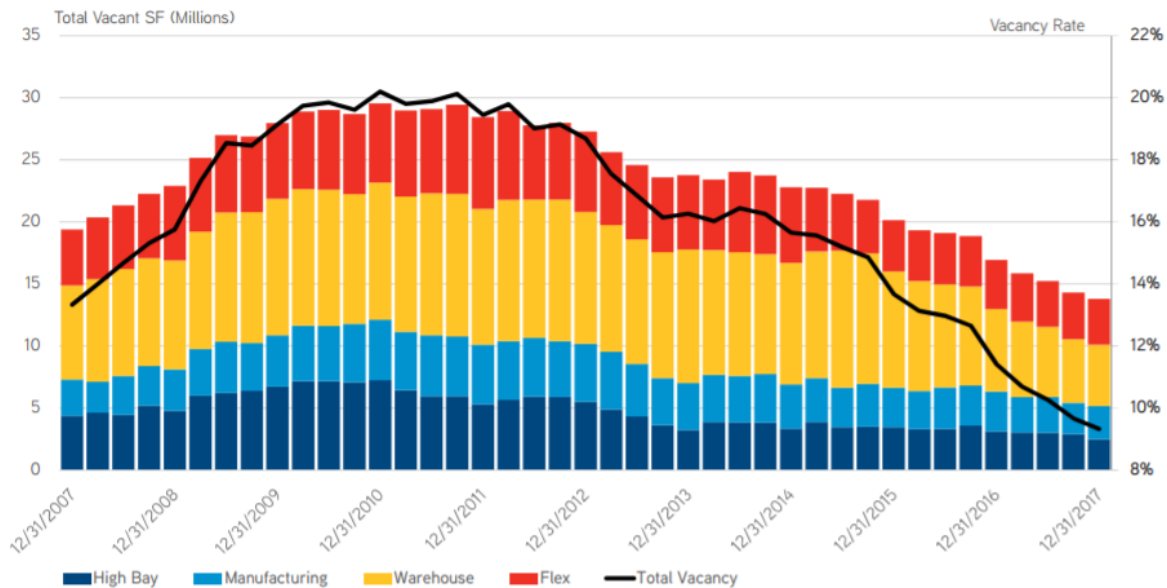
¹⁷ IBIS Baking Mix & Prepared Food Production Report NAICS 31199

Industrial Real Estate Market Analysis

The Boston industrial market remains on a hot streak, with absorption of nearly three million square feet of space in 2017 and downward trending vacancies. According to Colliers, market-wide industrial vacancy stands at 9.3%, down 2.1 percentage points year-over-year. As a result, rents are rising rapidly, surpassing \$7.00 (NNN) on average for the first time, a 13.9% increase over last year. While the development pipeline is significant, developers have shown restraint when it comes to spec construction, suggesting stable fundamentals into the future.¹⁸

Of the industrial product types (flex, manufacturing, warehouse/distribution), the latter has performed the best; the majority of industrial leases signed in Q4 2017 were for warehouse and distribution space. Positive absorption in this category more than compensated for slight negative absorption in the other industrial product types. According to JLL, heightened market activity in warehousing/distribution aligns with trends seen nationally as demand for last-mile distribution continues to rise, particularly in urban areas.¹⁹

Figure 4: Vacancy by Space Type, Boston Metro, Q4 2017



Source: Colliers International

Westminster's location on the extreme outskirts of the Boston metro—or "at the edge of the universe," as one real estate developer put it—limits its potential to compete with other better-located sites. However, the town does have an advantage on the basis of available land and more affordable land costs and rents. As a result, the most competitive angle for the subject sites would be for large facilities in the 200,000+ square feet range. In order to consider sites relatively far removed from population centers in Boston and Worcester, end users would be seeking turnkey facilities that are essentially move-in ready. Such users may be unwilling to bear the expense and delay of a "build to suit" arrangement when they could undertake a similar project on a more centrally located site. According to interviews with real estate professionals, spec development projects for large distribution centers have been successful in the region, with full absorption upon completion.

¹⁸ Colliers International. Greater Boston Industrial Viewpoint Q4 2017.

¹⁹ JLL. Boston Industrial Insight. Q4 2017.

For Lease Inventory

A review of LoopNet property listings within 20 miles of Westminster shows ten listings of industrial or flex facilities with at least 50,000 SF of space available, and only three listings with at least 100,000 SF. One of these is 100 Simplex Drive, just across the street from one of the subject properties, which has approximately 130,000 SF of warehouse space available beginning in January 2019 at an asking rate of \$4.95/SF NNN. Other facilities include up to 130,000 SF of warehouse space at 34 Sanborn Street in Gardner at \$3.50/SF, and up to 292,500 SF of flex R&D space at 1414 Massachusetts Avenue in Boxborough. As expected, the rents at these facilities are lower than the Boston market average of \$7.00.

For Sale Inventory

There are five listings for for-sale industrial properties within 20 miles of Westminster that are at least 100,000 SF. Note that the entire 100 Simplex Drive property is also listed for sale, along with other properties in Athol, Leominster, and West Boylston.

Available Industrial Land Inventory

Few large vacant industrially zoned sites are readily available in the Westminster region. There are sites in the 20-to-25-acre range in Lunenburg, Lancaster, and Worcester, and another very large 414-acre site also in Lancaster.

See attached for all LoopNet real estate listings referenced.

Findings and Recommendations

The key assets of both sites are their large size (40+ acres), existing industrial zoning, and infrastructure assets (including access to Route 2 and, in the case of Theodore Drive, access to freight rail). Leveraging these assets, the purpose of this analysis is to identify suitable target industries for the sites and to lay out the steps that the Town of Westminster, property owners, and/or other stakeholders would need to take to make the sites more competitive for business attraction. The main findings and recommendations from the analysis are summarized as follows.

Overall, market demand for industrial space in the Westminster area will likely continue to be relatively weak over the near term. Despite declining vacancies and rising rents for industrial properties in the Boston region, Westminster's distance from major population centers makes it less competitive relative to other sites in terms of attracting industrial development. Westminster's primary advantage over better-located sites is lower cost and greater availability of land. Industrial users may consider Westminster if the supply of industrial space closer to Boston and Worcester remains constrained and prices continue to rise.

Warehousing and distribution space is the industrial use type with the strongest demand in the Eastern Massachusetts region. There is a need for large warehouses in 200,000+ SF range. These facilities tend to locate farther from population centers where land is abundant. This use offers the greatest potential for Westminster in terms of market demand. However, in order to attract these users, an existing facility would likely need to be constructed and ready to occupy. Such users may be unwilling to bear the expense and delay of a "build to suit" arrangement when they could undertake a similar project on a more centrally located site.

A successful distribution facility would require easy access to Route 2, which is offered more readily by the Simplex Drive site. For the Theodore Drive location, the lack of signalized intersection at Bathrick Road and Route 2A/State Road presents a challenge for any use with a significant amount of truck traffic, though it is possible that a specialized warehousing business that is heavily reliant on freight rail could be attracted to the site.

In the absence of a concerted effort to develop a large-scale speculative warehouse/distribution facility or facilities—which would likely require public-private partnerships or incentives—multiple end users with smaller space requirements may be considered. Other potential uses for the site may include manufacturing space, particularly for the plastics, fabricated metal, and food production industries, which have a strong presence in the region.

In order for these sites to be competitive options for industrial users and developers, they need to work towards becoming completely pad ready, with all necessary infrastructure upgrades. This could occur in phases where an initial phase might focus on: a) mapping key development parcels and how they could be sub-divided; b) detailed information on each site in terms of current utilities and infrastructure, and the costs to upgrade or connect to the site; c) expanding current marketing efforts; and d) determining if the Town and/or other public entities can offer incentives or grants to help offset upfront infrastructure and development costs. These kinds of tasks would need to be discussed by the landowner, the Town of Westminster, and MassDevelopment to develop a near-term plan of action to upgrade the sites to become closer to market-ready, but before investing millions of dollars in site upgrades.

A second phase may entail more extensive work to prepare pad-ready sites, install and connect utilities to the sites, and identify partners/developers to help invest in business development opportunities.

The Simplex Drive site would require the following:

- Clearing a portion of land, and identifying and creating development parcels/pads. This would likely be done by the landowner in phases, with the creation of a road granting access to the most developable sections of the sites.

- Undertaking pavement upgrades on Simplex Drive within four to five years. This would be the responsibility of the roadway owner.
- Water connection into the site and potential upgrades to pumping system. Responsibility of the landowner, but may qualify for state grants or other public funding.
- Connection to natural gas, telecom, and electric. Responsibility of the landowner, but may qualify for state grants or other public funding.
- Additional investigation into the condition of the system, the design and implementation of improvements is critical to support development of the parcel. Based on the Fuss & O'Neil analysis, the condition and availability to connect to the privately-owned sewer system in Simplex Drive is a major uncertainty.

The Theodore Drive site would need to implement the following upgrades:

- Complete the clearing of sand/gravel from the site and level the land to create a development-ready site
- Signalization and geometric improvements at Bathrick Road/Depot Road and Route 2A/State Road to facilitate access to Route 2 by landowner
- Pavement upgrades to Theodore Drive by landowner
- Installation of all utilities up to project site, including on-site sewer pump station. Responsibility of the landowner, but may qualify for state grants or other public funding.
- Driveway access from Theodore Drive down to the site. Responsibility of the landowner.

There are existing marketing brochures for both the Westminster Business Park and the 100 Simplex Drive property, which is across the street from the Simplex Drive subject site. The business park and 100 Simplex Drive are also listed on MassEcon's statewide site selection website. To advance and expand these marketing efforts to the subject sites, we recommend the following:

- Develop marketing materials specific to the vacant land along Simplex Drive with the developable sites clearly identified; and
- Provide more detailed information on the Theodore Drive site focused on the 35 developable acres and how that could potentially be subdivided.

Marketing materials should be updated as additional information about the sites is learned and infrastructure improvements are made.

Attachment A: Data Sources

Economic Modeling Specialists International (EMSI)

To analyze the industrial makeup of a study area, industry data organized by the North American Industrial Classification System (NAICS) is assessed. Camoin Associates subscribes to Economic Modeling Specialists Intl. (EMSI), a proprietary data provider that aggregates economic data from approximately 90 sources. EMSI industry data, in our experience, is more complete than most or perhaps all local data sources (for more information on EMSI, please see www.economicmodeling.com). This is because local data sources typically miss significant employment counts by industry because data on sole proprietorships and contractual employment (i.e. 1099 contractor positions) is not included and because certain employment counts are suppressed from BLS/BEA figures for confidentiality reasons when too few establishments exist within a single NAICS code.




Esri Business Analyst Online (BAO)

ESRI is the leading provider of location-driven market insights. It combines demographic, lifestyle, and spending data with map-based analytics to provide market intelligence for strategic decision-making. ESRI uses proprietary statistical models and data from the U.S. Census Bureau, the U.S. Postal Service, and various other sources to present current conditions and project future trends. Esri data are used by developers to maximize their portfolio, retailers to understand growth opportunities, and by economic developers to attract business that fit their community. For more information, visit www.esri.com.






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IBISWorld is one of the world's leading publishers of business intelligence, specializing in industry and procurement research. Through its detailed industry reports available at 5-digit NAICS level, IBISWorld provides insight into market conditions for targeted industries, helps to identify major suppliers or supply chain, and provides an understanding of competitor activity. More at www.ibisworld.com.





Properties for Lease

			
Address	1414 Massachusetts Ave Boxborough, MA	100 Simplex Dr Westminster, MA 01473	34 Sanborn St Gardner, MA 01440
Property Type	Flex	Industrial	Industrial
Property Subtype	R&D	Warehouse	Warehouse
Zoning			
Year Built	292,513 SF	692,305 SF	401,458 SF
No. Stories			
Lot Size	1987	1975	1958
APN / Parcel ID			
Space Available			
Asking Rent	Rent Not Disclosed	\$4.95 /SF/Yr	\$3.50 /SF/Yr
Spaces	2 Spaces	1 Space	1 Space
Property Description	Size - 288,794 SF Year Built - 1983 /1987		Industrial office, warehouse and manufacturing space available.
Location Description			
Notes			

Properties for Sale

					
Address	100 Hartwell St West Boylston, MA 01583	100 Simplex Dr Westminster, MA 01473	151 Harrison St Athol, MA 01331	134 Chestnut Hill Ave Athol, MA 01331	111 Crawford St Leominster, MA 01453
Property Type	Industrial	Industrial	Industrial	Industrial	Industrial
Property Subtype	Warehouse	Warehouse	Manufacturing	Warehouse	Manufacturing
Zoning	Industrial	Industrial/Com	ZII, Athol		Industrial
Rentable Building Area	171,000 SF	692,305 SF	108,371 SF	360,000 SF	102,000 SF
Year Built	1970	1975	1972	1899	1950
No. Stories	2	1	1	4	1
Lot Size	20.00 AC	95.00 AC	3.62 AC	13.00 AC	4.60 AC
APN / Parcel ID	WBOY-000172-000006	WMIN-000088-000000-000010	ATHO-000029-000013	ATHO-000031-000119	LEOM-000227-000005A
Asking Price	\$5,900,000	Price Not Disclosed	\$1,600,000	Price Not Disclosed	\$4,100,000
Price Per	\$5,900,000	Price Not Disclosed	\$1,600,000	Price Not Disclosed	\$4,100,000
Cap Rate					8.00%
Property Description					
Location Description					
Notes					

Properties for Sale

				
Address	40 Leominster Shirley Rd Lunenburg, MA 01462	Fort Pond Rd Lancaster, MA 01523	Lunenburg Rd Lancaster, MA 01523	Century Dr Worcester, MA 01601
Property Type	Land	Land	Land	Land
Property Subtype	Industrial	Industrial	Industrial	Industrial
Zoning		Industrial	LI, Lancaster	
Year Built				
No. Stories				
Lot Size	25.00 AC	414.00 AC	24.00 AC	24.00 AC
APN / Parcel ID	162/147.0-0001-0000.0	LANC-000050-000000-000260	LANC-000090-000000-000060	
Asking Price	\$2,000,000	Price Not Disclosed	\$3,400,000	Price Not Disclosed
Price Per	\$2,000,000	Price Not Disclosed	\$3,400,000	Price Not Disclosed
Cap Rate				
Property Description				
Location Description				
Notes				

**For Sale/
Build To Suit**

Westminster Business Park Westminster, MA



251 Acres of Industrial Land:

- Development Sites Available: 5-50 Acres
- Active Pan Am Rail Service
- Located One Mile From Route 2

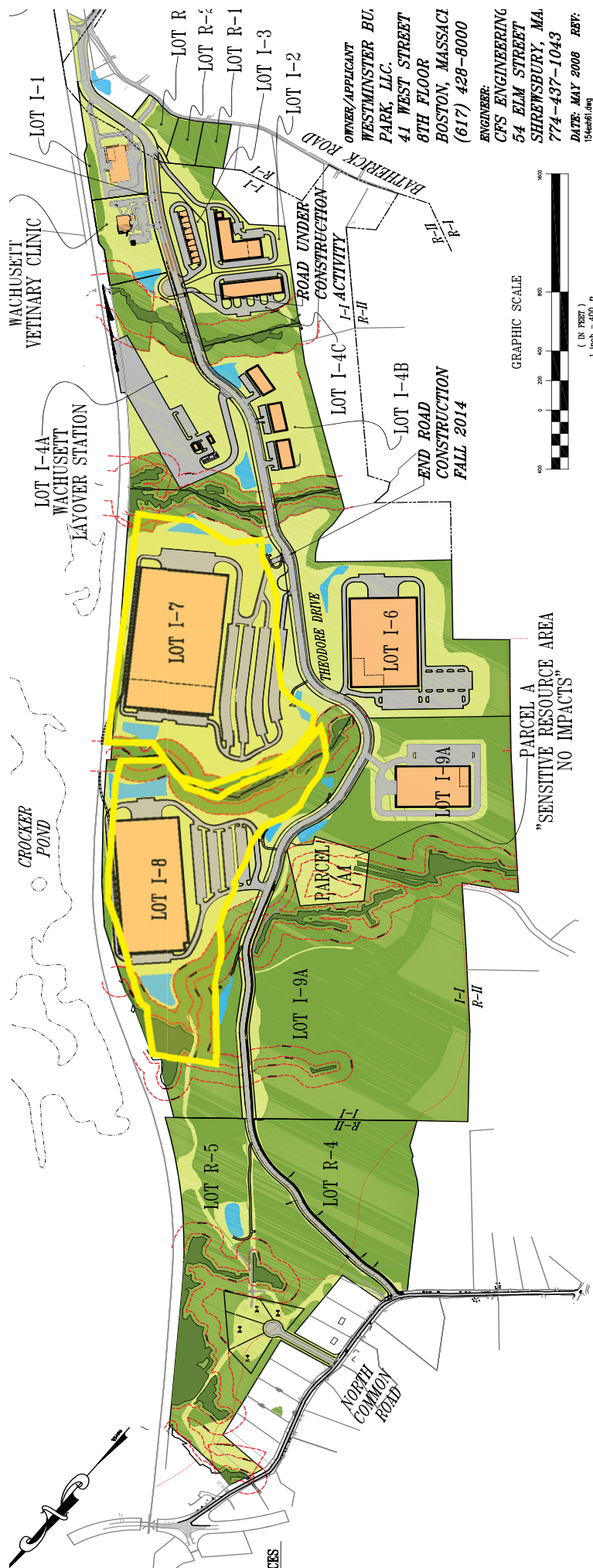


**THE
STUBBLEBINE
COMPANY**

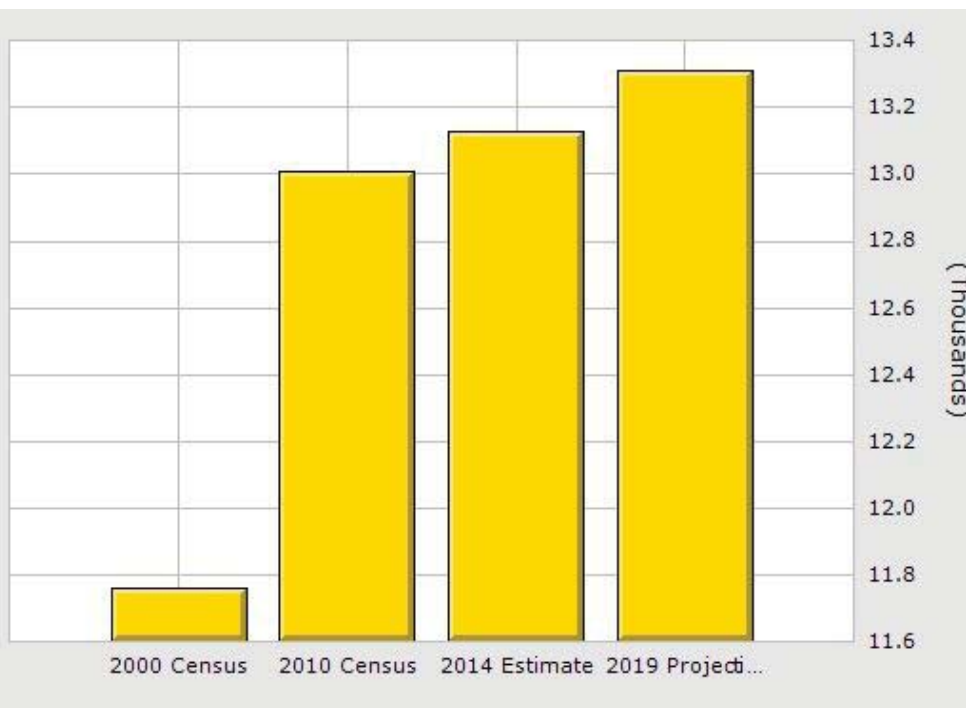
CORFAC INTERNATIONAL

The Stubblebine Company / One Cranberry Hill / Lexington, MA / P: 781-862-6168 / F: 781-862-6212 / www.stubblebinecompany.com

Master Plan:



DEMOGRAPHICS



Population	3 Mile	5 Mile	10 Mile
2014 Total Population:	13,129	48,404	143,622
2019 Population:	13,313	48,943	145,430
Pop Growth 2014-2019:	1.40%	1.11%	1.26%
Average Age:	39.80	38.10	39.30
Households			
2014 Total Households:	5,081	18,063	55,481
HH Growth 2014-2019:	1.32%	1.13%	1.31%
Median Household Inc:	\$68,113	\$52,220	\$58,933
Avg Household Size:	2.60	2.50	2.50
2014 Avg HH Vehicles:	2.00	2.00	2.00
Housing			
Median Home Value:	\$225,312	\$211,910	\$235,685
Median Year Built:	1962	1950	1960

Local Area Amenities



Specifications:

Total Acres:	251 +/-
Zoning:	Industrial
Highest and Best Use:	High bay distribution or manufacturing
Maximum Capacity:	1,800,000 s.f. of single story buildings
Utilities:	All utilities to the site: Sewer, Water, Gas & Electric
Rail:	Active Pan AM Railroad, 7,000 feet of railway runs along the property.
Permitting:	MEPA approved
Road:	Two thousand yards completed to cul-de-sac with utilities fulfills all state requirements.
Incentives:	Property is located in an economic target area and tax incremental financing (T.I.F.'s) and other incentives are available through the state.
Location:	<ul style="list-style-type: none">• 8 Miles to route I-190• 24 Miles to Worcester• 48 Miles to Boston



Exclusive Listing Agent:

**THE STUBBLEBINE COMPANY
CORFAC INTERNATIONAL**

**David Stubblebine 617.592.3391
Principal**

**James Stubblebine 617.592.3388
Principal**

**Alan Ringuette 978.265.8112
Senior Advisor**

**For Lease
or Sale**

Route 2 Commerce Park 100 Simplex Dr | Westminster, MA



Landmark Campus

**439,270 SF for Lease
(easily divisible)**

As the exclusive listing agent, The Stubblebine Company is pleased to present Route 2 Commerce Park for lease or sale. With robust infrastructure, first-class corporate amenities and a strategic location off of Route 2, the 95-acre park is the ideal headquarters for R&D, office, manufacturing and warehouse/distribution users.



Listing Agent:
**THE STUBBLEBINE COMPANY
CORFAC INTERNATIONAL**



**HACKMAN
CAPITAL**



**CALARE
PROPERTIES**

PROPERTY OVERVIEW



PROPERTY HISTORY

Route 2 Commerce Park, a single-story office/manufacturing/distribution facility, was built by Digital Equipment Corporation in phases between 1975 and 1980. The property was purchased by Simplex Time Recorder, Inc. in 1992 and fully renovated and upgraded for the manufacturing of their Security and Fire Protection products.

CAMPUS LOCATION

Route 2 Commerce Park is strategically situated in Westminister at the intersection of Route 2 and Route 40, just 18 miles from I-495, 24 miles from Worcester and 53 miles from Boston—providing direct access to key New England markets and a highly skilled and educated workforce. The property offers dramatic frontage on Route 2, easy accessibility and clear highway visibility.

FLEXIBLE LAYOUT AND PARKING

The 685,000 square foot complex maintains the amenities and prestigious facade that is expected from a world-class headquarters building. The site provides 1,800 parking spaces and is subdividable to accommodate users as small as 65,000 s.f.

ROBUST INFRASTRUCTURE & HIGH-TECH SYSTEMS

The facility provides users with heavy power—17,500 amps, 13,800 volts, 3-phase power (with 4,000 amps / 480 volts / 3 phase per core) and two back-up generators (450KW and 175KW). The site is serviced by municipal water and sewer. The building is equipped with state-of-the-art telecommunications (T1 lines), a raised-floor data center and a modern security system with surveillance cameras.

UNIQUE CORPORATE AMENITIES

Route 2 Commerce Park offers a prestigious image and an array of unique benefits for companies looking to establish corporate headquarters at the campus. Building amenities include a distinguished façade, formal entry, full-service cafeteria, impressive conference rooms, abundant parking and more. Landmark campus amenities include a lush, wooded setting on 95 acres, with ponds, recreation paths and picnic areas.



Listing Agent:

**THE STUBBLEBINE COMPANY
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PROPERTY SPECIFICATIONS

Total Space:	+/- 685,000 s.f. comprised of five cores
Available Space:	+/- 439,270 s.f. - Divisible to 65,000 s.f.
• Core 1	+/- 130,217 s.f. - High-Tech Office Quad
• Core 2	+/- 69,545 s.f. - warehouse (A/C)
• Core 3	+/- 109,690 s.f. - R&D/flex
• Core 4	+/- 129,818 s.f. - warehouse
Land Area:	+/- 95 acres
Foundation:	Poured concrete slab/footings
Exterior Walls:	Masonry with insulated metal panels
Roof Structure:	Bar joist and steel deck
Floor Coverings:	<ul style="list-style-type: none">• Office - with carpet• Manufacturing - vinyl tile/sealed concrete• Warehouse - sealed concrete
Ceilings:	<ul style="list-style-type: none">• Office - 10' clear• Warehouse - 18' clear• R&D - 10' - 18' clear
Lighting:	Recessed fluorescent in office and manufacturing; high bay metal halide in warehouse area
Power:	17,500 amps, 13,800 volts, 3 phase/4 wire service; Each core has 4,000 amps
Heat:	Central boiler room w/gas and oil fired hot water system feeding individual multi-zoned air handlers
Air Conditioning:	Entire premises via a central Freon distributed supply system, feeding multi-zoned air handlers
Sprinklers:	100% wet sprinkler system throughout
Features:	<ul style="list-style-type: none">• Training center• Raised floor datacenter space• Fully equipped cafeteria• Two diesel-powered back-up generators• Modern security system with surveillance cameras
Parking:	On-site parking for 1,880 cars
Loading:	14 dock doors in manufacturing area and 13 dock doors in warehouse area
Systems:	T1 telephone lines, raised-floor data center, modern security system with surveillance cameras
Sale Price:	\$11,700,000 or \$17 per s.f.



Listing Agent:

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FLOOR PLAN



CORE 2	
Office	
Warehouse	69,545 s.f.
▼ Dock Doors	6

CORE 4	
Office	21,387 s.f.
Warehouse	108,431 s.f.
▼ Dock Doors	6

CORE 1	
Office	130,217 s.f.

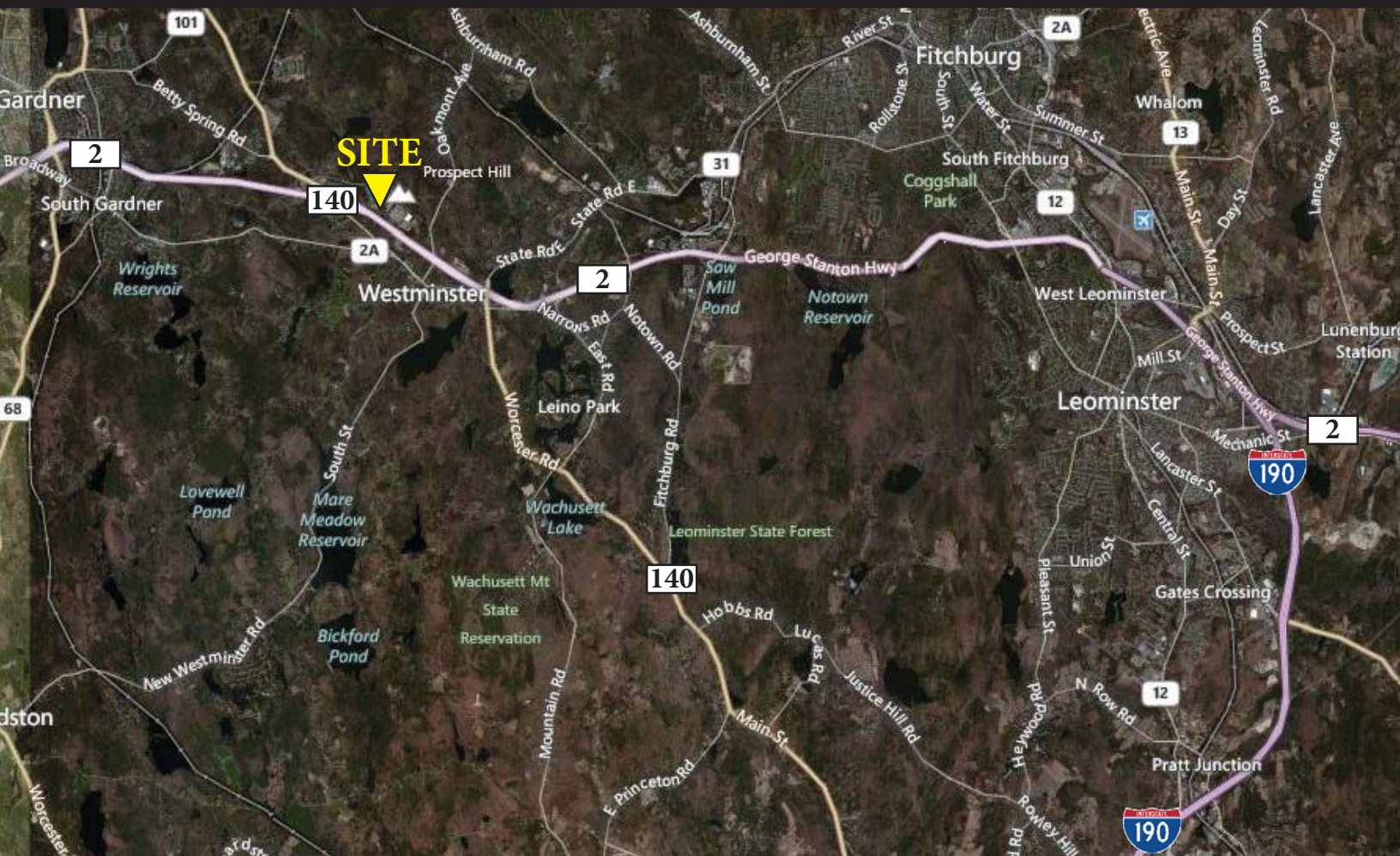
CORE 3	
Office	60,925 s.f.
Warehouse	48,765 s.f.,



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LOCATION



100 Simplex Drive is an ideal location and just:

- 1 mile to Route 2 / Route 140
- 18 miles to I-495
- 24 miles to Worcester
- 53 miles to Boston

(approximate distances)

Ownership:

Route 2 Commerce Park is owned by a joint venture among entities formed by Hackman Capital Partners, LLC, Calare Properties Inc. and KBS Real Estate Investment Trust

For more information regarding this project please contact:



Listing Agent:

THE STUBBLEBINE COMPANY
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