

A TECHNICAL ASSISTANCE PANEL REPORT

Strathmore Mill Complex Redevelopment Montague, MA



**Urban Land
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Boston

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Executive Summary

Under the direction of the Urban Land Institute's Boston District Council, The Montague Technical Assistance Panel (TAP) convened in the Village of Turners Falls in Montague, MA in December 2010. The TAP convened stakeholders, Town and community leaders, and a panel of land use and development professionals for a day-long session focused on the viability of the Town's RFP for redevelopment of the town-owned, vacant Strathmore Mill complex located on an island in the Connecticut River. Focusing on the viability of the town's desire to find a developer to redevelop the site, the team met with the Town's planning staff over the course of the day, and toured the historic mill complex, before interviewing nearly a dozen stakeholders and community leaders to understand the mill complex and its redevelopment potential. Data collected and prepared by the Town's planning and development staff prior to the TAP informed this discussion.

The panel then held a "closed door" charette during which it discussed the redevelopment possibilities and likelihood of finding a developer in the current economic climate. The outcome of this collaborative effort was a presentation by the panelists at a public meeting and this report.

The report that follows is separated into four chapters and provides background about the TAP program, an overview of the issues associated with the Strathmore Mill complex in Turners Falls, the Panel's recommendations regarding the site and the Town's next steps.

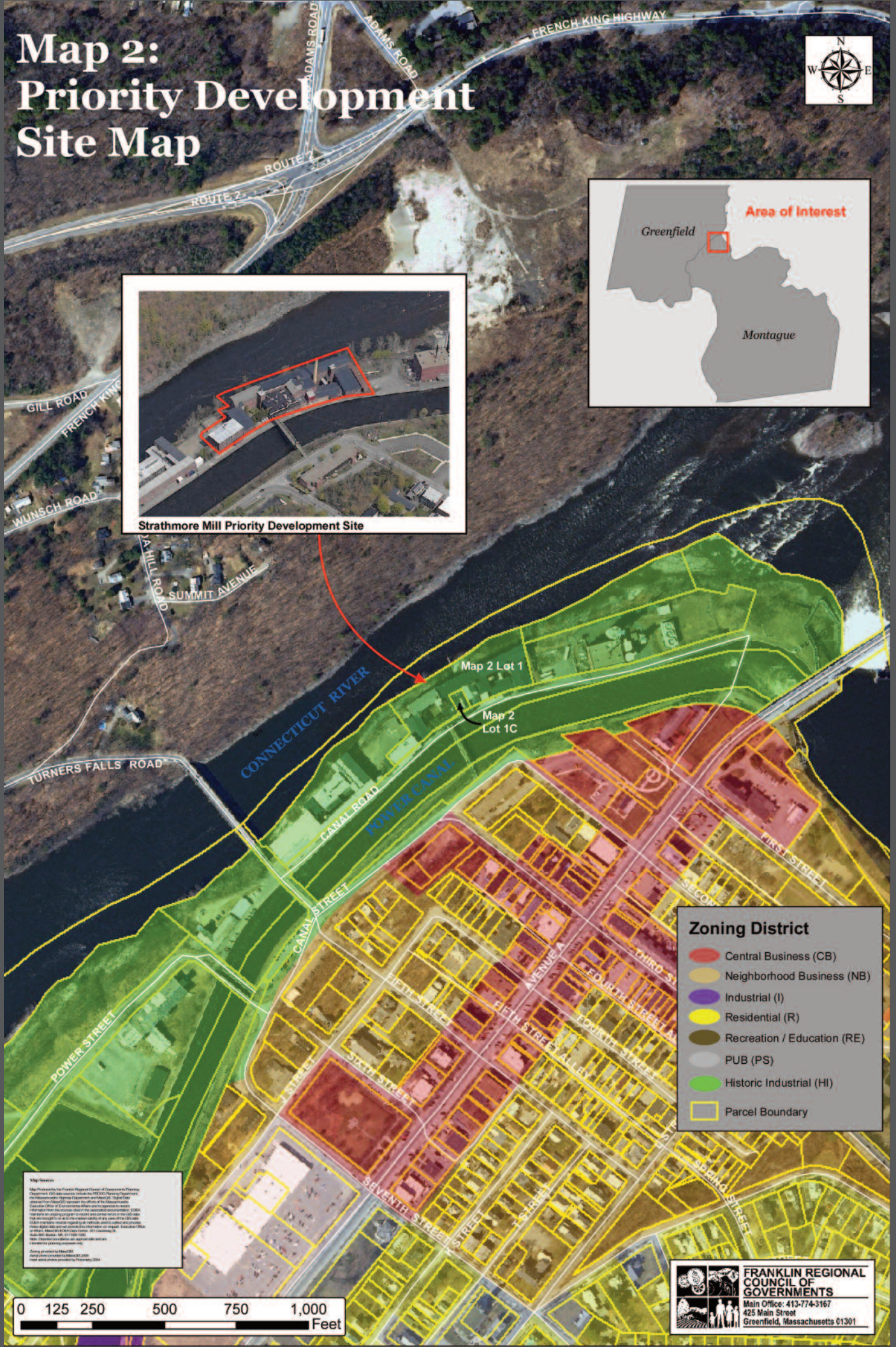
Chapter 1: ULI and the TAP Process gives an overview of the Urban Land Institute's Boston District Council and its Technical Assistance Panels (TAPs) and provides a detailed list of participants in the December 2010 Montague TAP including town officials, stakeholders, and a panel of land use and development professionals.

Chapter 2: Background and Assignment provides a recount of the Strathmore site's history and the town's goals for redevelopment of the site.

In *Chapter 3: Observations and Findings* the panel enumerates the relevant issues raised in the tour and assesses the town's ability to find a developer for the site.

Finally, in *Chapter 4: Recommendations*, the panel provides its analysis on the feasibility of the proposed RFP for future redevelopment, whereby the town invests money to clean-up and stabilize the site and investigate improved access options and funding sources for the improvements.

Map 2: Priority Development Site Map



Zoning District

- Central Business (CB)
- Neighborhood Business (NB)
- Industrial (I)
- Residential (R)
- Recreation / Education (RE)
- PUB (PS)
- Historic Industrial (HI)
- Parcel Boundary

Map Notes:

Map prepared by the Franklin Regional Council of Governments Planning Department. All data were current as of the 2006 Census. The information is for general informational purposes only. It is not intended to be used for legal or financial purposes. The Franklin Regional Council of Governments Planning Department is not responsible for any errors or omissions. The Franklin Regional Council of Governments Planning Department is not responsible for any damages or losses resulting from the use of this map. The Franklin Regional Council of Governments Planning Department is not responsible for any damages or losses resulting from the use of this map.

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1. Background

a. Urban Land Institute (ULI)

The Urban Land Institute is a 501(c)(3) nonprofit research and education organization supported by its members. Founded in 1936, the institute now has 30,000 members worldwide representing the entire spectrum of land use and real estate development disciplines, working in private enterprise and public service.

As the preeminent, multidisciplinary real estate forum, ULI facilitates the open exchange of ideas, information and experience among local, national and international industry leaders and policy makers dedicated to creating better places. The mission of the Urban Land Institute is to provide leadership in the responsible use of land and to help sustain and create thriving communities. ULI Boston serves the six New England states.

b. Technical Assistance Panels (TAPs)

ULI Boston's Public Outreach Committee convenes Technical Assistance Panels at the request of public officials and local stakeholders. They serve underresourced communities and nonprofit organizations facing complex land use challenges who benefit from planning and development professionals providing pro bono recommendations. At the TAP, a group of diverse professionals representing the full spectrum of land use and real estate disciplines typically spend one to two days visiting and analyzing existing built environments, identifying specific planning and development issues. They then formulate realistic and actionable recommendations to move initiatives forward in a way consistent with the applicant's goals and objectives.

c. Panelists and TAP Process

Panel Members

ULI Boston convened a panel of volunteers whose members represent a range of disciplines associated with land use and development required to assess Montague's Redevelopment RFP for the Town-owned site. Disciplines represented included transportation engineering, construction, development, municipal economic development, planning, and civil engineering. Members were selected with the intent of convening a robust array of professional expertise relevant to the Town's objectives for the TAP.

The following is the list of panelists:

- Jeremy Wilkening, Developer, Somerville Community Corporation (TAP Co-Chair)
- Micah O'Neil, Project Manager, Dellbrook Construction (TAP Co-Chair)
- Brian Connors, Deputy Director of Economic Development, City of Springfield, MA
- Eric Fellingner, Transportation Engineering Consultant
- Scott Turner, Director of Planning, Nitsch Engineering

Michelle Landers, Manager at ULI Boston provided organizational and technical support in preparation for and during the TAP event.

Walter Ramsey, Planner for the Town of Montague served as a primary contact for the TAP.

Stakeholders

The success of this TAP would not have been possible without the cooperation of the diverse group of stakeholders who met with the panel and shared ideas, assessments and opinions on a range of issues.

Stakeholder contributors to the Montague TAP included:

- Frank Abbondanzio, Town Administrator, Montague, MA
- Patricia Allen, Chair, Montague Board of Selectmen
- Jessica Atwood, Economic Development Planner, Franklin Regional Council of Governments
- Beth Bazler, FirstLight Power Resources
- Joanie Bernstein, Franklin County Housing and Redevelopment Authority
- Charlie Blanker, Southworth Paper
- Leslie Cromack, Member, Montague Capital Improvements Committee
- Lisa Davol, Director, Turners Falls RiverCulture
- Dave Hobbs, Swift River Hydro Operations
- Chris Janke, President, Turners Fall Business Association
- David Jensen, Town Building Inspector, Montague, MA
- Tris Metcalfe, Architect, Metcalfe Associates

TAP Process

The Montague TAP was held on December 1, 2010. In the morning, Walter Ramsey, David Jensen and several other town officials, welcomed the panelists at Town Hall and gave an overview of the Strathmore Mill complex, the site's recent history (including a fire), relevant issues and dynamics within the mill complex, and the Town's aspirations for future development.

This introduction was followed by a short visit to the site. After the tour, the panel interviewed a diverse series of stakeholders that included town officials, abutters, a consultant for the site's former owner, regional economic development professionals and others.

The panelists then engaged in an intensive "closed door" charette to develop recommendations addressing some of the critical issues associated with Strathmore Mill redevelopment, along with "next step" recommendations that were shared with the community at a public presentation that evening.

The panel delivered its presentation to an audience of approximately 30 people, consisting of local residents, business owners, city staff, and other interested individuals. The presentation is available electronically by request from the Town Planning Office and at the ULI Boston website <http://boston.uli.org>.



figure 2. Panelists tour the Strathmore Mill complex

2. Background & Assignment

a. Property Overview

The Strathmore Mill is located near downtown Turners Falls on a strip of land bounded by the Connecticut River on the north and a hydroelectric power canal to the south. There are several properties on the island including the active Southworth Papermill, Swift River Hydro facilities (located in Building 9 of the Strathmore Mill Complex) and abandoned property to the east of the Strathmore site. The site is located within a Historic-Industrial zoning district. The surrounding land uses include mixed commercial, industrial and residential. The property is listed on the National Register of Historic Places and was on the 2007 list of the ten more endangered historic resources by Preservation Massachusetts.

The Strathmore Mill consists of 10 buildings which range in height from two to four stories, on a 1.93 acre site. The structure has a total floor area of approximately 224,000 square feet with an overall footprint of 55,000 square feet.

Site History

The Town of Turners Falls was designed as a planned industrial community. The Strathmore Mill, one of the original mills in town, was built in 1874 by the Keith Paper Company. The Strathmore Paper Company acquired the site in 1953 and operated it until 1994. Since then, the mill has had several owners and has been used for a variety of purposes.

In 2007, an arson fire destroyed building 10 of the mill complex and damaged two other buildings. Later that year, the Mill was purchased by the Swift River Group which planned to develop the site into a film school with several studios, restaurants and other ancillary uses. The developer had planned to take advantage of many historic tax credits and film industry credits. The town took ownership of the mill in February 2010 for non-payment of taxes and has been vacant since 2007.



figure 3. Pedestrian footbridge spanning the power canal and bicycle path to connect Strathmore Mill with Canal Street and downtown Turner's Falls.

b. Site Description

The western façade faces a forested riverbank that slopes to the Connecticut River. The bank is permanently protected as a former Native American fishing village. The eastern façade looks across the power canal to the Turners Falls bikeway and the historic village of Turners Falls.

Access to the site is extremely limited. The only direct access is via a 12' right of way on a road running along the power canal and through the Southworth property. On-site parking is limited to six spaces. Though the site is accessible by this road, recommendations from abutters have been to allow delivery and service vehicles only. A pedestrian bridge across the power canal is still in place but is closed because it is not handicapped accessible. The bridge is owned by Northeast Power Generation.



figure 4. Interior of Strathmore Mill

Building Condition

The Strathmore buildings are generally in good condition considering it has been vacant for nearly four years. The buildings have not been regularly maintained for some time and a substantial amount of work will be necessary to make the buildings fit for occupancy.

A very large debris pile from the 2007 fire and subsequent building collapse is still present on the site of building 10. There may be asbestos and other contaminants in this pile.

Utilities

There will likely need to be utilities upgrades to accommodate redevelopment.



figure 5. Fire Debris Pile

c. Town of Montague's Redevelopment Goals

The town seeks a range of redevelopment and reuse proposals and intends on entering into an agreement where the town will transfer the ownership of the property to a private entity.

The Town states its goals as:

- Restore the Mill to productive economic use
- Maintain the historic integrity of the Mill property
- Complement and stimulate other economic activity in the region in general and in downtown Turners Falls in particular
- Provide a significant number of permanent skilled jobs
- Generate revenue for the town
- Enhance waterfront access

The preferred uses for the site are:

- Retail business
- Light manufacturing
- Offices and professional use
- Performance, cultural or educational space
- Art studios
- Storage and warehousing

While the RFP and stakeholder interviews indicated that the Town is open to a variety of possible uses, there was strong consensus that residential use would not be appropriate or welcome on the site.

Public Commitment

The town has outlined the following incentives:

- Investment Tax Credit – 5% tax credit on the cost of all tangible, depreciable assets depreciated over four to ten years
- Abandoned Building Tax Deduction – 10% tax deduction on costs associated with renovating the abandoned building
- Tax Increment Financing (TIF)

3. Findings and Observations

a. Issues Raised

Assets

Picturesque

The Panel believes the top asset of this site is the beauty of both the structures and the surroundings. The mill's location on an island along the Connecticut River is unique compared to the hundreds of other New England mill complexes and certainly differentiates the Strathmore from other abandoned mill sites that towns seek to redevelop. Furthermore the mill's historic buildings, while in poor shape, still enhance the aesthetics of the site. These buildings are located in the town's National Historic District, which would allow a redeveloper to apply for Historic Tax Credits, which will help defray some of the costs to restore the facades.

Site Location

The mill's close proximity to downtown Turners Falls is a major asset. This close proximity bodes well with potential retail, office, and institutional uses, which would extend the commercial activities present on Avenue A. However, for industrial uses this may not be of equal importance.

River

Being right on the Connecticut River is a nice amenity. The redeveloped mill would have scenic views of the river and canal which certainly would

attract certain uses, namely retail, office and residential. There is also the possibility for some limited recreational use on the river that could work with the redevelopment. One person who viewed the presentation believed the river adjacent the mill would work well as a kayak run.

Historic Structure/Architecture

As mentioned already, the site structures are historic and unique. The panel thinks that while the buildings are generally in poor condition, their uniqueness and aesthetics are attractive and at least some of the buildings should be preserved.

Public Amenities

The site is in close proximity to the village center historic main street with a good mix of retail, housing and institutional uses. The site is adjacent a regional bikeway that has significant usage. It is also adjacent to municipal water and sewer; however, the lines connecting the site to the systems will probably need to be replaced.

Public Support

It was apparent at the presentation that the redevelopment of the mill has significant public support from residents. This support will be important to a redeveloper in going through the entitlement/zoning process.

“Hipness”

The town and region’s location and lifestyle has a certain “hipness” that attracts the creative class. While Western Massachusetts as a whole is struggling with population stagnation, the lower rents in the Town, beauty in the area, lifestyle, and proximity to major universities has attracted artists and others in the creative class to the area. This, in turn, could lead to increased desirability and demand.

Liabilities

Site Access

The site has extremely limited access to the buildings making it difficult to redevelop. The only access currently available is a pedestrian bridge (in poor condition) and a narrow roadway that crosses onto the adjacent mill’s property and has uncertain easement rights. Currently, the site has no real parking and the configuration is impractical for not only creating parking on site, but even to allow deliveries to the site.

Under the current configuration the panel believed the lack of access will impede development of retail and residential uses on the site. Furthermore, it may impede office use, as the comparable office type in the Town has parking available adjacent the building. When asked if they would consider renting office space in the mill complex, one of the interviewees said no, because of the safety concerns

given the distance from the mill to the parking area.

The panel also brought up concerns about a lack of proper emergency access for fire trucks.

Fire Debris/Contamination

The debris pile on the site will raise a red flag to any potential developer because of the potential environmental risks. Therefore, to maximize the site’s attractiveness, the Town needs to abate the contamination or, at a minimum, develop a plan to remove/dispose of it prior to the transfer of ownership of the site to a developer.

Deteriorating of Buildings

While much of the mill is in stable shape, some of it is deteriorating due to leaks in the roof and other means of water infiltration. Over time, this could make redevelopment of the structures even more uneconomical. While the town does attempt to maintain the buildings, it should focus more resources to protect the mills.

Legal Issues/Easements

Redevelopment of the site will require cooperation of the adjacent property owners. It was apparent in the interviews that there are ongoing disputes over easement rights on the property from the abutters leading to uncertainty of rights of access for both vehicles and utilities.

Topography

While the topography of the site lends to its beauty, it also challenges redevelopment. Being surrounded on two sides by water, narrowness of the land width and the steepness of grade surrounding the site severely limits the scale of redevelopment and adds significant expense.

Market

The commercial market in the area has fairly low rents and high vacancies. The panel was told that rents for industrial space run \$3-\$3.50 per sq foot triple net; for office \$6-8, and retail \$8-\$10. Rents in this range support total development costs around \$80-\$100 per square foot. However the panel estimates redevelopment costs of the site (assuming the land and structure are transferred at no cost) to be \$230 - \$280 per square foot. Therefore, the low rents will not support the costs of redevelopment for traditional uses without subsidy. Furthermore, the town is home to only 8,600 residents, which makes it difficult to attract certain uses such as retail or office. While the site is in close proximity to I-91 and State Routes 2 and 63, Greenfield is better served by the transportation network and already has existing retail.

Weak Development Market

Since market crash, available investor funding for development has dried up for almost all markets, especially for more risky projects such as the

Strathmore Mill. Under the current economic conditions, the only plausible scenario that funds would be attracted to the redevelopment is if a credible end user, such as a large corporation or institution of has committed to using the site.

Site Infrastructure

The gas, water, sewer, and electric utility connections to the site most likely need upgrading, which could have significant costs. The panel did not investigate the town's sewer and water capacity for potential uses of the site, therefore the panel recommends the town do so.

b. Why Redevelop

While the redevelopment of the site is a significant challenge, especially given today's economic conditions, the panel believes the Town should plan redevelopment of the site but to expect it to be a long term project.

History

Like other mill towns, the mill complex is a very significant part of the Town's heritage and is the sole reason Turners Falls was initially developed. Given this, the panel believes the loss of the mill would be regrettable to future generations. Since the creation of urban renewal, many towns have ended up regretting the demolition of significant historic structures that defined them after the fact.

Community Support

As was clearly evident from the panel's interviews and the large audience at the presentation, there is significant support for redevelopment of the site by the town. The town has used resources to study the site, has created a zone for its redevelopment, and has started to stabilize the structures. Furthermore, the town recognizes that redevelopment of the site needs to be part of its master plan.

c. How to attract interest in RFP

The best way to increase attractiveness of the site to potential developers is to minimize risks. This means solving as many unknowns as possible before issuing the RFP, or at least stating which risks the Town will handle. The large unknowns that the Town could address before issuing the RFP are: addressing/improving site access, addressing easement rights including firming up access across adjacent parcel, removing fire damage/debris, and establishing better guidelines for zoning requirements, such as how much parking is expected.

In addition to this, the town needs to develop a marketing strategy. Serious responses cannot be expected by simply putting the RFP out on the street. This site is very unique and will require a unique developer. Some marketing ideas the panel came up with include: working with/getting the word out through local commercial brokers, contacting large local businesses and employers, including hospitals and universities, and notifying local architects and engineers (since they often

know developers that would be potentially interested).

The town should also continue researching funding options for redevelopment, environmental clean up, and stabilization. In the draft RFP there is a mention of New Market Tax Credits, but the Town should verify the site is eligible. Additional potential sources include: USDA Rural Development, HUD Economic Development Initiative and MassDevelopment. In addition, the Town should work with the state legislature and US Congressmen to attempt to get earmarked funding for the redevelopment and/or stabilization of the site.

Given the complexities of issuing RFPs and working through entitlements, the panel recommends the town obtain legal counsel and other expertise in drafting the RFP and working through the zoning and easement issues.

4. Recommendations

The panel thinks the Strathmore Mill site while very challenging, is also very unique and integral Turners Falls. Given this, the redeveloper of the site will also need to be unique and the Town should expect the redeveloper to have excellent credentials for taking on fairly challenging projects. Ideally, the town will find an end-user willing to redevelop the site that can use the uniqueness of the site and believes in its full potential. However, such end users, like an institution use (school or hospital) are probably rare. Therefore, the Town should expect the process of finding the right redeveloper to take a lot of time and then even longer to complete the redevelopment. It may take 5-10+ years for the site to get redeveloped.

The top recommendation of the panel is to hold off on the RFP until some unknown risks can be better understood/developed, including site access, environmental cleanup, and easement/legal rights issues.

A critical issue needing to be addressed is access. It is worth noting that, although the site's transportation infrastructure was state of the art in the nineteenth-century when it was first developed, it has not been updated in a meaningful way since then. The infrastructure needs significant improvement. The Town should prepare a transportation master plan for the entire "island" on which the site is located and use this as the basis for funding requests. In seeking funding, the Town should point out that in order to preserve nineteenth-century buildings, upgrades to their nineteenth-century infrastructure are required.

Three specific access improvements were identified by the Panel, and the Panel recommends that all of them be pursued.

1) The only vehicular access to the site currently is via an easement connecting to Turners Falls Road via the Southworth Mill site. A steel girder-supported bridge spanning the canal ends at the intersection of Turners Falls Road and this easement, and the design of the bridge precludes right turns into or left turns out of the site, because the bridge abutments protrude well into the space that even small passenger vehicles would use to make a comfortable turn. This compromises access to both mill complexes, and all land on the island. This bridge should be replaced with a flat span whose structure permits an intersection geometry allowing all turning movements into and out of the industrial zone for modern freight vehicles.

2) Vehicular access to the opposite (eastern) end of the island is feasible. It would require an easement across the Discovery Center parcel (which is owned or managed by the Massachusetts Department of Conservation and Recreation), a new bridge, and an improved roadway across the eastern abutting property. This would allow redundant access to all property on the island, including the Strathmore complex.

3) Historically, workers at the Strathmore Mill would park on the opposite side of the power canal, along Canal Street, and walk into the Mill via a pedestrian bridge. The bridge is still standing but is closed due to lack of maintenance and un-

safe conditions. Public funding should be secured to allow the walkway to be refurbished. The walkway could be a necessity, in order to access adequate parking, or an amenity as an exciting means of accessing the site, depending on the development proposal. Ideally, the walkway would be enclosed and arrive inside at the same grade as Canal Street, rather than descending several levels of stairs as in the current arrangement.

The pile of debris left from the fire could concern potential redevelopers given the unknown environmental cleanup costs. The panel thinks the town could make the site more attractive if it disposes of this debris pile now. MassDevelopment may be a good source for funding the cleanup of this pile.

Another major concern of the panel is the legal rights to the existing easements. At the interviews, it appeared that there was some disagreement around the easement rights for the property between the Town, Southworth Paper, and FirstLight Power. A redeveloper is going to face enough challenges and will look to the Town to firm up its easement rights stated in the RFP. Given the complexity of the site and surrounding area, it is important that all parties that own land on the island are agreeable to whatever eventually gets built on site. Therefore, it is important for the Town to continue working with the abutters now and firming up those rights and discussing potential uses on the site.

Since solving these issues will take time and the length of the redevelopment process could be long the panel recommends that the Town focus more

attention on maintenance of the site, especially repairing leaks in the roof and ensure the structural integrity of the buildings remain intact.