



Reuse Evaluation Former Aztec Industries Property North Brookfield, MA

I. Introduction

The former Aztec Industries property, located at the corner of Grove and School Streets in North Brookfield, is a 5.88 acre industrially zoned parcel. North Brookfield is a small, primarily rural, community in the western portion of Worcester County in Massachusetts. The property has a history of industrial usage and is situated in a mixed industrial, commercial and residential area of the town

The purpose of this evaluation report is to provide information which can be used by the Town of North Brookfield to develop a reuse strategy for the site. The evaluation identifies market issues, planning opportunities and constraints, remedial approaches and funding opportunities in order to recommend actions for the Town of North Brookfield to facilitate redevelopment of the site. In many instances, additional review is recommended. This should be considered a preliminary review of issues and actions that should be considered for the site.

II. Analysis of Assets and Constraints

The development potential and value of a property is affected by many factors including location, access and visibility, parcel size and characteristics, as well as the market. In addition, environmental conditions may further affect the development potential.

A. Location

Sites located within close proximity to interstate highway interchanges, major economic centers have greater value. The property offers these assets and constraints relative to its location.

- The site is located in the town center of North Brookfield. This location is well suited for commercial and industrial uses that meet local market demand. The site is convenient to downtown and is centrally located within the community.
- The site's location in North Brookfield does not afford easy access to major highways and interstates. The Massachusetts Turnpike and Interstate 84 are approximately 15 miles south of North Brookfield. This limits the value to transportation related uses or uses dependent on interstate access. The site will likely attract uses that rely only upon local roadways



B. Access and Visibility

Sites with direct, high quality road access are more valuable. For commercial and retail uses, visibility from major roadways is critical. The property offers these assets and constraints relative to its access and visibility.

- Located on the corner of School and Grove Streets, the site has good access from the town center. State Routes 67 and 148 are just several hundred yards from the property. Additional site access is available from South Common Street, providing the opportunity for the site to be split into multiple development parcels.
- The site's visibility is somewhat obscured by Quabaug Corporation's building. The Quabaug building is larger and multi-story, providing a visual barrier between the center of town and the subject property.

C. Parcel Size and Characteristics

Sites which are of such a size, topography and configuration as to accommodate particular types of buildings and allow for ample vehicular access are more valuable. The property offers these assets and constraints relative to its size and characteristics.

- The property is approximately 5.88 acres of land, which will accommodate multiple uses. Its location at the corner of School and Grove Street, as well as its rear frontage along South Common Street, provides multiple entrance points and opportunity for dividing the site into multiple parcels.
- A 10-foot wide sewer easement, incorporating a 12-inch VC pipe, runs down the center of the property from North to South. This pipe has been evaluated by the town and it was determined that it is intact and appropriately functional. A portion of an unnamed intermittent stream is culverted beneath the site. The unnamed culvert stream has not been located on site, but it emerges just south of the site in a wooded area across School Street. An open brick lined manhole is present on the site that confirms its presence and indicates that stormwater drains from nearby locations.

D. Land Use Policies

Sites which are within areas designated as non-residential and protected from residential encroachment are more desirable for industrial and commercial land uses. Land uses which are supported by local and regional development plans minimize conflicts and attract investors and developers. The property's relationship to current land use policies follows:



- Current zoning as industrial provides flexibility in future uses. The town's zoning by-laws identifies a wide range of industrial, commercial, retail and residential uses allowable in industrial zones.
- The Town Center Revitalization Program seeks to concentrate development in and around the town center where water and sewer infrastructure exists. This property is located within this area of focus.
- The town has identified this parcel of land as an important commercial and industrial property prime for redevelopment.

E. Market

Sites which are within vibrant growing markets are the most desirable. Sites which offer specific features attractive to niche markets can be equally successful. The property's position in the market presents the following assets and constraints.

- North Brookfield is a very rural community, with limited commercial and industrial business. Active industrial and commercial real estate markets are located south of the town along Route 9 and east, closer to Worcester. Only a few industrial properties in the North Brookfield area have changed ownership over the last several years.
- The small commercial and industrial market does not lend itself to traditional lease and vacancy rate tracking and projections. Therefore, market opportunities must be derived from demographic trends and anecdotal evidence based on interviews.
- There are limited commercial and office properties in North Brookfield. The stable, yet aging population may create an opportunity for professional offices that currently do not exist in town. Residents currently travel approximately 12 miles west to Ware for hospital services and to West Brookfield for most other medical care.
- There are limited retail properties in North Brookfield. Most residents travel to West Brookfield and other locations to shop. A recent town survey identified a desire for additional shopping opportunities, including home improvement, in the town of North Brookfield.
- The region has a number of cluster industries, such as wire and cable manufacturing, many of which are located in older inefficient factories. There is some potential for attracting existing area businesses into new modern facilities.
- The property is the only industrially zoned property in town control in North Brookfield. From a development perspective, the property is essentially a vacant parcel. Therefore new construction can be fitted to market demand.



F. Environmental Conditions

Undeveloped land is generally attractive to developers. Environmental impacts from past industrial practices can also restrict development potential. However, the presence of difficult environmental conditions may present opportunities to enhance the site through integration with cleanup activities. Additionally, development incentives may be available for properties with environmental constraints. The environmental conditions on this property provide the following opportunities and constraints.

- The property was previously occupied by Aztec Industries, an asbestos product manufacturer for over 60 years. Since the company's closure in the mid 1980s, the Town, with state and federal assistance, has taken enormous steps to prepare this site for redevelopment. All previously standing buildings have been demolished and associated asbestos-containing materials were removed.
- Former underground and above-ground storage tanks have been removed and associated soil impacts have also been removed. Groundwater samples have shown no contaminants above state Reportable Concentrations.
- The remaining environmental concern is the need to remediate asbestos-containing soils at the site. Based on the extent and depth of asbestos fibers in the soil, capping the site is the most likely option. The current proposed remedy calls for an engineered barrier with fill and geotextile materials to render the asbestos-containing soil inaccessible. Activity and Use limitations would be placed on the property to prevent future disturbance of the cap.
- Building foundations and other subsurface site development activities could be incorporated into the remediation design.

III. Reuse Options

Based on the above-referenced factors, interviews with local real estate professionals, town officials and a visit to the site, Vita Nuova is offering three general concepts for consideration as the town moves forward with remediation and redevelopment of the site.

The three concepts should provide the Town of North Brookfield and USEPA information regarding potential uses of the property which may serve to support remedy selection options for the site. The three options are conceptual in nature, all measurements are approximate, and uses may or may not conform to current zoning based upon additional review of Town of North Brookfield Zoning Ordinances. This review was not conducted as part of this scope of work except in a very cursory manner.

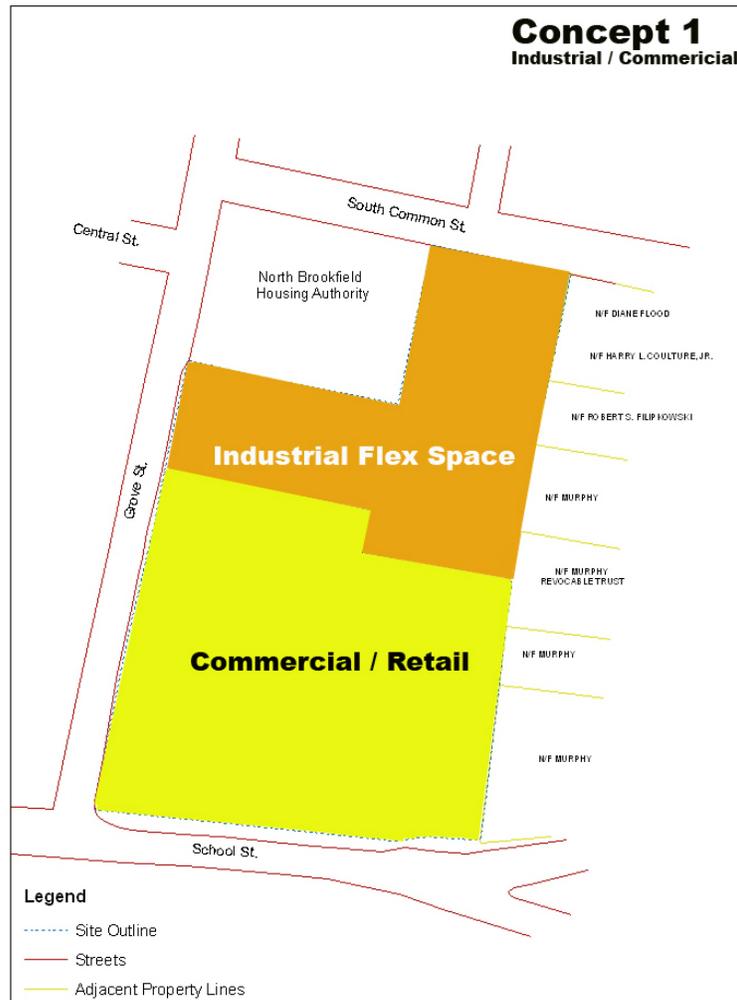
It may be possible to conduct further planning as part of an additional scope of work.



A. Concept 1: Industrial/Commercial

The first concept is based on input that the town has received for use of the property as well as interests of town officials. This concept calls for dividing the property into two distinct areas.

- In the northern portion of the site, approximately 2.02 acres of land is proposed for industrial flex space. Industrial flex space includes modern high bay buildings with assembly, warehouse and office components.
- In the southern portion of the site, approximately 3.87 acres of land is proposed for commercial/retail space. This portion of the site could accommodate a larger anchor user as well as a small set of shops for local retail. The larger user could be professional office, municipal, or retail in nature.

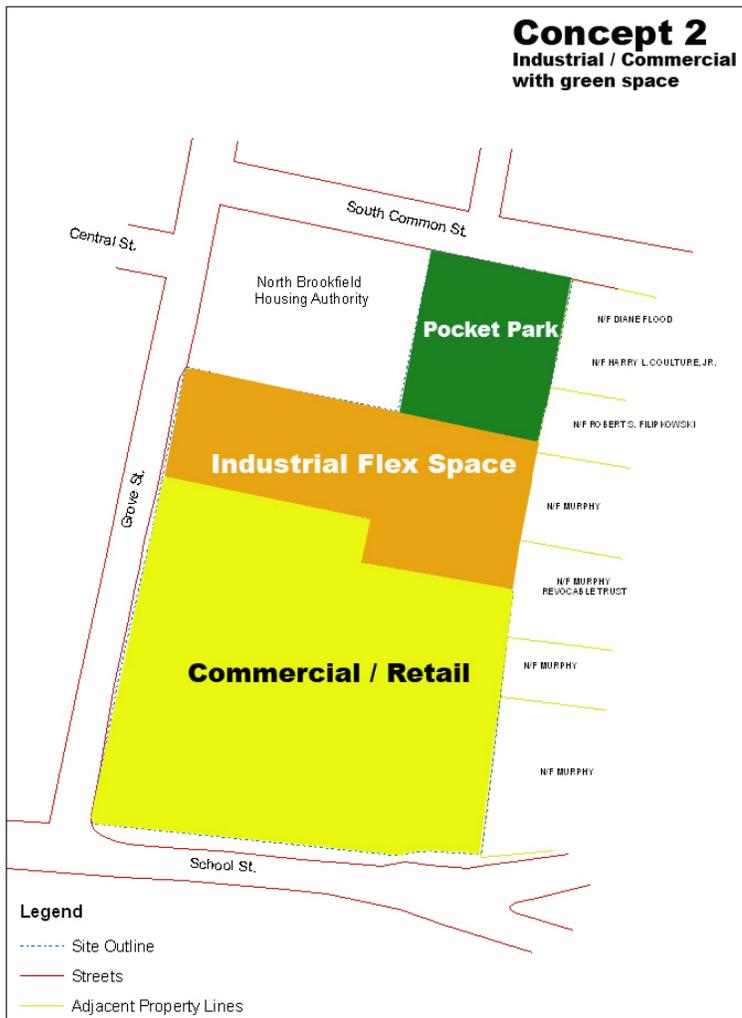




B. Concept 2: Industrial/Commercial with Greenspace

The following concept considers a number of key facts regarding the property and its location within the community. This concept recognizes the fact that housing lies on either side of the Aztec parcel on South Common Road. This concept also takes into consideration that the northeastern portion of the site is least impacted by asbestos and may be able to be cleaned to unrestricted standards. In addition, this concept recognizes that historically the primary entrance to the site was off Grove Street. Concept 2 includes the following features:

- In the northern portion of the site, approximately 0.73 acres has been designated as open space.



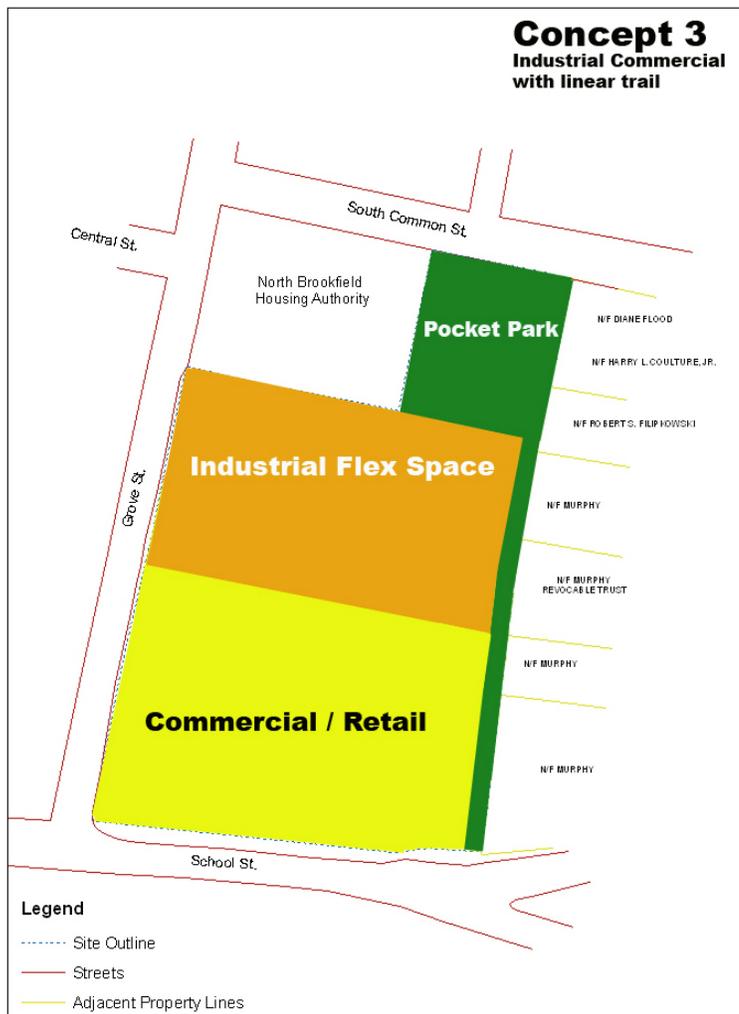
- The center of the property approximately 1.45 acres has been identified for industrial flex space. Access to this portion of the property would be from Grove Street.
- A majority of the site, 3.70 acres, along Grove and School Streets is designated for commercial and retail uses. A larger commercial or retail anchor could be combined with several smaller buildings.



C. Concept 3: Industrial/Commercial with Linear Trail

The following concept recognizes the need for a buffer between the Aztec property and residences on Forest and South Common Streets. The concept considers and encourages a walkable community for workers and residents in the area. This concept also provides similar space for industrial flex and commercial uses in order to respond to market demands.

- In the northern portion of the site and along the eastern border, approximately 1.01 acres has been designated for greenspace and a walking trail. This provides a buffer for the housing surrounding the Aztec site and helps create a connection with the existing park on South Common Street.



- Approximately 2.1 acres in the center of the property is identified for industrial flex space. This would accommodate approximately 30,000 square feet of industrial flex space.
- Frontage along School Street has been identified for commercial/retail uses. Approximately 2.7 acres would allow almost 30,000 square feet of commercial/retail on one floor with more if multiple floors were contemplated.



IV. Recommendations

Vita Nuova recommends the town conduct the following actions in order to further define reuse options and to 'reposition' the property for sale and redevelopment.

A. Short-term Actions:

Short-term actions are defined as actions that can be completed within 0-3 months.

- 1) A sign should be placed at the corner of School and Grove Street, clearly visible and maintained, announcing that the property is available for redevelopment and identifying the appropriate town contacts for interested buyers.
- 2) Remove unsightly weeds and other features that add to look of abandonment.
- 3) Identify additional planning resources to further refine the concepts defined here and to potentially engage community and business stakeholders in the reuse of the property. Due to the fact that a user is likely to be from the local community, a community planning process could attract users for the site.
- 4) Engage Quabaug Corporation in the process. This company, and other local businesses, may be a source of information and funding for the green space/linear trail or other improvements as they are identified.
- 5) Add an economic development page to the Town's current website to promote the Town as a prime location for business and industry. The fact sheet produced under this scope of work can be added to the economic development page and this can be linked to regional and state economic and business development organizations and agencies.
- 6) Consider attending the USEPA Brownfields conference and participate in the Transaction Forum held there on November 13-15 in Boston.

B. Medium-Term Actions:

Mid-term actions are defined as actions that can be completed within the next 3-12 months. In order to accomplish these actions within the next year, preliminary work may need to begin now.



- 1) USEPA cleanup grant funds could be used to conduct a portion of the remediation to encourage redevelopment on portions of the site. While it may be preferable to plan the use of these funds in conjunction with a redevelopment plan, Vita Nuova sees two potential interim options:
 - a) As an interim measure, topsoil could be used to cover a portion of the site and grass planted to stabilize that portion of the site. The grass would then be mowed to maintain an attractive view;
 - b) Clean up the northern portion of the site for unrestricted use by moving contaminated soil at depths of 0-12 inches. The area for consideration may be limited to the pocket park area, but may be worth considering if the removed soil could be placed in other places on the site without creating a mound that could not be incorporated into the landscape.

It should be noted that although these interim actions would improve the site's appearance, additional regulatory documents and oversight would be required. An interim remedial action plan and follow-on remediation status reports may be required to document these remediation activities and post-remediation monitoring for this portion of the site. It is recommended that the MassDEP be engaged prior to implementing any interim measures.

- 2) Relocate the highway department to create a business/industrial area for the town. With Quabaug Corporation already located on this block, a North Brookfield Business Center could be established. This will aid in marketing the site and attracting interested users.
- 3) Apply for additional USEPA Cleanup Grants. This site is three separate parcels, therefore the Town is eligible for another \$400,000 in cleanup funds.
- 4) Develop a longer-term marketing strategy for the site by engaging the local commercial real estate and business community in the process. Develop and implement a site specific marketing plan to reach the commercial, retail and industrial markets.
- 5) Use the additional resources of USEPA and the Commonwealth of Massachusetts to promote the site for brownfields redevelopment.



V. Resources

The following organizations and resources have been identified as potential sources for funding and assistance. These organizations may provide incentives, funds or services to help in the planning, marketing, green space development, economic development or construction activities related to the redevelopment of the property.

A. Funding for Municipalities

Massachusetts Division of Housing and Community Development (DHCD)

<http://www.mass.gov/dhcd/>

Administers state and federal funding programs for communities to promote economic development, affordable housing and other goals.

- Community Development Funds II: Grants for site assessment, cleanup, demolition, planning, and other activities. Grants are up to \$800,000
- Economic Development Fund: Grants support planning, pre-development studies, property acquisition and other activities. Grants are up to \$500,000 with a \$50,000 cap on all planning grants.
- Loans to Individual Business and other Entities (formerly Massachusetts Community Capital Fund): Grants to municipalities for the purpose of assisting a particular business or other eligible entity, through a loan for real estate acquisition, purchase of machinery and capital equipment, working capital, and credit financing. Loans will fund up to 1/3 of the total project costs, limited to \$500,000
- Community Development Action Grant Program (CDAG)
<http://www.mass.gov/dhcd/Temp/06/CDBGapp/default.HTM>
CDAG funds are designed to help attract and leverage private investment, create/retain jobs for low- and moderate-income persons, and address the needs of blighted and disinvested neighborhoods. Limited to \$1 million per project.

Massachusetts Development Finance Agency

<http://www.massdevelopment.com/>

In addition to the Predevelopment Assistance Program which the Town has applied for, MassDevelopment can provide other financing and technical assistance. Municipal programs include:

- Tax-Exempt Bonds - Offer borrowers access to capital markets to finance the purchase, rehabilitation, or construction of facilities as well as new equipment purchases.



- Real Estate Loans - Provides loans and loan participations of up to \$3 million for facility acquisition, renovation, construction, and permanent financing.
- TechDollars - Offer nonprofit organizations with annual revenues of \$5 million or less 100% financing at below-prime rates for technology equipment purchases and installation.
- Equipment Loans - Offer below market-rate financing of \$50,000 to \$500,000 for new equipment.
- Guarantees - Secure a portion of a private loan for real estate, or equipment, providing lenders with incentives to extend credit.
- Taxable Bonds - Brownfields Redevelopment Fund (BRF) - provides loans for site assessment and cleanup to public and private sector parties. Available funding includes interest-free financing of up to \$50,000 is available per project for environmental site assessment and financing of up to \$500,000 for environmental clean-up.

The Massachusetts Office of Business Development (MOBD)

<http://www.mass.gov/?pageID=eoedagencylanding&L=4&L0=Home&L1=Expanding+or+Locating+in+Massachusetts&L2=State+Agencies&L3=Massachusetts+Office+of+Business+Development&sid=Eoed>

MOBD is a state agency providing one-stop assistance to companies in a variety of ways, including site selection, financing, permitting, workforce training, and tax incentives.

- District Improvement Financing (DIF)
DIF enables municipalities to fund public works, infrastructure and development projects by allocating future, incremental tax revenues collected from a predefined district to pay project costs.

B. Incentives and Funding for Businesses Expanding and Relocating

The Massachusetts Workforce Training Fund

[http://www.mass.gov/?pageID=dlwdtopic&L=3&sid=Edwd&L0=Home&L1=Employers&L2=Workforce+Training+Fund+\(WTF\)](http://www.mass.gov/?pageID=dlwdtopic&L=3&sid=Edwd&L0=Home&L1=Employers&L2=Workforce+Training+Fund+(WTF))

- Workforce Training Express Grant
The Express Fund will pay up to half of the cost of employee training courses for small employers. Maximum of \$3,000 per trainee.



- **Hiring Incentive Training Grant Program**
Training grants of up to \$2,000 per employee and up to \$30,000 a year per company for newly hired employees who have been unemployed over a year and those that do not have a call back date from their last employer

Commonwealth Corporation

- **Workforce Training Fund (WTF) Applicant Assistance Program**
http://www.commcorp.org/programs_services/index.html
Provides impartial technical assistance to companies to help them assess their most pressing training needs, design effective training programs, set quantifiable measures of success, and link with training providers if they do not have the internal expertise.

The Massachusetts Office of Business Development (MOBD)

- **Economic Development Incentive Program (EDIP)**
EDIP certified projects may receive state tax incentives, including a five-percent investment tax credit for qualifying tangible, depreciable assets. In addition, such businesses qualify for municipal tax incentives, including a) Special tax assessment - a phased-in assessment of the total value of the project property, or b) Tax Increment Financing (TIF) - a five- to 20- year property tax exemption based on the increased value of the project property due to new construction or significant improvements.

The Quaboag Valley Community Development Corporation (QV CDC)

www.qvcdc.com

The Quaboag Valley CDC is a private non-profit corporation that promotes economic development and workforce training within its 15-community service area, which includes North Brookfield.

- **The Quaboag Valley Business Corporation**, the CDC's lending agency, offers small business loans of up to \$100,000 and micro-enterprise loans of up to \$25,000.

Massachusetts Business Development Corporation

<http://www.mass-business.com>

MBDC is a private for-profit company in Boston that provides supplemental financing to promising small and medium-size companies in Massachusetts.



- Brownfields Redevelopment Access to Capital (BRAC): Provides low-cost, state subsidized environmental insurance to developers of brownfields and to lenders who finance them.
- Remediation Loans: Remediation Loans from \$500,000 to \$2,000,000 for environmental cleanup, regulatory compliance and other predevelopment costs. Traditional advance rates (50% on raw land; 75% on improved property) typically apply.
- BDC Direct Loans: Loans from \$500,000 to \$2 million for permanent working capital, refinancing, and real estate, machinery & equipment, and acquisition financing.
- BDC Community Loans: Loans from \$150,000 to \$2 million designed for minority and women-owned businesses, not-for-profits and businesses in economically disadvantaged areas.
- SBA 504 Loans: Low rate, long-term loans from \$500,000 and up for purchasing land and buildings, new construction, renovation and leasehold improvements, machinery & equipment.
- Mezzanine & Private Equity Funds: Investments typically from \$1 million to \$5 million for seed/early stage and more mature growth companies

C. Private Foundations

The Jane's Trust

<http://www.hembar.com/selectsrv/janes>

The Trust makes grants to organizations in Massachusetts and other geographic locations in the areas of Arts and Culture, Education, Environment, and Health and Welfare. Grants range from \$50,000 to \$1,000,000.