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Westfield, Massachusetts – Poised for Growth After Arrival of Distribution Centers

By Evan Calbi

While many cities in the Greater Boston area rely on their proximity to the metropolitan center of Boston to assure economic development, outlying towns like Westfield in Western Massachusetts have proven equally resilient.

Despite the current economic downturn, Westfield continues to secure new business with a combination of financial incentives and a desirable location. The city is situated near Interstates 90 and 91. Route 91, the Massachusetts Turnpike commonly referred to as MassPike, spans the state and runs through the major cities of Springfield, Worcester, and Boston.

“Westfield is located in an ideal area,” says Lynn Boscher, executive director of the Greater Westfield Chamber of Commerce. “It’s centrally located at the intersection of two major interstates, the Mass Pike and the 91, and both the Westfield-Barnes Airport and the Pioneer Valley Railroad are here. Additionally, the city is taking steps to be more business-friendly. They are willing to work with businesses that want to come in.”

Westfield has utilized a combination of local and statewide incentives to encourage investment, including the Economic Development Incentive Program (EDIP), a tax incentive program designed to stimulate business and create jobs in Massachusetts.

“Westfield has an impressive record of working with business,” says Michael Hackman, founder and chief executive officer of Hackman Capital Partners, LLC, an investor in a joint venture that acquired 1111 Southampton Road, a 650,000-square-foot warehouse/distribution facility. “In the past year, they have brought in distribution centers for both The Home Depot and Target.”

This month, construction began on an estimated \$25 million, 657,000-square-foot rapid deployment distribution center for The Home Depot, Inc. A tax incentive helped finalize plans for the new center. Westfield’s City Council and Mayor Michael R. Boulanger devised an incentive that calls for a 50-percent cut in property taxes for the first 10 years of operation. It is anticipated that the city will receive a reduced payment of about \$350,000 in the first year, and the new distribution center is expected to create as many as 150 jobs.

“Westfield makes good use of the Economic Development Incentive Program, the most consistently available economic development program in the state. Their record proves it,” says Mike Graney, senior vice president of business development for the Economic Development Council of Western Massachusetts.

The city has shown a willingness to go beyond tax incentives to attract business. In March 2009, Target Corporation purchased land for the construction of a 1-million square-foot distribution center at an estimated cost of \$100 million. Before the purchase was complete, the City Council passed a \$10 million bond package for road improvements in the area aimed at improving infrastructure along the Massachusetts Turnpike. As much as \$4 million of the bond will be reimbursed by state funding. The distribution center is expected to bring about \$730,000 to the city in annual property taxes and generate between 350 to 500 jobs.

During Westfield Mayor Michael R. Boulanger's inauguration in January, 2008, he spoke of his commitment to economic development, saying, "Ultimately, industrial growth would be a catalyst for other improvements, jobs, more affordable housing and lower taxes, a sound infrastructure, a vibrant city, and excellent schools."

In addition to the two distribution centers, the Pioneer Valley Energy Center, a 400-megawatt generation facility that will provide power for 430,000 homes, is currently in the permitting process. As Mayor Boulanger envisioned, the industrial growth of the city has coincided with other improvements. The local college, Westfield State College, is looking into developing new housing, classrooms, and performing arts facilities downtown to foster a new vibrancy in the city center.

With new jobs on the horizon and other improvements underway, Westfield will likely grow in the future. The net population growth since 2000 is up 1.3-percent to a little over 40,000, and the city is poised to expand further.

"Westfield is attractive to both families and businesses alike," says Hackman. "It's a great climate for growth."

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Southampton Road Industrial Center is a joint venture among entities formed by Hackman Capital Partners (www.hackmancapital.com), Calare Properties (www.calare.com), and KBS Real Estate Investment Trust (www.kbsreit.com). Southampton Road Industrial Center is currently leasing space at 1111 Southampton Road in Westfield, MA. For leasing information, visit www.SouthamptonRoad.com or call John Reed with CB Richard Ellis at (413) 732-9150.