
Study to Inform Reuse of Town-Owned Properties in Williamsburg Village Centers (Focusing on Economic Development and Market Considerations)



Conducted for: TOWN OF WILLIAMSBURG, MA
In collaboration with Charlene Nardi, Town Administrator, and
the Project Advisory Committee

November 2017

FinePoint
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Sponsored by: MASSACHUSETTS DHCD
MA Downtown Initiative, Emmy Hahn, Coordinator

Acknowledgements

Many individuals contributed time and effort to make this study possible.

This project was conducted by FinePoint Associates, Peg Barringer, Project Director, in collaboration with **Project Advisory Committee** who contributed valuable insights and assistance throughout the process.

Charlene Nardi, Town
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David Chase
Nick Dines
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Caitlin Marquis

William Sayre
Dillon Sussman
Eric Weber
Marie Westburg

Special Thanks to:

The **Real Estate Professionals** (brokers, property owners and managers) that graciously agreed to be interviewed and shared their information, experience, and opinions.

Herb Berezin, Mount Holyoke Mngmnt/BrassWorks
David Chase, Commons Coworking
David Christopolis, Hilltown CDC
Craig Della Penna, The Murphys Realtors

Jaime Fallon, Goggins Real Estate
Steve Jasinski, Delap Real Estate
Rachel Simpson, Goggins Real Estate

The **Williamsburg Business Owners** that responded to the Business Survey.

The **Commons Coworking Members and Co-Founders** that participated in the Economic Impact Research.



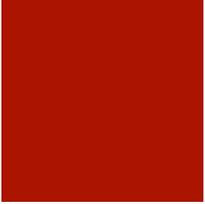
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Purpose of the Study



- To inform the potential reuse of town-owned properties located in the village centers of Burgy and Haydenville by examining existing business conditions, market demand and economic development considerations.

Background



Williamsburg has several town-owned properties in their two village centers that are either currently vacant/underutilized or could become vacant as a result of relocating public safety services and town offices.

- Burgy Center
 - Helen E. James (HEJ) School & surrounding land - 16 Main Street
 - Old Town Hall – 8 Main Street
 - Williamsburg Fire Station – 5 North Main Street
- Haydenville Center
 - Haydenville Library - 136 Main Street
 - Fire/Police Station – 16 South Street
 - Town Office Building – 144 Main Street

Previous Studies and Reports



- **In 2010**, the Town of Williamsburg Building Needs Committee finalized a report that, among other findings concluded:
 - The Town's Police and Fire Stations were inadequate and presented many safety issues.
 - The condition of the Town Office Building that currently houses the Town Offices and the Council on Aging/Senior Center is deteriorating with a leaking roof and antiquated heating system*. Continued use of the building would require substantial renovation and reconfiguration of space to address deferred maintenance issues, energy expenses and efficiency.

** has since been replaced*

- **In 2015**, a study by DRA Architects (working with the Town's Public Safety Complex Committee) examined 3 possible locations for new public safety facilities. They determined the HEJ School was the only suitable site. The study explored various scenarios including two major alternatives:
 1. Building a new public safety facility on the land adjacent to the HEJ School, leaving the possibility of subdividing, selling or other reuse of the School building (approx. \$4 million budget for 10 – 12,000 s.f.).
 2. Renovating the envelope of the HEJ School building, accommodating the police department on the lower level and building a fire department facility on the adjacent land, leaving the upper 2 floors of the School building for other uses, which might include the relocation of Town offices and the Council on Aging/Senior Center. (approx. \$5.9 mil. budget for 15,000 sf., fire department - 8,300 s.f. , police department - 6,700 s.f.).

- Some concerns/Issues expressed about using HEJ School Site for Public Safety Facilities and Town Offices:
 - If structure is built next to HEJ school, it will limit possibility of town selling HEJ School building and generating revenue for the town (from sale and future use).
 - If town uses part of the HEJ School building for police, it will eliminate the possibility of any other use except Town Offices.
 - Moving town offices to Burgy may be difficult to explain/accept politically (however, a recent survey showed 83% of residents didn't see it as a problem if the Town's municipal departments were located in one village center).
 - It appears in debate whether parts of the site are in the 500 year floodplain and the potential implications (flood map accuracy is in question). FEMA guidelines recommend not locating public safety facilities in a 500 year flood plane and may preclude federal funding.

- **In 2016**, Smart Growth America (SGA) prepared a fiscal impact analysis that looked at the possibility of selling the HEJ School property, fire station and police/fire station. If developed for residential, SGA estimated this would result in \$68,965 additional tax revenue per year plus annual savings of \$37,908 in property maintenance.
 - James School - \$100,000 est. selling price, \$53,667 taxes/yr if developed for residential
 - Fire station - \$85,000 est. selling price, \$7,469 taxes/yr if developed for residential
 - Police/fire station - \$60,000 est. selling price, \$7,649 taxes/yr if developed for residential

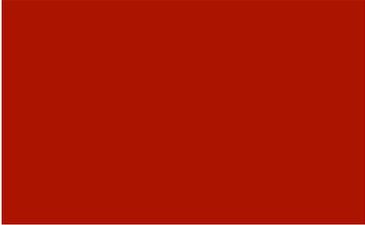
- **In 2017**, the Facilities Master Plan Committee released a report with several findings including the following:
 - Improvements for public safety departments (police, fire and emergency operations center) should be Town's highest priority.
 - Improvements for the Town Offices and Council on Aging should be the Town's second highest priority.
 - A private developer that reviewed the HEJ School determined that it would be viable to redevelop for housing only if additional units could be developed in the open space (likely to be an unpopular concept).
 - The Town should retain ownership of the HEJ School Building and its full parcel. The FMPC concluded that the benefits of the Town retaining ownership outweighs any revenue the town could get.
 - A recent survey identified resistance to a new public safety complex at the HEJ site. Possible alternatives should be examined.
 - Improvements to Town Office Building should be minimized with a plan to transition Town offices and Council on Aging to HEJ building.

Process



FinePoint Associates performed the following tasks in collaboration with the Project Advisory Committee:

1. Conducted initial assessment of commercial centers and Town-owned buildings
2. Reviewed previously completed studies and planning reports.
3. Assessed business conditions through implementation of business owner survey.
4. Evaluated market conditions and demand for several potential uses (demographic analysis, primary and secondary data gathering and analysis, and interviews with 7 real estate professionals).
5. Assessed the economic impacts of Commons Coworking (current use within HEJ School).
6. Prepared report with research findings.
7. Engaged committee members in discussion about findings and implications for town-owned surplus properties.



Part One

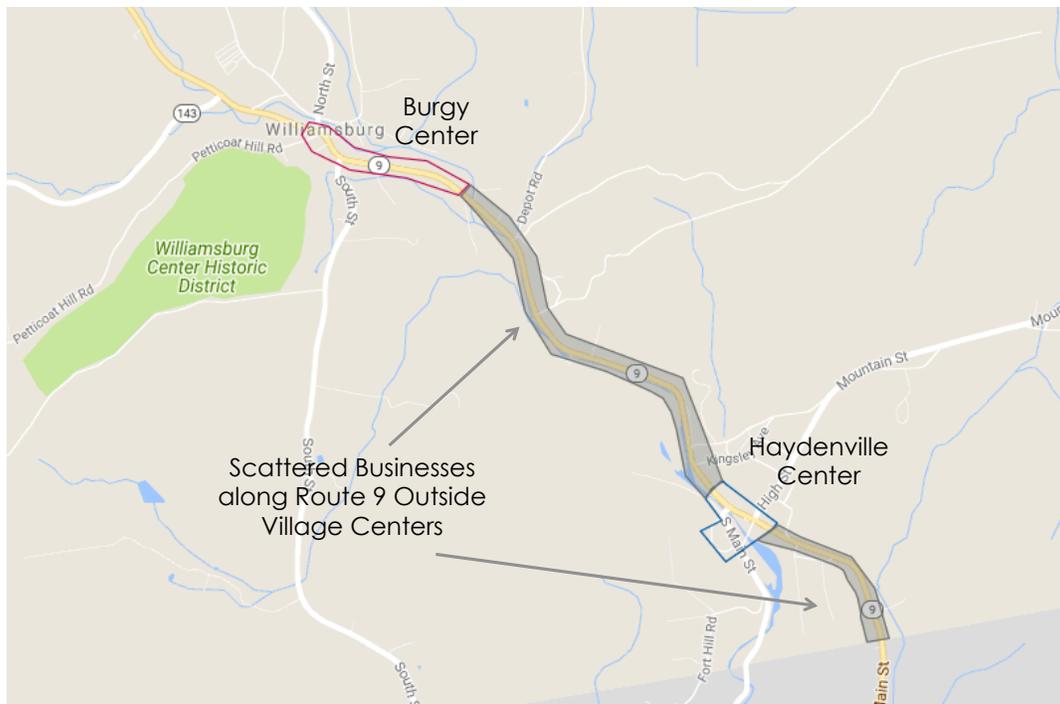
**Overview of Commercial
Centers and Town-Owned
Properties**



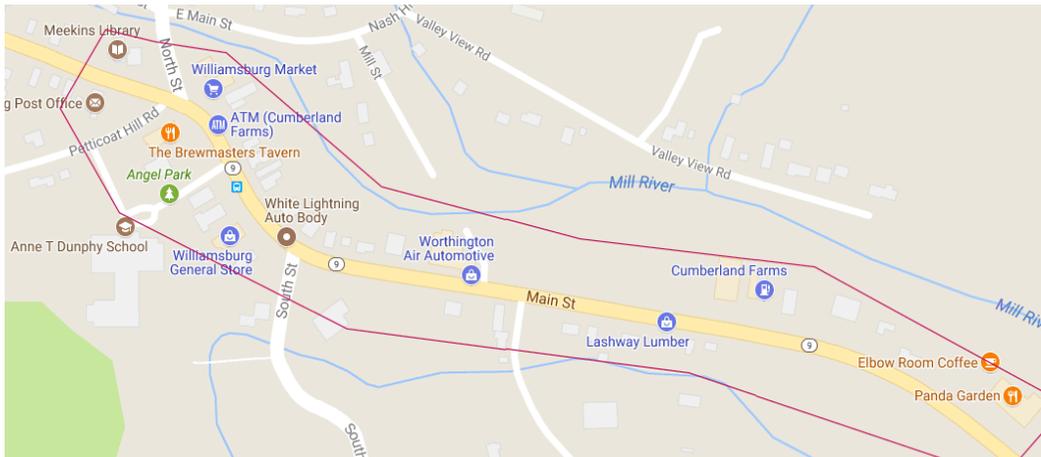
Geographic Context

- Williamsburg is a small town in Hampshire County, located in the five college area in Pioneer Valley, directly bordering the City of Northampton (at the gateway to hilltowns).
- The two village centers in Williamsburg that contain the vacant/underutilized town-owned properties, Burgy Center and Haydenville Center, are situated along the Route 9 Corridor. These Centers contain compact concentrations of commercial activity and each has a post office. Currently, there are governmental/public uses in each village center (which may change with the consolidation of public facilities).
- There are also a small number of businesses scattered along Route 9 in between the two village centers and in between the Northampton city line and Haydenville Center.

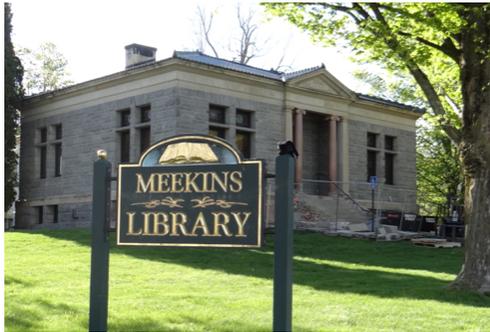
Route 9 Corridor



Burgy Center



- Larger of the two commercial centers, strong sense of place.
- Establishments (sample): well-known gift shop/general store, brewery restaurant/event venue, small market, pharmacy/hardware store, coffee shop, pizza, Chinese restaurant, bank, automotive, coworking space, liquor, library, post office, elementary school.





Potentially Surplus Town-owned Properties in Burgy Center



Helen E. James (HEJ) School Building & grounds - 16 Main Street.

Prominent attractive structure (temporarily being used for a coworking facility operated by volunteers).

Needs exterior envelope and other upgrades to meet building codes (estimated \$1.4 million).

Potentially Surplus Properties in Burgy (cont'd)



Old Town Hall – 8 Main Street
Defining feature of Burgy Ctr.

Underutilized historic structure,
houses Historic Society.

FMPC report says condition is
“dire”, has no heating system,
needs \$1 million of renovation.

No parking.



Williamsburg Fire Station – 5 North
Main Street.

Located on the river, needs
improvements, non-conforming lot.

Haydenville Center



- Smaller of the two commercial centers, location of current Town Office building.
- Establishments (sample): bicycle shop/cycling classes, gift shop, new Dunkin Donuts, funeral home, B&B, pilates/ yoga, hair salon, post office.
- Brassworks (renovated mill building) with service businesses (e.g., therapist, dog training, fitness center, music lessons).
- Adjacent to Valley View Farm (wedding venue).





Potentially Surplus Town-owned Properties in Haydenville Center



Town Office Building – 144 Main Street (might be vacated if town offices are moved). Has an elevator and recently replaced boiler.

In need of repairs and renovation (sprinkler system, window replacement, foundation waterproofing, etc.), approx. \$1.5 million for repairs only, \$2 million - \$3 million for renovation & reconfiguration. There is an on-site parking lot (shared access with adjacent church).

Potentially Surplus Properties in Haydenville (cont'd)



Haydenville Library - 136 Main Street (one room).

Stable condition, underutilized, currently used for meeting space a few hours per week.

Previous suggested uses included a visitor center.

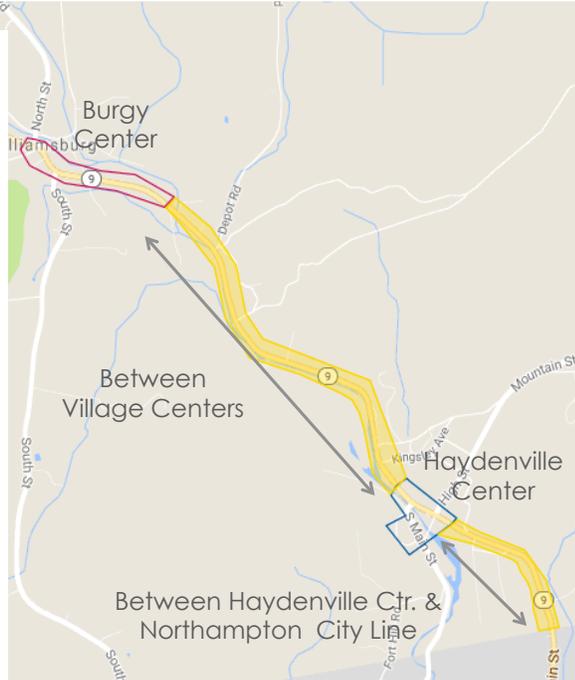


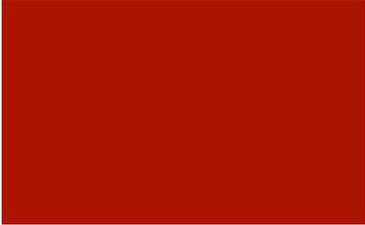
Fire/Police Station – 16 South Street

Needs improvements.

Route 9 Businesses Outside of the Centers

- As previously noted, there are a small number of businesses scattered along Route 9 outside of the village centers.
- Establishments between Centers (sample): seasonal BBQ take-away with outdoor seating, snack bar, greenhouse & ice cream stand, Lashway Logging, veterinary center.
- Establishments between Haydenville Center and Northampton City Line (sample): golf course, popular coffee house/sandwich destination with entertainment (Bread Euphoria Bakery & Cafe).





Part Two

Business Conditions



Business Linkages and Clusters

Williamsburg has several existing business clusters. There might be opportunity for new related businesses to feed off customer traffic and complement/expand these clusters.

Local Convenience

- Williamsburg Market
- Pharmacy & Hardware
- Liquor Store
- Convenience Stores
- Post Office, Bank, Library
- Gas, Auto Repair
- Restaurants

Special Event Venues & Support

- Valley View Farm (venue)
- Bed & Breakfasts
- Brew Masters (restaurant & function space)

Visitor Attraction & Support

- Snow Farm (craft school)
- General Store
- 3 Bed & Breakfasts/Retreats
- Sugar Houses (i.e., Lawton Family, Paul's, Dufresne)
- Brew Masters & other eateries (e.g., Bread Euphoria, Local Burgy, Village Green & Ice Cream, Snack Bar)

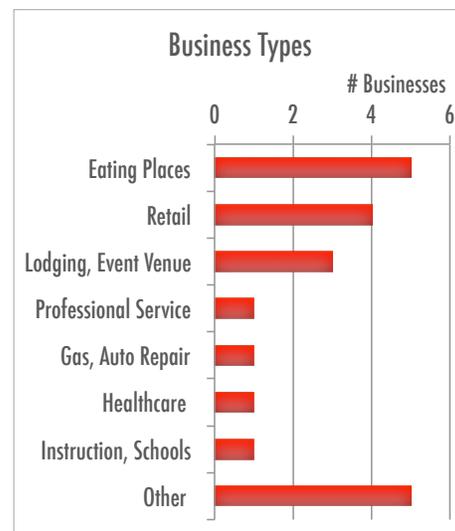
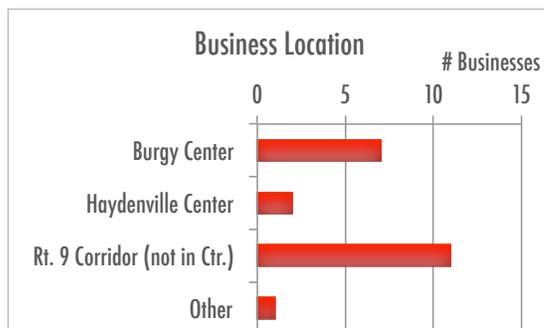
Retail & service business clusters are groupings of businesses that offer crossover or comparative shopping opportunities or serve similar customer segments.

Business Conditions – Survey Results

In collaboration with the Project Advisory Committee, we conducted a business survey during August, 2017.

21 Business Respondents

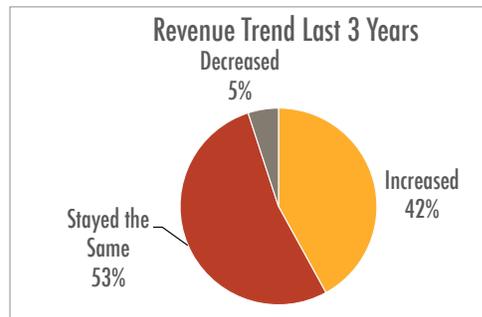
The respondents represent new as well as very established businesses. 57% of the business respondents have been in business at their location for 20 years or more, 19% for 10 -19 years, 10% for 5 -9 years and 15% for less than 5 years.



Most businesses have stable or growing revenue; several are considering hiring and/or expansion.

Approximately one-half of the businesses (53%) said that revenue has remained about the same for the last few years, while revenue is growing for 42% of the businesses. Only one business reported a decline in revenue.

Several businesses are contemplating changes. 11 are considering hiring additional personnel, 8 are considering expanding their facility and 5 are considering renovation. One business is considering closing due to retirement and other reasons.

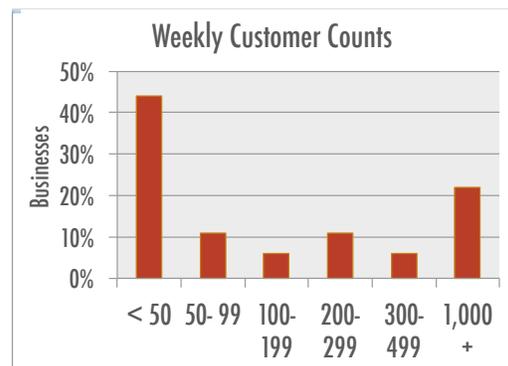


Some retail & restaurants are attracting over 1,000 customers per week.

Customer counts vary widely. 44% of businesses reported less 50 customers per week while 22% reported over 1,000 per week.

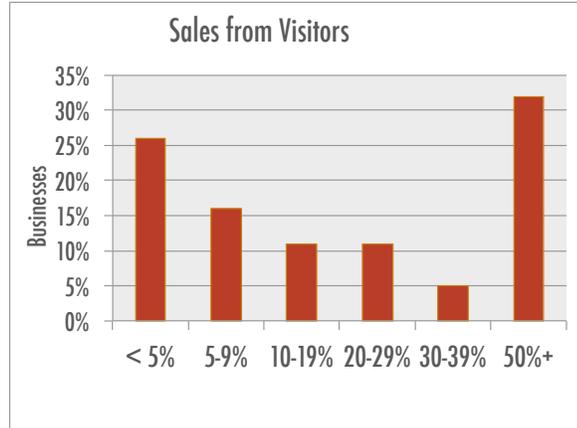
Businesses use social media & other marketing methods and tools.

81% of businesses use social media to market their business; 62% have a website and 48% advertise in Hilltown CDC Directory. Other methods include radio, the Journal/Gazette, word of mouth, referrals, donations to local organizations and Western New England Magazine.



Several businesses generate a significant portion of their sales from visitors/tourists.

The tourist/visitor market segment is important to many Williamsburg businesses. 7 businesses receive more than 30% of their annual sales from visitors and another 7 receive 5 – 29% of their sales from visitors.

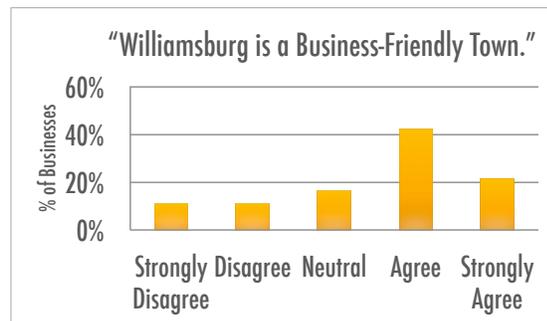


Only a couple of businesses said they sell products through an e-commerce website.

Most businesses perceive Williamsburg as business-friendly; about 20% disagree.

The businesses that disagree cited issues with restrictive zoning and signage regulations. One business representative said: "I actually don't know of anything Williamsburg does to help businesses."

Businesses are satisfied with their business location.



Location Advantages and Challenges

(according to business survey respondents)

Advantages

- Route 9, high traffic, commuters and visitors (approx. 11,000 vehicles/day)
- Gateway to Hilltowns, proximity to Northampton
- Near 5 colleges, Snow Farm, wedding venues
- Natural beauty, attractive landscape
- Proximity to other business, institutions and local customers
- Broadband Internet (less available west of Williamsburg)

Challenges/Obstacles

- Limited parking in Burgy Center restricts customer access and expansion. The school and the Grange have events without provision for necessary parking which exacerbates situation.
- Need for more retail and eateries
- Regulations (difficult to get sign approved, difficult to expand)

Desired New Businesses and Improvements

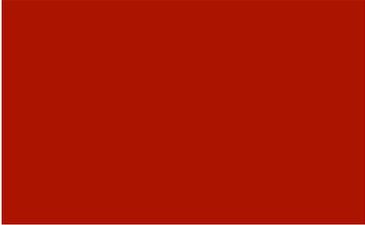
(according to business survey respondents)

New Businesses that will Help Existing Business Success

- Restaurants, cafes, higher caliber bistro, non chain/non franchise food businesses that would help enhance existing mix destination for dining
- Gym
- Offices, places nearby where people work during the day
- Shops, upscale retail

Desired Improvements

- Addressing parking issue in Burgy Center (e.g., allow parking on the field for Dunphy school events, preparing James School grounds for parking with signage)



Part Three

Market Conditions



Market Assessment: Retail & Restaurants

Demand: Retail, Restaurants & Services

Williamsburg Commercial Centers serve
Residents & Visitors

1. Resident Market Segment – Surrounding Area

- Primary Trade Area (TA1) – 6,086 residents (Williamsburg, Goshen, Chesterfield Worthington)
- Secondary Trade Area (TA2) – 12,830 residents (TA1 Towns plus Ashfield, Conway, Cummington, Plainfield, and Leeds Village(part of Northampton))

2. Visitor Market Segment

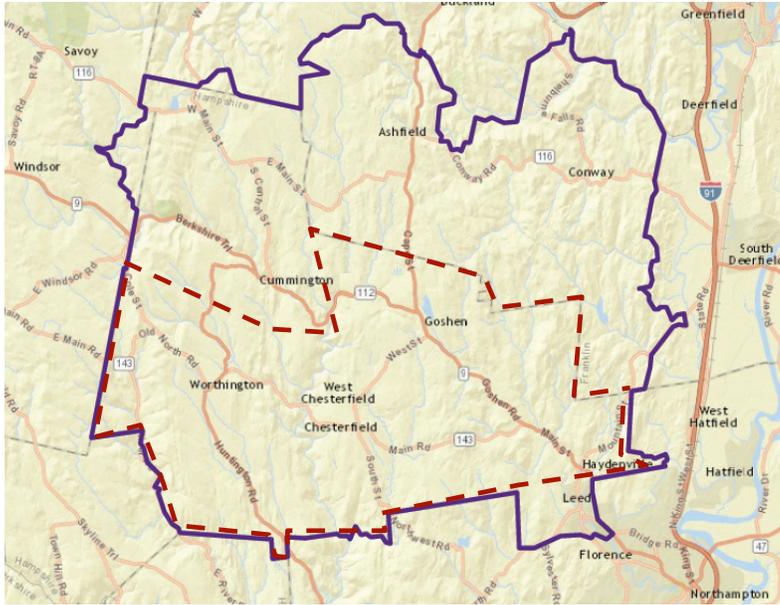
- Visitors – Tourists/visitors to local attractions, events and colleges

Primary Trade Area: where most repeat business is expected to be derived (where 65-80% of sales to resident segment will generate from).

Resident Market Segment



Trade Areas - - - - Primary Trade Area: TA1
 - Secondary Trade Area: TA2



Estimated Trade Area boundaries were based on information from business and community representatives pertaining to local shopping patterns and location of competing commercial facilities.

Trade Area Demographics

Compared to the State, Trade Area residents are significantly older, less likely to have children in the household, less racially diverse & more likely to own their home. Household and per capita incomes in TA1 and TA2 are approximately 5-6% lower than statewide.

| | TA1 | TA2 | MA |
|-------------------------------|----------|----------|----------|
| Residents | 6,086 | 12,830 | |
| Households | 2,677 | 5,563 | |
| Median Income | \$68,909 | \$68,577 | \$72,671 |
| Per Capita Income | \$37,805 | \$37,507 | \$40,023 |
| % Households with Children | 26% | 27% | 31% |
| Median Age | 49.5 | 50.2 | 39.8 |
| 4-Year College Degree or More | 39% | 44% | 38% |
| Homeowners | 83% | 83% | 63% |
| White | 97% | 96% | 77% |

Source: Nielsen Company

Trade Area Demographics (cont'd)

The population of TA1 is growing, but at a slower rate than MA overall. The population of TA2 has remained approximately the same.

The number of households has increased in both TA1 and TA2. (more households with fewer people per household.)

| | TA1 | TA2 | MA |
|--|-------|--------|-------|
| Population Growth 2000 - 2010 ¹ | 2.07% | (.93%) | 3.13% |
| Population Growth 2010 – 2017 (est.) ² | 2.91% | .97% | 4.79% |
| Population Growth 2017 – 2022 (proj.) ³ | 3.15% | 2% | 3.52% |
| Household Growth 2000 - 2010 ¹ | 9.61% | 6.55% | 4.24% |
| Household Growth 2010 – 2017 (est.) ² | 4.77% | 2.69% | 5.31% |
| Household Growth 2017 – 2022 (proj.) ³ | 4.03% | 2.88% | 3.91% |

Sources: 1. U.S. Census, 2. Nielsen Company based on American Community Survey, 3. Nielsen Company projection

Resident Market Demand – Retail & Restaurants

Trade Area 1

Residents spend
 **\$79 Million** per year
 at stores & restaurants*

Sales Leakage/Opportunity:
 Over **\$51 Million** is being spent in
 selected categories outside TA1

 **\$11 Million** spent at
 non-store retailers

Source: Nielsen Company

Trade Area 2

Residents spend
 **\$166 Million** per year
 at stores & restaurants*

Sales Leakage/Opportunity:
 Over **\$120 Million** is being spent in
 selected categories outside TA1

 **\$23 Million** spent at
 non-store retailers

* Excludes Motor vehicle & gas purchases

Explanation of Sales Leakage

Sales Leakage (or “Retail Gap”) is the difference between the amount that residents are spending each year at stores and restaurants and the amount that local businesses are capturing in sales. This is an estimate of the amount that residents are spending outside of the Trade Area.

Categories with high sales leakage amounts may suggest opportunity for local businesses (existing and/or new). To determine feasibility of capturing the leakage, it is necessary to evaluate the strength of competing businesses outside the trade area currently attracting resident expenditures.

Little or no sales leakage in a category does not necessarily mean there is no opportunity for local businesses, however achieving sufficient sales would be dependent on attracting expenditures from outside the trade area and from non-resident market segments (i.e., employees and visitors).

Negative Sales Leakage (Surplus) - Categories with negative sales leakage indicate that businesses are currently meeting more than just local demand. Businesses in these categories are generating sales from customers that live outside of the identified trade area and are likely attracting non-resident market segments (e.g. employees, visitors).

Sales Leakage/Retail Gap by Select Categories

| | TA1 | TA2 | Millions |
|---|----------|----------|----------|
| Furniture & Home Furnishings Stores-4421, 4422 | \$1.43 | \$2.52 | |
| Electronics and Appliance Stores-443 | \$1.84 | \$4.03 | |
| Paint and Wallpaper Stores & Hardware Stores-44412, 44413 | \$1.60 | \$3.18 | |
| Supermarkets, Groc. (Ex Conv)-44511 | \$3.87 | \$8.80 | |
| Convenience Stores-44512 | (\$2.10) | (\$1.13) | |
| Specialty Food Stores-4452 | \$0.23 | \$0.50 | |
| Beer, Wine and Liquor Stores-4453 | \$0.29 | \$0.96 | |
| Pharmacies and Drug Stores-44611 | *\$5.96 | *\$12.52 | |
| Cosmetics, Beauty Supplies-44612 | \$0.60 | \$1.26 | |
| Optical Goods Stores-44613 | \$0.28 | \$0.58 | |
| Other Health/Personal Care Stores-44619 | \$0.44 | \$0.93 | |
| Clothing Stores-4481 | \$4.03 | \$8.41 | |
| Shoe Stores-4482 | \$0.71 | \$1.47 | |
| Jewelry Stores-44831 | \$0.67 | \$1.38 | |
| Sporting Goods, Hobby Stores-4511 | \$1.17 | \$2.38 | |
| Book, Periodical and Music Stores-4512 | \$0.29 | \$0.27 | |
| Department Stores Ex Leased Depts-4521 | \$7.20 | \$15.06 | |
| Other General Merchandise Stores-4529 | \$6.53 | \$13.60 | |
| Florists-4531 | \$0.18 | \$0.37 | |
| Office Supplies and Stationery -45321 | \$0.67 | \$1.40 | |
| Gift, Novelty and Souvenir Stores-45322 | (\$0.08) | \$0.59 | |
| Used Merchandise Stores-4533 | \$0.25 | \$0.72 | |
| Other Miscellaneous Store Retailers-4539 | \$1.85 | \$3.75 | |
| Eating & Drinking Places 7221, 7222, 7224 | \$8.63 | \$20.19 | |

* Sales Leakage is less than shown; sales are under-estimated due to combined format pharmacy and hardware store.

“Most Significant” Sales Leakage (among Retail & Restaurant Categories)

Sales Leakage is fairly modest in most categories.

Categories with “Most Significant” sales leakage:

TA1

- Eating & Drinking Places
- Clothing Stores*

TA2

- Eating & Drinking Places
- Clothing Stores*

* Clothing stores typically do better when clustered with other clothing and accessory stores. This category is also very vulnerable to online competition.

For the purposes of this analysis, “most significant leakage” is defined as a leakage amount sufficient to support a new business (given typical establishment size) under a 60% capture rate scenario for the category.

Most Opportunity: Eating & Drinking Places

Sales Leakage

| | TA1 | TA2 |
|-----------------------------|----------------------|----------------------|
| | <u>\$ Retail Gap</u> | <u>\$ Retail Gap</u> |
| Full-Service Restaurants | \$3,059,977 | \$8,481,496 |
| Limited-Service Restaurants | \$5,214,224 | \$10,905,747 |
| Drinking Places (Alcoholic) | \$356,442 | \$804,214 |
| Overall Restaurant & Bars | \$8,630,643 | \$20,191,457 |

It is useful to look at the combined overall restaurant & bar category totals when investigating demand due to the fact that businesses are often incorrectly classified among the sub-categories.

- There is significant sales leakage in the “eating & drinking places” category, indicating there may be opportunity for new entity(ies) with the right format, quality and price point.
- In addition to resident segment demand, there is also demand from visitor market segment which is not included in the sales leakage.

Note: Restaurants are risky ventures. A full service Cajun restaurant (Big Mamou) previously located in Burgy Center closed in 2013.

Visitor Market Segment



In addition to the surrounding resident market segment, Williamsburg currently enjoys tourist trade from people visiting attractions, enjoying recreation activities, attending events & staying overnight.

Williamsburg Attractions

- Snow Farm (craft school)
- Williamsburg General Store
- Valley View Farm (wedding venue)
- Brew Masters (destination restaurant & function venue)
- Sugar Houses (e.g., Paul's, Lawton Family, Dufresne)
- Beaver Brook Golf Course

Attractions Nearby

- 5 colleges
- Smith College Botanic Garden, Emily Dickinson Museum & College-related museums
- Outdoor Recreation
- DAR State Forest
- Norwottuck Rail Trail (*Mill River Greenway Initiative -trail extension to Williamsburg Center is planned, approximately 8 years to completion)

Accommodations

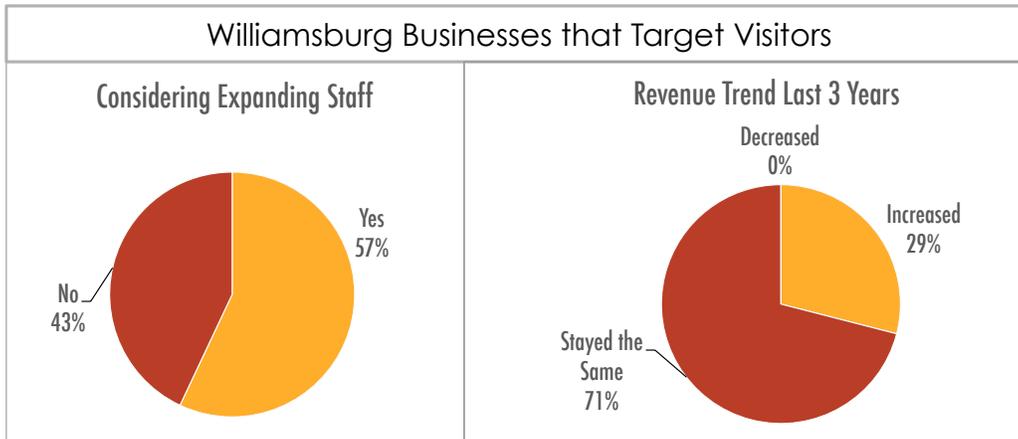
- Bed & Breakfasts/Retreats
 - Penrose Victorian Inn (3 rooms)
 - Fox Crossing (2 rooms)
 - Flower Hill Farm Retreat (3 apartments)
- Valley View Farm (2 homes in addition to venue)
- Air BnB - 7 Williamsburg Listings

Other Businesses that Support Visitors

- Other Local Restaurants (Bread Euphoria, Local Burgy, Village Green & Ice Cream, Snack Sack)

Businesses that target tourists reported stable or increasing sales; several are planning to increase staff.

7 businesses that receive more than 30% of their sales from visitors responded to the survey.



There might be opportunity to increase the Visitor Market.

- The key is to encourage more visitors and longer stays by increasing and promoting attractions and activities, visitor amenities and supporting businesses. Currently, there is not a coordinating entity for tourism and visitor promotion in Williamsburg.
- There is a regional initiative, led by HCDC that coordinates a Hilltowns Destinations Map and a Business Directory. There is no visitor center for the Hilltowns – they would like to open a couple of “Welcome Centers” which would offer restrooms and brochures (could be a designated existing public facility, etc.)
- There is limited entertainment/recreation offerings in Williamsburg.
 - Bread Euphoria offers coffeehouse-type entertainment.
 - The Grange hosts some events but it is not a regional cultural center.

Real Estate Conditions: Retail, Services, Restaurants

Rental Rates: around \$12 per square foot annually

Interviews with Business Owners

- Limited space available? - One restaurant owner, interested in relocating, said there are very few options available if they were to stay in Williamsburg.

Interviews with Real Estate Professionals

- Plusses: millennial and senior market segments are attracted to walkable village centers with goods & services, especially interested in experiences.
- Challenges: Sparse population, online competition for retail.

- One real estate professional suggested enticing young buyers that have grand ideas for a business – “that is how you can get the ambiance you want in the Village Centers”. He cited an example of a young couple that invested in an old general store property in Florence (with virtually no parking), renovated the building and opened a successful sweet and savory pie business.
- Another real estate professional suggested targeting existing businesses in Springfield, Northampton and other communities that want to open a second location (e.g., Brewmasters and previous Big Mamou).

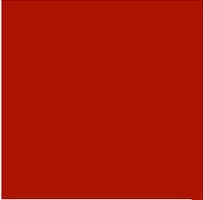




Market Assessment:

Traditional Office and Coworking/Shared Office

(including economic impacts of current
coworking use)



Office Space Supply & Demand

1. Traditional Office Space

- Facilities with multiple small office spaces
- Free-standing, single occupant offices

2. Coworking/Shared Office Space

- Variety of membership options available in shared collaborative space

Traditional Office Space: Williamsburg Supply



Facilities with multiple small office spaces

- BrassWorks, 132 Main Street, Haydenville Ctr., renovated mill, 45,000 sf net leasable area, approx. 10 tenants, 30% occupied, previously had Charter School tenant, does not appear to be aggressively marketed beyond "Space for Rent" sign. (The owner said he gets many inquiries from individuals not ready for traditional office space, looking for smaller cost and size options.)
- 4 Main Street (above Joe's Garage), Haydenville Ctr.

Some free-standing, single occupant offices in the Centers and along Route 9 (e.g., medical, accounting service, veterinary center)

Rental Rates: \$8 –\$11 per square foot annually for spaces in multi-unit buildings



Coworking/Shared Office Space: Williamsburg Supply



Commons Coworking currently operates on one floor of the previous HEJ School in Burgy Center.

- The Commons comprises 7,000 sf and offers a range of workspace options in a shared collaborative environment (predominantly work stations in shared space, not private offices).
- This was originally launched as a temporary use while the Town was determining what to do with the property. It is operated by two founding members; there is no paid staff. They pay a modest rent to the Town and, in addition to workspace, provide event/meeting space offered free to nonprofit organizations.

Rental Rates: Multiple options; \$150 - \$200/month for a dedicated workstation, \$85/month for any open seat.



There are coworking facilities in Northampton (e.g., Click Workspace) and one in Shelburne Falls (Bridge of Flowers Business Center).

Office/Workspace Demand



Interviews with Real Estate Professionals & Commons Co-founder:

- **Demand for coworking/small, low cost offices in shared space over traditional office space**

One real estate professional we interviewed believes there is a lot of traditional office space on the market in Northampton and Springfield and not a high demand. However, he and two other real estate professionals suggested there is unmet demand at a certain level – small offices/workspace to fit small budgets (i.e., less than 400 sf and less than \$300 per month). They indicated many inquiries from self-employed professionals (e.g., therapists) and freelancers that have been working out of their home and now want office space but are not financially ready for traditional office space rents and could use smaller spaces than are available.

The notion that there is demand for low cost, small workspaces in a shared environment seems to be supported by the experience of the Commons Coworking. Their membership has grown steadily even without aggressive marketing (due to the fact they do not have staff).

The Commons is positioned to meet some of the demand cited by the real estate professionals, however, as currently configured, the Commons does not offer small private offices (as some coworking spaces do). Prospective tenants that might need to be on the phone a large portion of their day or need constant privacy for continual patient/client sessions would not be able to find appropriate accommodation unless the Commons was able to increase their workspace options (which would require renovation).

- **Demand for live-work options**

Two real estate professionals indicated there is a demand for live-work alternatives based upon recent inquiries. This includes artists, self-employed professionals and small business owners that desire an office/workspace with separate but attached living quarters.

Other Indicators of Demand for Coworking Space/Small Offices in Shared Office Space

Entrepreneurism and increase in the contingent workforce (freelancers, independent contractors and consultants) has changed where and how people work. This is even more apparent in the rural environment, as is the presence of remote workers that can telecommute.

Coworking offers flexibility and amenities to serve very small businesses, freelancers and remote workers. Internet is provided (an important component as other Hilltowns do not yet have broadband service.)

Compared to the State, the residents living within the Williamsburg primary secondary trade area are much more likely to be self-employed and/or work at home (two segments that generate demand for coworking space).

| | TA1 | TA2 | MA |
|----------------------------|-----|-------|---------|
| People that Work at Home | 287 | 568 | 157,011 |
| People that Work at Home % | 9% | 8% | 5% |
| Self Employed | 586 | 1,298 | 312,849 |
| Self Employed % | 17% | 18.% | 9.0% |

Source: Nielsen Company



Economic Impacts of the Commons Coworking Space

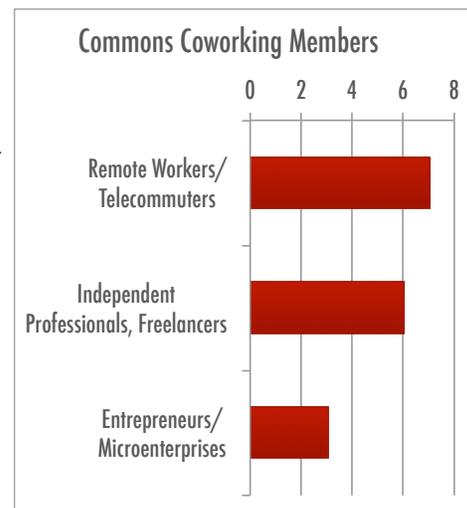


FinePoint Associates worked in partnership with the Commons Coworking (CC) founders to conduct a survey of the membership in order to assess the economic impacts. We received 16 responses (representing 80% of the current members). The following findings are based upon the survey responses.

Coworking facilities help to retain and attract residents and talent.

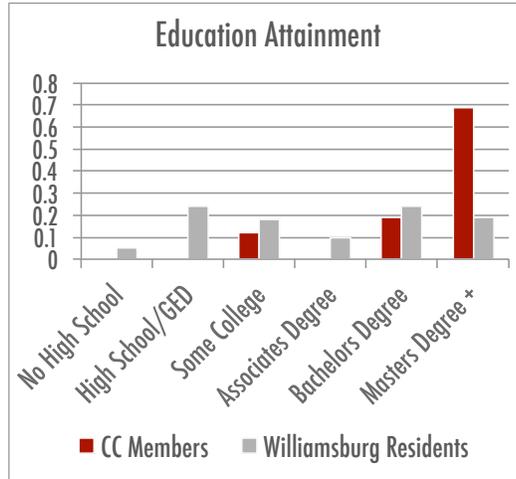
- CC has been steadily growing with 20 current members and the capacity to more than double.
- CC provides infrastructure to make it possible for area residents to:
 - create a job for themselves,
 - grow a small business that might employ others, and
 - live local but telecommute globally.

“Without this kind of space living in Western MA was not possible” survey respondent



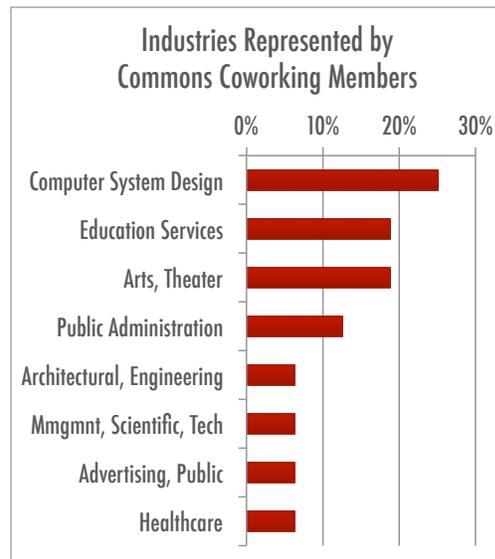
- CC members are very well educated. 69% have Masters Degrees or higher, compared to 19% of Williamsburg residents.

(Many rural communities have difficulty retaining highly educated talent.)



Commons Coworking hosts a significant volume of economic activity and serves a diverse clientele with a broad industry representation.

- Together, members generate more than \$1.2 million per year of revenue from their enterprises hosted at CC.
- 40% are woman-owned/directed or minority-owned/directed ventures.
- CC attracts members from Williamsburg and surrounding communities (Williamsburg -50%, Chesterfield-13%, Worthington -13%, Northampton-13%, Ashfield -6%, Cummington - 6%)



Commons Coworking members have experienced an increase in productivity and other benefits.

- 75% had an increase in productivity due to work environment.
- 38% collaborated with other members to resolve a work issue.
- 6% expanded the products/services they offer.

“I enjoy working with other people in the area, making connections” survey respondent

Commons Coworking members patronize Williamsburg businesses.

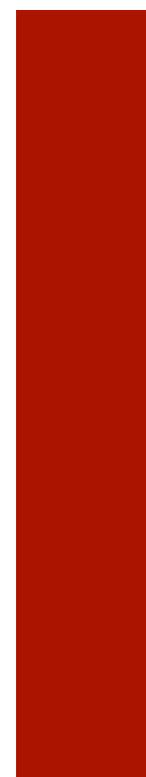
- Together, current CC members make an estimated **49 visits per week** to Williamsburg restaurants and coffee/snack shops before, during or after work.
- CC members also visit other local Williamsburg businesses before, during or after work. Based on survey results, together, CC members make **16 to 18 visits per week** to Williamsburg Market, Florence Bank, and Williamsburg Pharmacy & Hardware. CC members also make an estimated **7 visits per week** to Williamsburg General Store.
- 19% of CC members said they purchased professional services in last year including, bookkeeping/accounting services, legal services and social media/web design.

Some Commons Coworking members expect to hire employees or subcontractors in the next 3 years.

- 27% of CC members said they were "likely" or "very likely" to hire a part-time or full-time employee in the next three years.
- 13% of CC members said they were "likely" or "very likely" to hire a sub-contractor in the next three years.



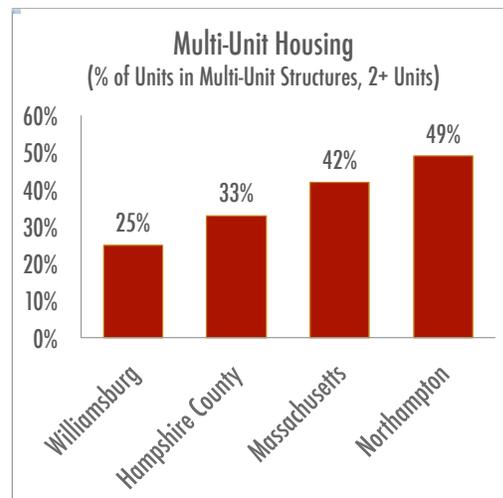
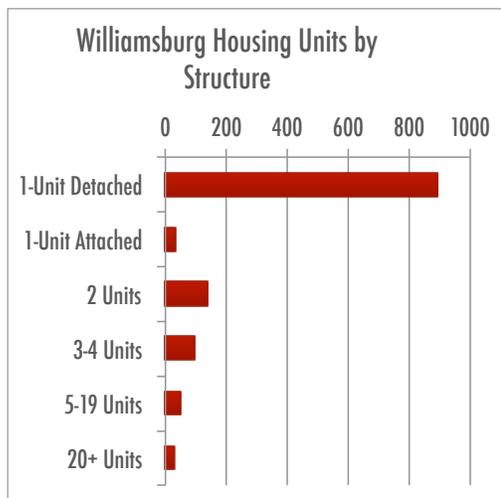
Market Assessment: Housing

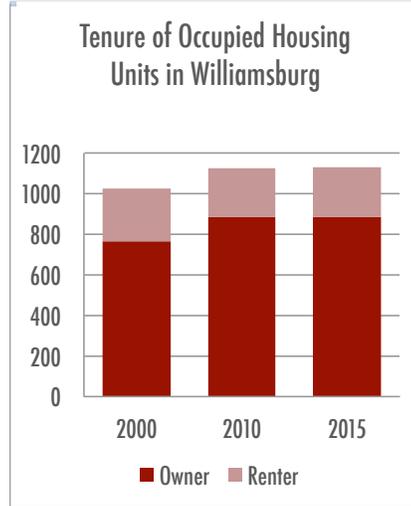
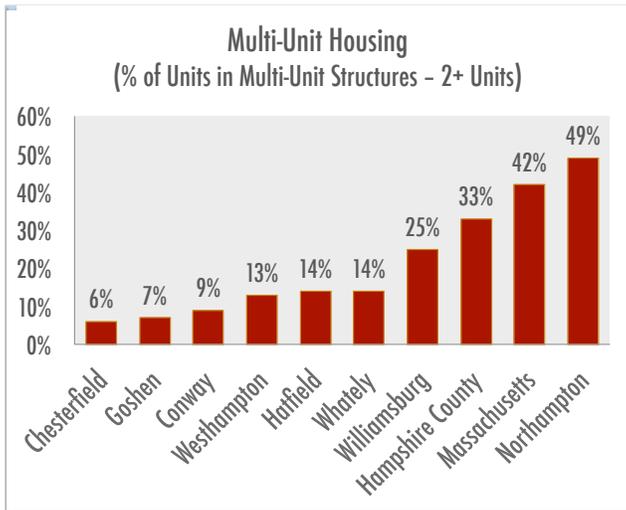


Current Housing Supply



Williamsburg housing is comprised predominantly of single-family units (75%). 25% of the units are in multi-unit structures (condos and apartments), far less than Hampshire County, the State or Northampton, but more than other surrounding Towns.

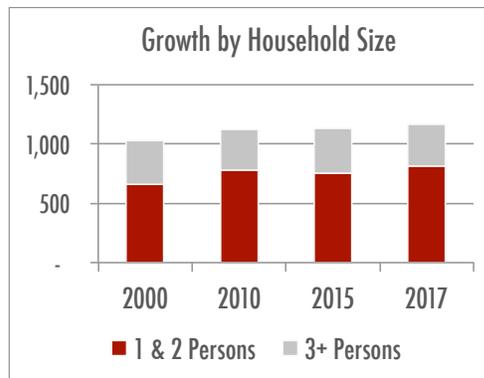
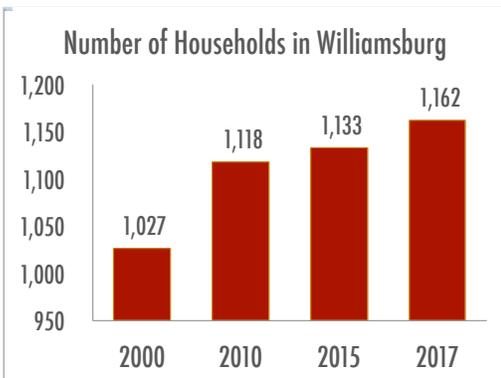




Housing Demand

Although the population only grew 2% from 2000 to 2015, the number of households grew 10% indicating growing need for housing.

The number of 1 & 2 person households is growing. Close to one-third of all households contain only 1 person. This indicates demand for smaller units and, due to the aging population, a likely demand for more maintenance-free housing units (condos & apartments).



Williamsburg Housing Sales Numbers & Unit Prices

| Year | Condo Median Sales Price | Condo # of Sales | Single-Family Median Sales Price | Single-Family # of Sales |
|------|--------------------------|------------------|----------------------------------|--------------------------|
| 2017 | | | \$285,200 | 23 |
| 2016 | | 2 | \$243,500 | 27 |
| 2015 | \$167,827 | 3 | \$243,500 | 18 |
| 2014 | | 2 | \$238,000 | 22 |
| 2013 | \$122,500 | 4 | \$261,000 | 16 |
| 2012 | \$145,000 | 3 | \$268,250 | 20 |
| 2011 | | 1 | \$284,500 | 20 |
| 2010 | \$200,000 | 3 | \$259,750 | 18 |
| 2009 | | 2 | \$267,000 | 17 |
| 2008 | 150,000 | 10 | \$205,000 | 19 |
| 2007 | 140,000 | 3 | \$224,000 | 22 |

Source: The Warren Group

Demand for Condos and Apartments

Committee Discussions:

- As population ages, there are very limited options to down-size in town.
- Issue: Current zoning only allows 4 units per parcel

Interviews with Real Estate Professionals:

■ Demand for Senior Housing

Several real estate professionals suggested there may be demand for senior housing in Williamsburg and pointed to examples of recent projects (Hatfield converted school, Goshen new construction). Hilltown CDC plans to complete the 10-unit senior apartment project in Goshen Center by June 2018 and has begun starting to look for a new project.

■ Demand for Condos

Three real estate professionals said they thought there was a demand for condos in the \$200,000 - \$240,000 range (for 1-bedroom plus den size unit). One real estate professional commented that it might be difficult to get the price of newly developed units down to that level unless there were a large number of units involved.

- **Demand for Apartments**

Two real estate professionals said they believe there is demand for apartments in the \$800 – \$1,000 per month range.

- **Demand for Live-Work Opportunities**

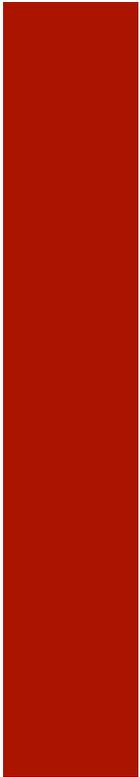
As previously stated, two real estate professionals noted a demand for live-work alternatives to accommodate artists and self-employed professionals.

Benefits of Additional Housing in/near Village Centers:

- Housing in/near village centers can increase vibrancy and expand the customer base for local businesses.



Market Assessment: Other



Demand in Other Categories of Interest – Gyms/Fitness Centers and Doctors' Offices

Estimated Total Number of Supportable Establishments
(Based on Industry Averages for Typical-sized, For-profit Facilities)

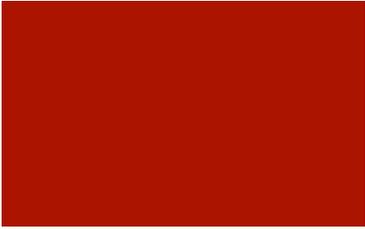
| | TA1 | | TA2 | |
|-----------------------------|---------------------|--------------------|---------------------|--------------------|
| | 100% Market Capture | 60% Market Capture | 100% Market Capture | 60% Market Capture |
| Fitness Centers | 0.6 | .4 | 1.3 | .8 |
| Offices of Physicians | 4.3 | 2.6 | 9.0 | 5.4 |
| Offices of Dentists | 2.5 | 1.5 | 5.4 | 3.2 |
| Offices of Other Healthcare | 2.8 | 1.7 | 5.8 | 3.5 |

*** We do not have data on how many establishments are currently located in TA1 and TA2. There is at least one doctors office in Williamsburg (Cooley Dickinson Medical).

- The population in TA1 is not sufficient to support an average for-profit gym/fitness facility and there is barely enough in TA2 (a very high market capture rate would be required). There is a YMCA in Northampton; we were not able to explore potential for a satellite location.
- Depending on how many doctors' offices are currently located in TA1 and TA2, there might be enough population to support a small number of additional healthcare professional offices.

Part Four

Summary of Findings and Suggestions for Considerations



Summary of Findings and Implications/Suggestions

Summary of Findings

Potentially Surplus Properties

Williamsburg has six town-owned properties in their two village centers that are either currently vacant/underutilized or could become vacant as a result of relocating public safety services and town offices.

Several of the buildings are in need of significant repair and renovations and several are unique properties. Given these factors and lack of comparable sales, it is difficult to determine a potential value/selling price for the properties, however expectations should be modest. The HEJ school is the largest property and in the best condition. A similar school building in Hatfield was recently sold to investors for the development of housing units for people over 55. According to the Daily Hampshire Gazette (August 17, 2017), the building was sold for \$2,144 and the contract price was actually only \$100; the remaining monies reimbursed the town for legal fees.

Business Conditions

Williamsburg has several existing business clusters including: 1) Local Convenience, 2) Visitor Attraction & Support, and 3) Special Event Venues & Support. There might be opportunities for new businesses to feed off existing customer traffic and complement these clusters.

Highlights of the business survey include:

- Most businesses have stable or growing revenue; several are considering hiring and/or expansion.
- Some retail & restaurants are attracting over 1,000 customers per week.
- Several businesses generate a significant portion of their sales from visitors/tourists.
- Only a couple of businesses said they sell products through an e-commerce website.
- Most businesses perceive Williamsburg as business-friendly; a few businesses cited issues with restrictive zoning regulations.
- Eateries were cited most frequently as the type of desired new businesses that would help existing business success.

Market Assessment: Retail and Restaurants

Williamsburg commercial centers serve residents and visitors.

The Resident Market Segment:

- The Primary Trade Area (TA1) includes 6,086 residents. The Secondary Trade Area (TA2) includes 12,830 residents. The most significant opportunity is in the category of eating and drinking places. Residents of TA1 are spending at least \$8.6 million at restaurants outside the trade area and residents of TA2 are spending at least \$20.2 million outside. This indicates there may be opportunity for a new entity or entities with the right format, quality and price point. In addition to the resident segment demand, there is also demand from the visitor market segment for eating and drinking places (which is not included in the sales leakage analysis).

The Visitor Market Segment:

- In addition to the resident market segment, Williamsburg currently enjoys tourist trade from recreational visitors, wedding attendees, Snow Farm visitors, etc.
- Tourism is important to the local economy and there are signs of growth. All of the business survey respondents that target visitors reported stable or increasing sales and several are planning to increase staff. There might be opportunity to encourage more visitors and longer stays by increasing and promoting attractions, visitor amenities and supporting businesses. Currently, there is not a coordinating entity for tourism/visitor attraction in Williamsburg.

Existing Real Estate Conditions/Opinions from Real Estate professionals:

- Rental rates for retail/restaurant space are estimated at around \$12 per square foot annually. Low population density and online competition for retail present challenges.
- One real estate professional suggested enticing young buyers that have grand ideas for a business – “that is how you can get the ambiance you want in the Village Centers” (e.g., Pie Bar in Florence).

Market Assessment: Traditional Office and Coworking/Shared Office Space

Existing Office/Workspace Supply within Williamsburg:

- Traditional Office space includes facilities with multiple small office spaces (Brass Works, 4 Main Street) and some free-standing, single occupant offices. Rental rates for office space in multi-unit buildings is estimated at \$8 –\$11 per square foot annually.
- Coworking/Shared Workspace is available at Commons Coworking. Rental rates are \$150 - \$200/month for dedicated workstation and \$85/month for any open seat.

Demand for Office/Workspace within Williamsburg:

- There appears to be demand for coworking and very small, low cost offices in a shared environment (i.e., less than 400 sf and less than \$300 per month) and not a high demand for traditional office space. According to interviews with real estate professionals, there is demand coming from people that have been working at home and now want a separate office but might not be able to afford the rent or need the size of most traditional office space on the market. Other indicators that point to this potential demand include a high percentage of self-employed residents and residents that work at home in TA1 and TA2 (approximately double the rate of Massachusetts overall).
- Real estate professionals also cited demand for live-work options (artists, self-employed professionals and small business owners that desire an office/workspace with separate but attached living quarters) and they mentioned the need for building/zoning regulations to accommodate this use.

The existing Commons Coworking (CC) is growing and generates positive economic impacts for the community:

- CC helps to retain and attract residents and talent (69% of the members have Masters Degrees) by making it possible for area residents to create a job for themselves, grow a small business that might employ others, and live local but telecommute outside the region.

- CC hosts a significant volume of economic activity and serves a diverse membership with a broad industry representation (\$1.2 million per year of revenue, 40% are woman-owned/directed or minority-owned/directed ventures).
- Since working at CC, members have experienced an increase in productivity and other benefits (such as collaboratively solving business-related issues).
- Members patronize Williamsburg businesses. (The 21 members make an estimated 49 visits per week to restaurants, 7 to 18 visits each to several other businesses).
- Some members expect to hire employees or subcontractors in the next 3 years.

Market Assessment: Housing

Existing Housing Supply within Williamsburg:

- Williamsburg housing is comprised predominantly of single-family units (75%). 25% of the units are in multi-unit structures (condos and apartments), far less than Hampshire County, the State or Northampton, but more than other surrounding Towns.

Demand for Housing within Williamsburg:

- Although the population only grew 2% from 2000 to 2015, the number of households increased by 10% indicating a growing need for housing. The number of 1 & 2 person households in Williamsburg is increasing and close to one-third of all households contain only 1 person. This indicates demand for smaller units and, due to the aging population, a likely demand for more maintenance-free housing units (condos & apartments).
- According to interviews with real estate professionals, there is demand for: 1) condos in the \$200,000 - \$240,000 range, 2) apartments in the \$800 – \$1,000 per month range, 3) senior housing units and 4) live-work options (as previously noted).
- Committee members expressed concern about the aging population being able to find options to down-size and stay in town and cited the potential inhibiting current regulatory issue restricting each parcel to no more than 4 units.

Benefits for Village Centers: Housing in/near village centers can increase vibrancy and expand the customer base for local businesses.

Market Assessment: Other

The Project Advisory Committee was specifically interested in the opportunity for gyms/fitness facilities and doctors' offices. Although data is not available pertaining to existing facilities and sales in these categories, we can deduce the following:

- The population in TA1 is not sufficient to support an average size for-profit gym/fitness facility and there is barely enough in TA2 (a very high market capture rate would be required). There is a YMCA in Northampton; we were not able to explore potential for a satellite location.
- Depending on how many doctors' offices are currently located in TA1 and TA2, there might be enough population to support a small number of additional healthcare professional offices.

Conclusions/Implications and Suggestions for Consideration

1. Consider the long-term financial and economic benefits of the proposed new use rather than focus on the selling price when repurposing/disposing of the properties. The selling price might be small but the potential transaction should be evaluated based upon future benefits to the community, such as:
 - Eliminating current carrying costs,
 - Receiving annual property taxes,
 - Additional businesses in the community that expand the variety of available goods and services and draw customers that might patronize other businesses,
 - Attracting and retaining young educated residents that bring/create their own jobs or businesses
 - Uses that attract or support tourism and help to increase the number of visitors and/or the length of their stay, and
 - Additional residents living in/near the village centers to bring vibrancy and increase the customer base.
2. Start sooner rather than later to dispose of surplus property. This is a good time for buyers, interest rates are low and expected to increase, and as time goes by, property conditions continue to decline. Do not put all of the properties on the market at one time. Perhaps start with smaller properties as you are still determining the plan for the larger more complex properties. Learn as you go about the market, working with real estate community and the process.
3. Establish guidelines/conditions for reuse that could include:
 - Criteria and/or goals for reuse options pertaining to benefits for the town and the village centers,
 - Requirement for investing a certain dollar amount within a certain time period, and
 - Requirement for activating the proposed use within a certain time period.
4. Review the options for the selling the properties and incorporating the reuse conditions including: 1) establishing a price and working with a broker, 2) issuing and Request for Proposal (RFP), or 3) using an auction process. (Applicable State law should be researched.) You might want to use a different approach for different properties depending on the type of buyer you are targeting.
5. In some cases, non-conventional financing may be required to supplement conventional debt and equity in order to make reuse projects financially feasible. Potential funding sources (e.g., grants, low interest loans) should be researched.
6. Review for any regulatory barriers to live-work options particularly with regard to the Williamsburg Fire Station, Haydenville Fire-Police station and Haydenville Library. Resolve issues/revise regulations as possible. Target market to individuals that want to bring a business, professional practice or art studio/gallery to Williamsburg. We heard from several real estate brokers that they receive frequent inquiries for live-work options. One broker also suggested that fire stations have a “cool factor” and might attract creative buyers (e.g., artist residence with studio and gallery in garage bays). In Easthampton, a fire station was reused for the new owner's residence and framing business. The

Haydenville Library is very small but could work as art studio and selling space (or for a “tiny house” buyer).

7. While the HEJ School might look like it would be a good fit for housing units, two developers have expressed significant hesitance. One developer, approached by the Town, said that it could be feasible only if additional units could be developed on the grounds. The Hilltown CDC Executive Director (interviewed by FinePoint) said, based on initial review, the high ceilings make it difficult to create efficient housing units, lots of modifications would be needed, and it might be financially tight. He suggested it might be possible if an anchor use on first floor could help with revenue. The financial and physical challenges of developing housing supports the concept of retaining town ownership of the HEJ school and accommodating town offices, Council on Aging and possibly public safety and/or other uses.
8. The town of Williamsburg could consider taking a more active role in business development and support. This came up in the business survey results. The town is currently trying to address issues related to signage regulation (that would satisfy both business owner and planning concerns). The town could also be proactive by incorporating way-finding and other signage that could help promote businesses into the Greenway Initiative and future improvements of Route 9.
9. Coworking/shared office space is a growing trend and matches the demand revealed by the market analysis. This use can be housed in relatively easily converted space and could be contemplated as a reuse option for town properties (e.g., HEJ School, Town Office Building). The Commons Coworking (CC), launched as a pilot initiative, has generated many positive economic impacts. Consider encouraging CC to take on an expanded role in creating an innovation ecosystem for facilitating small business growth in Williamsburg, including the following possibilities.
 - Apply for a MassDevelopment Collaborative Workspace grant to renovate space to efficiently accommodate more members and think about incorporating some additional very small private offices, if possible. The Mass Development grant requires matching funds, however, this requirement can be partially met with a commitment from the Town to offer “reduced rent” to the collaborative space.
 - Expand small business services available to workspace members and community members (host training workshops, technical assistance office hours, shared equipment, etc.).
10. Consider including a Visitor Center or a designated Welcome Center as part of the plans for building repurposing and relocation of Town Offices.
 - A visitor center was suggested as a possible reuse for the Haydenville Library. This would be in keeping with promoting tourism while retaining the charming structure. However, it could be challenging to adequately staff the facility. If an organization (e.g., Chamber, Tourism Board) could be developed as suggested in the item below, perhaps this entity could be designated to operate the Visitor Center. (The town of Ipswich created a Visitor Center in their historic Hall-Haskall House and staffs it with volunteers from May to October).
 - Alternatively, consider designating a Welcome Center located within the new site for the Town Offices. A Welcome Center could be provided in a public

facility that contains restrooms and already established business hours at very little cost without the need for additional staff (brochures, information display).

11. Create a local entity (Tourism Committee/Board, Chamber of Commerce, etc.) to work with business and coordinate efforts to increase the number of visitors and length of stay (e.g., increase and promote local attractions and activities, develop stronger connections with Snow Farm, get more out of bus tours stopping at Williamsburg General Store, work with Hampshire Regional Tourism Council and HCDC on regional visitor attraction strategies).
12. Consider inviting the Hilltown Community Development Corporation Executive Director and staff to engage in conversation about the potential for developing senior housing in Williamsburg and/or other projects. HCDC will complete their senior housing project in Goshen by June 2018 and has begun looking for a new project.
13. Address parking issue in Burgy Center. Look for parking solutions that could handle overflow at times of school and Grange events as well as solutions that might increase usability of Town Hall property. Suggestions from business representatives include: 1) acquiring open nearby lots, 2) preparing the James School grounds for parking and prominently signing it as such, and 3) allowing parking on the Dunphy school field area for school events. Consider having a parking study conducted.
14. Old Town Hall is an iconic structure and defining feature of Burgy Center. It houses the Historic Society and historic collections that would have to be relocated if the property were to be repurposed. This property is an important component of Burgy Center and the town's heritage. It requires careful consideration and probably should be the subject of a planning effort and research for external funding.
15. The Community Preservation Act helps communities preserve their economic, environmental, and cultural assets. If Williamsburg passed the Community Preservation Act, a small surcharge could be added to property tax and the state would provide a 30% match. The funds could be used to help preserve and maintain historic assets.
16. The suggestions above should be distributed to the appropriate town committees and Boards for further evaluation and refinement (e.g., community development committee, facilities master plan committee, capital planning, planning board, etc.)