



nerej

Hathaway Creative Center: A vital component of central Maine's economic transformation

February 02, 2010 - Northern New England

In March, 2002, about one month after I became executive director of the Central Maine Growth Council, the Hathaway Shirt Company announced that it would be ceasing operations in Waterville, and eliminating more than 300 jobs in the region. By February 2003, the last employees of Hathaway were gone and by summer 2003 the facility was shuttered.

This closure followed a long list of downsizings and closings of the manufacturing sector in Central Maine. While most people in the area understood that our economy was certainly in transition, this was a blow to our region's economy and psyche. This transition seemed to be happening faster and more abrupt than we all thought.

The questions now became, "How do we move more quickly into the economy of the 21st Century?" and "What do we do with that building and how can we utilize it as an asset?"

Let's fast forward to January, 2010. Given the economic conditions that gripped our country over the last 18 to 24 months, no one could have imagined that in early 2010, this mixed-use redevelopment would be a resounding success and symbol of the transformation of Central Maine's economy.

How successful is it? After a formal groundbreaking in January, 2008, the 235,000 s/f Hathaway Creative Center is a bustling mixed-use development that houses residents and a variety of businesses. To date, more than 65% of the total space is occupied.

The top two floors of the five-story building are home to 67 quality loft apartments, with tremendous, sweeping views of downtown Waterville and the Kennebec River. More than 75% of these units are occupied and/or leased.

The bottom three floors of office and retail comprise just less than 140,000 s/f of space. Approximately 50% of the space is occupied, including such tenants as HealthReach Network, TD Insurance, and Maynard's Chocolates, among others. The Hathaway Creative Center also includes a fitness and business center for residents and commercial tenants.

How did this happen?

In 2004, Paul Boghossian, a Rhode Island businessman/developer and graduate of local Colby College, expressed interest in the facility and was selected to spearhead the redevelopment of the Hathaway facility.

The project picked up steam in early 2006 when Paul teamed up with Niemann Capital, LLC to form Hathaway Holdings and expand the scope of the project to include the former Central Maine Power (CMP) and Marden's facilities, which are adjacent to the Hathaway Creative Center.

The development team plans to invest upwards of a \$56 million investment in the entire project. It is anticipated that full build-out will occur within the next 3 to 5 years.

In addition to being dramatic, world-class space with a great location adjacent to downtown and tremendous views of the Kennebec River, the entire project is located in a Tax Increment Financing

(TIF) District and is also designated as a Pine Tree Development Zone Site, which affords businesses tremendous incentives and tax benefits for job creation. The facilities are also listed on the National Historic Register, which makes them eligible for federal and state historic tax credits. But perhaps the greatest asset that comes with the project is the qualified and abundant workforce that is readily available in Central Maine. Our central location along I-95 affords us a labor draw extending up to 50+ miles and local employers continually extol the dedication, quality and work ethic of our people.

Plans for the CMP and Marden's buildings include additional phases to add more residential units, college student housing, commercial, and artisan space. The project will also incorporate green and public space and allow residents and visitors to utilize the riverfront area. There are also plans to "connect" the project more closely with downtown to create a more vibrant urban core.

As with other developments in Central Maine, such as our world-class business park, FirstPark, and the recent attraction of T-Mobile and their 800+ quality jobs, this project symbolizes a major milestone in our economic transformation. The entire region is taking proactive steps to proactively prepare for and embrace the new economy. We invite you to be a part of it.

John Butera is the executive director of the Central Maine Growth Council, Waterville.

New England Real Estate Journal - 17 Accord Park Drive #207, Norwell MA 02061 - (781) 878-4540