



# nerej

## **Westmass Area Development Corp. acquires Ludlow Mills and plans two major projects**

November 10, 2011 - Front Section

Westmass Area Development Corp., a 50 year old not for profit business park developer, has recently acquired the Ludlow Mills property. HealthSouth and Winn Development concurrently revealed plans for major investments in the Ludlow Mills project. The property, located on 1.5 miles of riverfront along the Chicopee River encompasses 170 acres and has 1.45 million s/f of existing building area. The master plan for the project includes preservation of many of the existing structures as well as selective demolition to make areas available for new construction.

HealthSouth has plans to develop a new rehabilitation hospital at the Ludlow Mills. HealthSouth has applied for a Determination of Need (DoN), which would allow it to relocate its 53 beds and have the opportunity to align the new hospital's interior with the current trends of private rooms and an open-floor plan gym. Construction on the new hospital is subject to receiving the DoN. Once granted, they plan to work towards LEED certification with a sustainable and energy-efficient design. WinnDevelopment, one of the most experienced developers of old mill buildings in the northeast, with a 30 year history of successful development and a portfolio valued at over \$1.5 billion, plans to preserve and reuse one of the large mill buildings at Ludlow Mills. Winn Development will renovate Mill #10 for 83 units of senior independent housing. This project will supplement the town's existing senior housing across the street and respond to the town's need for additional senior independent housing. The project will be a LEED certified project and is estimated to cost in excess of \$20 million. Construction is expected to start in 2012.

Over the last year, Westmass worked with local, regional, state, and federal officials in resolving development challenges common to obsolete manufacturing facilities. The Town of Ludlow has worked closely with Westmass to develop a flexible zoning district for the property that promotes the development of a comprehensive master plan and then allows accelerated implementation of the plan through the local permitting stage. The Pioneer Valley Planning Commission was instrumental in realigning the 2010 census tract in Ludlow to make the property eligible for New Markets Tax Credits. The property is on the National Historic Register and qualifies for federal and state historic tax credits.

The Commonwealth of Massachusetts and the U.S. Environmental Protection Agency (EPA) committed funds for the assessment and remediation of environmental problems associated with the site that has been in manufacturing use since the 1840's. EPA's Targeted Brownfield's program provided funding for the assessment of the property and identification of potential environmental threats. The Massachusetts Office of Energy and Environmental Affairs provided \$1.5 million for site clean up.

The existing buildings were constructed in the early 1900's along with most of the utilities such as water, sewer, and storm drainage. That infrastructure is not adequate to support modern commercial

activity. The Massachusetts Executive Office of Housing and Economic Development provided the town with a \$3.7 million grant under the Mass Works program for the reconstruction of State Street for an upgrade of the utilities. Construction will begin in the spring of 2012. In October, Columbia Gas completed a major improvement to the natural gas supply system in State St. in order to service the project. Westmass expects the entire redevelopment project to span two decades and to eventually involve investment totaling more than \$300 million.

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