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Devens overcomes obstacles

Former Army base sees continued growth despite tough economy

BUSINESS MATTERS COVER STORY



Housing at Devens features a number of older brick homes. (T&G Staff Photos/CHRISTINE PETERSON)

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DEVENS — Evergreen Solar Inc.'s departure from Devens this year left a void, but it has not stopped the growth of this redeveloped former Army base.

Businesses and developers — slowed, perhaps, but not stopped by the poor economy — have been pouring money into Devens.

A new hotel opened on the common this month. One developer is preparing to break ground on Jackson Road for the state's first television and movie studio complex. Another developer has proposed converting Vicksburg Square's old military buildings into hundreds of apartments.

Warehousing company Quiet Logistics and plastics manufacturer Laddawn Inc. are among the big tenants that moved into Devens this year. And last year, Bristol-Myers Squibb finished construction on a \$750 million drug manufacturing plant there.

"I'm pretty happy with the way things are going in Devens, notwithstanding the tough economy we're all dealing with," said George A. Ramirez, executive vice president of Devens Operations for MassDevelopment, the state's finance and development authority.

Devens includes more than 4,000 acres of development and open space; it was an Army base for 79 years. When the base closed in 1996, MassDevelopment bought the land and started working to attract developers.

Today Devens has dozens of businesses and more than 100 occupied homes. State officials say it has become a national model for redevelopment.

Devens' newest building, a Hilton Garden Inn on Andrews Parkway, opened after developers determined the community's existing hotel, SpringHill Suites by Marriott, wasn't meeting demand. The new Hilton Garden Inn Devens Common employs about 45 people, said General Manager John Mehlmann.

"Devens is still a growing area, and our company and our ownership have a great deal of faith in Devens," he said. "We feel it's a great time to open hotels. We feel the economy is starting to get better."

Demand for the new hotel is expected to come from government, local businesses, state associations and weddings, said Bradley D. Wiens, senior vice president of True North Hotel Group Inc. in Overland Park, Kan. True North operates the 118-room Hilton Garden Inn, the SpringHill Suites and the Devens Commons Center, which hosts conferences and events.

More than 3,000 people worked in Devens in 2005, the most recent year for which data is available.

There is room for many more businesses and many more jobs. Forty-four percent of the commercial space in Devens is vacant, according to MassDevelopment. One of the empty spaces is Evergreen Solar's vast manufacturing plant on Barnum Road. The company, which received state financial incentives, shut down its factory this year, laid off hundreds of workers and later declared bankruptcy.

That's the past. Developer Michael J. Meyers of Andover is hoping to be part of Devens' future by building New England Studios, a complex of sound stages that Mr. Meyers said will rival the facilities of Hollywood. The first, \$30 million phase of the project is scheduled to be finished by early 2013.

"This is all a response to the film tax credit, which provides a very big incentive for film production," said Mr. Meyers, managing director of MJM Development LLC. "I think it'll really help grow the industry."

Mr. Meyers, a hotel developer, said he and his partners have funding in place and have "done our homework on this."

The first phase of New England Studios is expected to create more than 300 jobs. All three phases amount to a \$104 million investment that could generate up to 1,000 jobs.

MassDevelopment has approved a \$5 million tax increment financing deal for the project, which MJM Development would receive over 20 years. The company will receive a piece of the tax break for each phase of the project it completes.

Mr. Ramirez said the tax deal is fair for a company that is willing to make such a big investment in Devens.

"We're about job generators," he said. "The company will generate jobs."

Why Devens? The former military base has plenty of open space and solid infrastructure, which are big draws for big projects. MassDevelopment offers expedited permitting in Devens, which Mr. Ramirez called "the key motivator" for many companies.

And there are the financial incentives. Mr. Meyers, for example, said he didn't know whether he would have pursued his movie studio project if he hadn't received a tax break.

One obstacle to attracting businesses has been the pollution left in the ground by longtime Army operations. MassDevelopment spokeswoman Kelsey Abbruzzese said the Army has cleaned up most of the oil, petroleum and solvents contaminating the ground.

Devens was Bristol-Myers Squibb's choice for its biggest capital investment ever. The biopharmaceutical company's Devens location will — after federal government approval — support production of the rheumatoid arthritis drug Orencia. The facility employs 300 people, said John Lenox, the company's communications director.

"Bristol-Myers Squibb chose Devens for this new facility because of the wealth of scientific and biological talent in the area," Mr. Lenox said in an email.

Another factor: The state doled out more than \$60 million in financial incentives and infrastructure improvements to accommodate the plant.

Businesses are not the only tenants MassDevelopment is trying to bring to Devens. The agency considers housing an important piece of Devens' future. It chose Metric Corp. of Boston and Transformations Inc. of Townsend to build 20 energy-efficient homes, a combination of single-family and multi-family units.

But a proposal for a much bigger housing development — 246 apartments — has people in neighboring towns concerned about the impact on schools and other resources. Children from Devens attend school in Harvard, according to a contract between Harvard and MassDevelopment.

Trinity Financial LLC of Boston has proposed renovating several buildings in Vicksburg Square and turning them into market-rate and affordably priced apartments. The company is working to shore up support for the \$83 million project, which requires approval from a “super town meeting” of voters from Ayer, Harvard and Shirley.

Project Manager Abby Goldenfarb said the company is bowing to the site's military significance with a preference given to veterans for the development's affordable units.

“We're optimistic people will see what a benefit this is,” Ms. Goldenfarb said.

Devens is unique. Without a government of its own, it is run by MassDevelopment. And though the situation is temporary, no one knows exactly when it will end or what will become of Devens. Some day, the state will dispose of the property.

“The issue for the towns is when disposition occurs, and what occurs at that point,” said Timothy P. Bragan, town administrator of Harvard.

An attempt to make Devens its own town failed in 2006, when Ayer and Harvard residents rejected the proposal. Shirley voters approved it.

Legislation sets 2033 as the deadline for deciding Devens' future. Mr. Ramirez, of MassDevelopment, isn't worrying about that.

“I'm not focused today on what Devens is going to be at the end of the day,” he said. “I'm concentrating on making sure I deliver services to the community that is here. I'm taking an organic approach. The community will grow organically.”

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