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Reuse of the Waverly Mill Potential for a Retail Outlet Center

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**REUSE OF THE WAVERLY MILL
POTENTIAL FOR A RETAIL OUTLET CENTER**

ADAMS, MASSACHUSETTS

SPRING, 1992

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The Center for Economic Development would like to thank
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REUSE OF THE WAVERLY MILL: THE POTENTIAL FOR OUTLET RETAIL DEVELOPMENT

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WHAT IS AN OUTLET CENTER?

There are several types of retail facilities commonly referred to as outlet centers. Among these are the conventional outlet center, off-price center and mixed-use industrial and retail center. The standard industry definition for a conventional outlet center, which will be used for the purposes of this report, is a group of manufacturer-owned stores selling their own products at discount prices. This type of center sells surplus and discontinued lines as well as in-season, first-quality merchandise. This is to be distinguished from off-price centers and other "discount" stores that often sell closeouts and irregular goods with limited selections. Some examples of off-price stores are T.J. Maxx, Dress Barn and Marshall's. The mixed-use type of center is reminiscent of the outlet of past eras when both manufacturing and retailing of clothing and other products were done at the same location.

Outlet stores date back as far as manufacturing in the United States. It was not uncommon for the mill factories to open a small shop on the premises to sell its irregular and overstocked goods. Examples of these stores can still be found throughout America. When manufacturing was still done on the site, the Waverly outlet in Adams, Mass. was of this kind.

It was not until the 1970's, however, that outlet center development became a fashionable trend. In Reading, Pa. the VF Company led the wave of large mill outlets. Manufacturer-direct goods, sold at low prices, enticed ever-growing crowds as the idea caught on. Today, Reading is one of the nation's largest concentrations of mill outlets, with four outlet centers and over a million square feet of tenant space.

For an idea of size of the outlet industry today, there were over 425 outlet retail chains operating around 6,800 stores across the United States in 1991. Despite the surge in outlet center development, however, the industry is still a fraction of the off-price retail market.¹

Reading is of the "shopper destination" subtype of outlet center. The three other subtypes of outlet centers are: tourist sites, rural pass-by locations, and metropolitan/suburban pass-by locations.

The four are outlined as follows:

Shopper Destination

Outlet centers are often the attraction in a community. Aside from Reading, other shopper destinations include Freeport and Kittery, Me., Boaz Ala., and Fall River, Mass. Shopper destination centers attract high customer volumes due to location and size. Some of the nation's largest outlets fall into this category. In Boaz, for example, shoppers can use a trolley shuttle to shop at all the five centers.

Tourist Sites

According to many sources, shopping is one of the most popular vacation pastimes in America. Accordingly, outlet centers have been developed in Orlando, Fla., Cape Cod, Mass., Conway and North Conway, N.H., Lake George, N.Y. and Niagra Falls, N.Y. This is also seen as a major factor in new outlet center development, as many tourist destinations still lack large-scale retail attractions.

Rural Pass-by

One of the basic restraints of the outlet industry is distance from the full-price retailers. Quite naturally manufacturers do not want to interfere with sales in their primary retail stores, so they look to open their discount outlets with this in mind. Outlet centers in this category have taken advantage of their remote locations and high traffic counts. Examples can be found in Somerset,

¹By contrast, there are more than 43,000 off-price stores in operation. Research provided by the *Value Retail News*, the industry's trade journal.

Pa., (off the Pennsylvania Turnpike), Burlington, N.C. (between Raleigh-Durham and Winston-Salem) and Kenosha, Wis. (between Chicago and Milwaukee, Wis.).

Metropolitan/Suburban Pass-by

Other outlet centers have chosen high traffic and large population areas just outside the full-price retail thresholds. The Everett Mills, just off I-495 in Lawrence, Mass., is the closest outlet center to Boston. Potomac Mills, in the Washington D.C. area advertises its location as "just fifteen minutes south of the Capital Beltway".²

During the past two decades, outlet centers have evolved from the traditional image of an old mill with disorderly selections spread on tables, to one of an upscale, fashionable structure with a mix of products and companies all carrying neatly-displayed selections. This evolution encompasses three trends: new structures versus rehabilitation; improved interior design; and pure versus mixed tenants.

Industry Trends

Over the past decade outlet centers have grown from a small fraction of the retail market to a significant part of the industry. With that, new trends have emerged in recent years. Below is a summary of some of these new developments.

New Structures versus Rehabilitation

There is a nostalgic traditional image of outlet centers in historic buildings. Many of today's outlet centers, both large and small, are located in old mill buildings. Despite certain tax incentives, however, many national developers are turning to strip centers for other cost reduction factors.

²For more complete definitions of the various types of outlet centers, see *The Art & Science of Outlet and Off-Price Retailing & Development*. Clearwater, FL: Value Retail News, 1990: 1-20.

The strip center is the predominant of three types of structures used for outlet stores (the other two being new malls and adaptive re-use). The preference for strip centers stems from both visual and economic needs. Most tenants desire frontage for maximum logo visibility and shopper accessibility. In addition, strip centers reduce heating, ventilation, and air conditioning costs, thereby relieving tenants of additional common space charges. There has even been a recent push against multi-floor structures in enclosed mall buildings due to the additional HVAC costs associated with them.³

Still, 39 outlet centers were developed in existing buildings between 1983-1988, so the prospects for adaptive reuse are very much alive. One such rehabilitation, Warehouse Row, in Chattanooga, Tenn., was done by The Prime Group, Inc., Baltimore, Md., a prominent outlet center developer. Eight warehouses (323,000 s.f.) were renovated to incorporate retail and office space; a parking garage and one-acre public park were later added.⁴

At Warehouse Row, which opened in November 1989, the city and the developer worked together to secure U.S. Department of the Interior historic preservation tax credits, industrial revenue bonds and an urban development action grant to finance the \$35 million project. The retail space (100,000 s.f.) is composed entirely of upscale designers. A similar tenant strategy has been employed at Howland Place an outlet mall in New Bedford, Mass.⁵

Improved Interior Design Warehouse Row, Howland Place and Everett Mills all fall into the upscale category of reuse outlet mills. The traditional style of outlets, complete with chicken wire over the windows proved

³*Art & Science*, 21-22.

⁴See, The Urban Land Institute, Project Reference File (Vol. 20, No. 6) April-June 1990, for a complete description of the Chattanooga Project.

⁵Howland Place, 651 Orchard Street, New Bedford, MA. Phone: (800) 327-SHOP. Contact: Nancy M. Hodgson.

incompatible with the image Ralph Lauren, Perry Ellis and other fashion designers insisted upon when they entered the outlet market. To address this problem, outlet centers upgraded their appearance with modernized selling floors: dressing rooms, merchandise displays and improved lighting. Many new outlets took on a look similar to on-price stores. The key difference, though, is the modernized outlet need not be fancy. The point is stressed by Burt Paley of Everett Mills, who notes that expensive interior design leaves the customer with the impression that part of the bargain is lost.⁶

Pure or Mixed Tenants

The failure of many outlet centers has been attributed, in part, to manufacturers who tend to shy away from "one-sided" or "pure" centers. Centers solely with upscale tenants, Howland Place for example, have met with mixed results. Recently, industry analysts have stressed the importance of tenant mixing to increase the customer base. The desired mix includes a wide variety of products including clothing, kitchen supplies and hardware. Certain anchor stores, such as Ralph Lauren, increase the desirability of manufacturers to open an outlet in the same center.

⁶Everett Mills, 15 Union Street, Lawrence, MA. Phone: (617) 682-9463.

WHAT KINDS OF COMMUNITIES ATTRACT OUTLET CENTERS?

As with any commercial development the key to success is location. It is the most important factor in determining the prospects for retail development. The criteria for locating an outlet center depend on the attractiveness of the region more than the town or city itself. The buying power of the local population has not been a significant factor in locating outlet centers.

Generally, developers look for high traffic counts, tourist attractions and a close metropolitan area. Distance from the manufacturer's full-price stores is crucial. All other factors, such as local amenities, tax breaks and leasing prices influence which town and site a developer will choose after a region has been chosen.

Traffic counts, as previously mentioned, help determine the success of outlet centers. In the Northeast, for example, traffic counts of approximately 60,000 cars per day is considered desirable regardless of the local population figures. In fact, one of the most successful outlet centers is near a rural, mountain bypass where the local population is less than 5,000 people.⁷

Proximity to a metropolitan area is desirable due to the large population figures, but the distance must be great enough (sometimes as far as 40 and 60 miles) not to interfere with the full-price stores.⁸ The retail sector which includes the large department store chains and smaller specialty stores are naturally resistant to outlet center development. Communities with large full-price retail sectors will not attract outlet centers. Conversely, communities with strong outlet centers compete well with local full-price stores.

⁷See page 11 for local traffic counts. Three major outlet centers are located in Pigeon Forge, Tenn., between Knoxville and Asheville, N.C.: Belz Factory Outlet Mall, Factory Merchants, and Green Roofs Factory Stores.

⁸The exact distance from on-price stores is highly relative as manufacturer policies vary.

HOW DOES AN OUTLET CENTER IMPACT A COMMUNITY?

Outlet centers impact local communities in a variety of ways. Outlet centers commercialize the area they are in and may cause a strain on the existing full-price stores in the area which sell goods similar to those in the outlet center. In larger towns, the issue of competition with existing retailers is more common. In smaller towns, such as Adams, this is less a problem due to the small number of stores which would compete directly with stores in an outlet center.

If the outlet center development is large enough, its establishment will change the flavor of that community if no large commercial interest previously existed. A town that had a pure "small town flavor" can lose that feeling. However, sensitivity on the part of the community and developer helps reduce this possibility.

Some developers have become increasingly aware of the needs of the local community. For example, the Willey Creek Co., Inc., Exeter, N.H., works with local merchants in order to upgrade the entire retail area. Often the company will hold merchandising and marketing workshops with local merchants.⁹

New development in a community translates into more jobs in that community. An outlet center will add jobs at several income levels to a community. Primarily outlet stores hire local workers for sales clerk and service work. These tend to be lower paying jobs, but consistent with pay in the retail industry. These are not highly-skilled entry level positions. Managerial positions often are attained after experience with the store over time.

⁹The Willey Creek Co., Exeter, N.H., has developed over 1.2 million s.f. of outlet center space in nine states. Contact: Patti J. Crooks, C.M.D./C.S.M., Willey Creek Co., Inc., P.O. Box 1070, Exeter, N.H. 03833. Phone: (603) 778-8107.

The multiplier generated by outlet center development is unclear. In some downtown locations or in mixed-use centers, the multiplier is high due to the presence of restaurants and other service-related establishments. At other centers, even shopper destinations like Fall River, the multiplier is not plainly evident. It should be noted that shopper destinations and rural pass-bys are generally "one-day" trips as opposed to overnight attractions.

WHAT TYPE OF OUTLET SHOULD THE BERKSHIRE REGION TRY TO ATTRACT?

New outlet center development in the Berkshire region is largely dependent on other regional attractions. There are three reasons for this conclusion: existing retail locations, lack of high traffic roads and the uniqueness of regional tourist attractions.

Existing retail developments

Primarily, the reference is to retail centers in Lenox and Lanesborough. Lenox House Country Shops in Lenox is an existing outlet center with 28 tenants. The Berkshire Mall in Lanesborough has 102 tenants, mostly full-price, including five department stores. Their presence should be considered during the leasing stages of the project. Retailers will seldom open in an outlet center if it is in close proximity to a full-price retailer selling their brand.

Moderate Traffic Counts

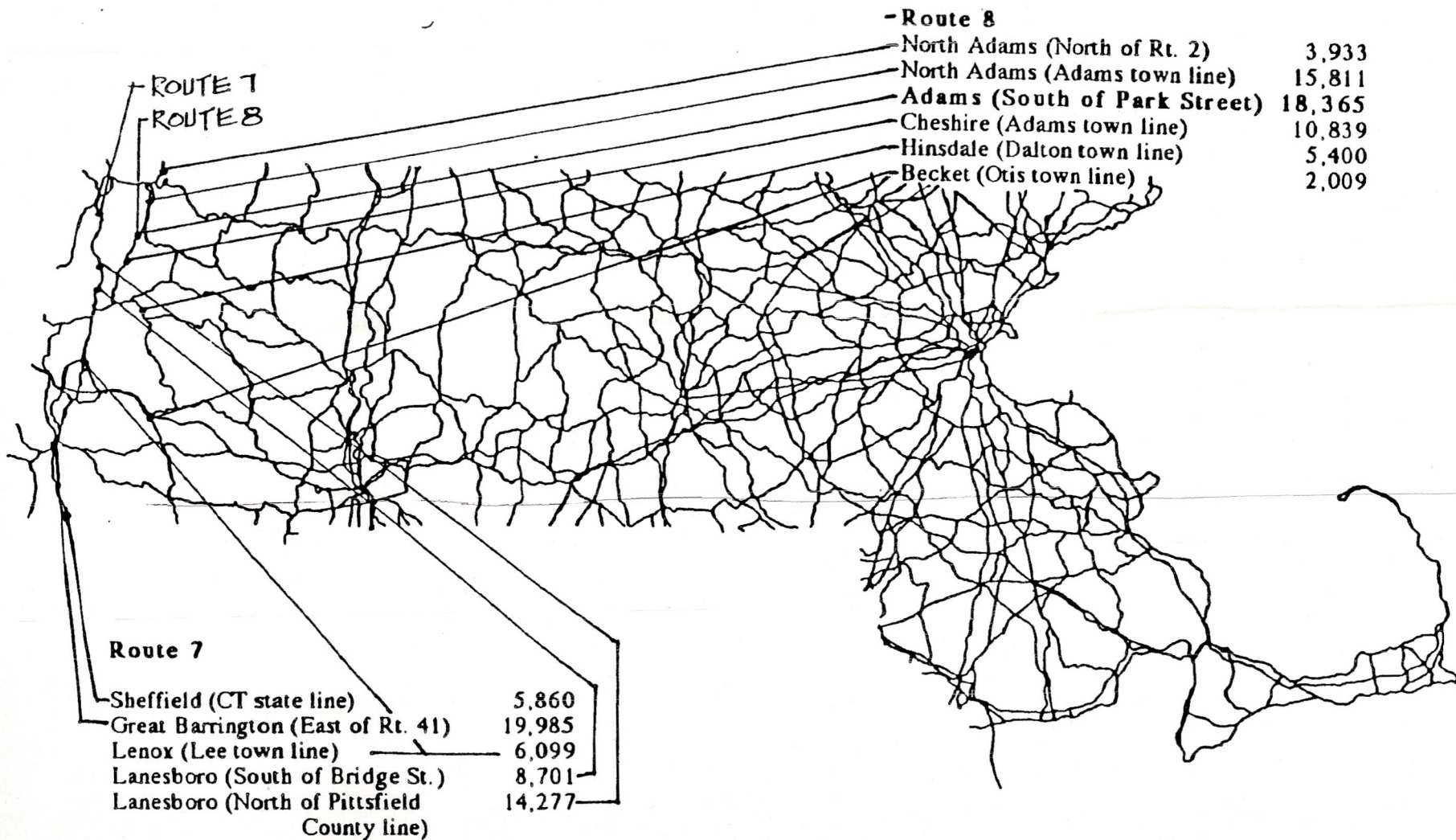
Although no interstate highways pass through the North Berkshires, the combination of Routes 7, 8, 116 and 2 form a moderate traffic pass into the area. The Massachusetts Highway Department has provided average daily traffic counts for Routes 7 & 8. The counts serve two purposes: 1) to give an approximation of counts on the two major north-south roads in relation to Adams; and 2) to give suggestions for billboard or other off-road advertising. The numbers, on page 11, indicate there is not a large discrepancy in numbers between the two north-south roads.

Regional tourist attractions

Local ski areas, pass-by roads to Vermont and New Hampshire ski locations, summer resorts, the autumn foliage, and arts and crafts attractions should all prove positive attributes for a new development. Research at the Berkshire Hills Conference/Visitors Bureau suggests the number of visitors to the Berkshire Region each year is around two million.¹⁰

¹⁰Tourist information can be obtained from The Berkshire Hills Conference/Visitors Bureau, Berkshire Common, Pittsfield, MA 01201. Phone: (413) 443-9186.

Regional Traffic Counts:



This draw is estimated to bring in about \$170 million to the the Berkshire Region as a whole. The breakdown of the tourist expenditures is as follows:

For every dollar spent in the Berkshires:

\$.30-.35	is spent on lodging
\$.20-.25	is spent on dining
\$.15-.17	is spent on entertainment
\$.13	is spent on retail activity
\$.04	is spent on automotive expenditures (e.g. gasoline)
\$.06	is spent on miscellaneous, hard to track, small purchases.

The 13% spent on retail goods translates into \$22 million spent by visitors each year. Totals for the existing outlet center in Lenox and the Waverly Fabric Outlet are included in this figure.

The summer months generate the highest number of tourists, attracting 45% of the total 2 million. The summer months consist of late June, July, August, and early September, roughly 10 -12 weeks.

The remaining 55% of the tourist expenditures are spread out over Fall, Spring and Winter in that order.

The largest Berkshire tourist generators are:

- Tanglewood, 350,000 visitors during the Summer months;
- Williamstown Theater Festival, over 52,000 visitors also during the Summer;
- Clark Art Institute, around 100,000 visitors per year.

The MassMOCA project will also generate a significant amount of tourists, as will the outlet center. Exact projections of visitors to MassMOCA is unclear.

If the MassMOCA and/or the Greylock Glen plans are implemented it would naturally increase the desirability of the Adams area for outlet center development. The outlet industry is thriving and Adams could benefit provided the center becomes an attraction in itself or as a compliment to these other regional attractions.

Based on these attributes, the outlet center most suited to Waverly Mills in Adams and the Berkshire Region in general would be a mixed tenant outlet leaning towards upscale and designer labels with emphasis on the unique qualities of the Berkshire Region. Mixed-use of the Waverly Mills buildings is recommended since tenants are increasingly in favor of first floor space. Another added feature or attraction could be art studio space on the upper floor with retail space on the lower floor as a possibility. The outlet center should also recruit tenants from the arts and crafts industry to compliment standard outlet shops. An example of this type of design is located in Northampton, MA which encourages local artists to display their works, and is also a place for them to buy supplies.

An outlet center in Adams must become a destination point as well as a compliment to other area attractions. High profile outlets are key. Since, many of the area's visitors live in the metropolitan New York area, targeting this market through high profile stores will make the center this type of destination. Bass, Van Heusen, Polo/Ralph Lauren and J. Crew are just a few of the retailers needed to blend with local-flavor stores.

WHO ARE THE KEY PLAYERS IN DEVELOPING AN OUTLET CENTER?

From the municipal perspective, government officials are the key players in attracting an outlet. The members of the town or city government are essential to the support of the project and the planning staff is fundamental in implementation. On sites where new building development will occur, environmental organizations can also play a major role. Once government officials have decided they want an outlet center, then the key players become the developers and the consultants.

Outlet centers occupy a sensitive niche in the retail industry. Because these centers compete with full-price stores, the two are rarely found in close proximity to each other. The distance from Adams to large full-price retailers is a positive attribute to the Waverly site and should be stressed when approaching prospective consultants and developers.

Many analysts see an upper limit to outlet center development, although the industry is still growing. Of the 1,000 outlet centers and more than 6,000 factory-direct stores nationwide there are only 60-100 manufacturers opening stores on a consistent basis. Below is a role summary of the developer and consultants.

The Developer

Developers are actively searching for new sites nationwide. But as "ideal" sites become more scarce, developers are also looking to fill the gaps existing in the market. There are a handful of outlet center developers operating on a national scale, and many more that work at the local level. Since the outlet center industry is fairly new, major developers have formed a focus group named DOC (Developers of Outlet Centers). The non-profit group gathers information to be shared in the industry.

Developers select from numerous sites then make final decisions on funding sources and tenancy. With this in mind, municipal officials must actively recruit a developer in order to express interest and provide assistance with the development process. Contact information on the DOC group can be found in the appendix section.

Given the recession and perceived poor business climate in Massachusetts, there is a risk that a large developer will not take an interest in any development in the Northeast. If this were to occur, the town should focus on local developers with experience in the retail sector. The understanding of regional characteristics will be helpful in tailoring a project to the Berkshires. Tenancy, on the other hand, will depend on so-called "inside" help. The industry is close-knit. Therefore, the work of a specialized leasing consultant is crucial to the viability of the project.

The Consultants

The consultants serve as liaisons between the developers and the tenants. Their understanding of the industry's idiosyncrasies will help to set the development plan (often a phased growth plan) and contact potential tenants. Consultants use their expertise to identify and recruit prospective tenants for the new development.

Many consultants will provide a free analysis of the proposed development. Others provide certain guarantees of success. All have contacts in the industry, the key to a project's success. When selecting a consultant, the town must ask two questions: 1) Does the consultant have experience with local developers; and 2) Does the consultant have experience in the Northeast? Although not imperative, these are assets in the development process.

It is important to explain to the consultant the uniqueness and potential value of a project in the Berkshires. Emphasis should be placed on the traits outlined in Chapter IV. The appendix section contains a list of consultants who can be contacted for these purposes.

VRN Convention

The Value Retail News holds bi-annual conventions which bring together all players in the outlet industry. The benefits of the convention are twofold. One is to find a developer to build the outlet center. The developers themselves have booths where potential location representatives can sit and talk with them. The second benefit is to attract potential retail tenants. This requires that Adams set up a booth and be able to sit down with retailers. A delegation could be set up to attend these conferences with this in mind. For example Adams can train a delegation of one experienced person from the Town who knows the area along with delegates with sales experience, possibly from North Adams State College.

The next convention will be held in October in Atlanta, GA.

WHAT ARE THE PHASES OF CREATING AN OUTLET CENTER?

The decision to create an outlet center must be made a priority of the community and the property owner. (In the appendix is a fiscal impact statement illustrating the tax benefit to Adams with an outlet center development.) The process must be carefully thought out and include input from town officials, developers and retailers. The important phases in the development, following this feasibility study, are: land acquisition, funding sources and tenant leasing. Preparation on Adams' part should go a long way toward the success of the project. Below is an outline of steps in the process.

Market Analysis

Market data for the area has been provided by the Center.¹¹ Analyzing the feasibility of developing an outlet center in the Northern Berkshires is the decision of the developer. This information, along with the tourist profile and site characteristics, is the ammunition which the town needs to provide in order to recruit a developer. It is also an indication the town is serious about the development.

All figures are for Berkshire County as a whole:

Total Population: 138,926

Median Age of Population: 35.5

1991 Median Household Income: \$32,727 (a 104.3% increase since 1980)

1996 Median Household Income: \$40,638 (projected)

1991 Median Family Income: \$39,033 (a 104.3% increase since 1980)

¹¹Source: Donnelley Marketing Information Services, Stamford, CT.

Households with incomes above \$25,000: 62%

Households with income above \$35,000: 47%

Households owning two or more vehicles: 43%

Households with newest vehicle five years old or newer: 63%

The total expenditures and potential yearly growth rate for Berkshire County is 4.94%. Of stores likely to be found in an outlet center the growth rate for six of the nine found below is above the national benchmark index. Stores above the benchmark are highlighted in bold.

Product Potential for Selected Stores:

	1991 Total \$,000	1996 Total \$,000	1991 \$/HSHLD	1996 \$/HSLD	Yearly Growth Rate Total %
Apparel Store	44,780	56,438	850	1,072	4.74 %
Appliance Store	6,430	8,197	122	156	4.98%
Department Store	103,490	130,881	1,965	2,487	4.81 %
Furniture Store	18,309	23,012	348	437	4.68 %
Hardware Store	10,418	13,303	198	253	5.01%
Jewelry Store	8,006	9,991	152	190	4.53 %
Shoe Store	9,855	12,531	187	238	4.92 %
Toy Store	4,256	5,457	81	104	5.10%
Variety Store	5,503	6,984	104	133	4.88 %
Total Market Potential*	724,323	921,898	13,751	17,518	

Land Acquisition

The acquisition of the land could be quite simple or more complicated. Before the recruiting process begins, the town must provide alternative scenarios for transferring the property to the developer, if this is to be the case. If the town wishes to maintain control of the property, this must be outlined as well.

Funding Sources

Funding for such projects comes from many sources. Aside from the normal private channels, funding can be acquired from the state and federal governments for historic preservation and economic development. The historic preservation funding and tax breaks that can be obtained for the rehabilitation of old mills is a source the Waverly Mills should explore in detail.

Another possible funding route is the Massachusetts Industrial Finance Agency (MIFA). As the state's "investment bank", the agency works through private channels in order to secure private capital for eligible projects.

The Waverly Mill project could pursue three of MIFA's programs: taxable bonds, public body financing and direct loan. According to MIFA, the taxable bond program works as follows:

"Taxable Financing is a flexible alternative for a variety of projects. The program may be used for industrial and commercial expansion projects, warehouse and distribution facilities, economic development and research and development projects.

Proceeds may be used for the acquisition, construction or renovation of buildings, purchase of land and equipment and refinancing of existing asset-based debt. . .

In addition to offering flexibility in rates and terms, taxable bonds provide access to capital that may be otherwise unavailable to borrowers through

conventional sources. There are no limits to bond size. Like tax-exempt bonds, taxable bonds may be either fixed or variable rate and sold either in the public markets or through private placements..."

Tax-exempt bonds, part of a more popular MIFA program are available only to manufacturing concerns.

Public body financing was approved by the state legislature in 1989. With this program, MIFA provides tax-exempt financing for towns, cities and other municipal bodies. Application to this program requires a more active role by the Town of Adams to use space and to hold title to the Waverly properties.

The direct loan program is run by MIFA in conjunction with Massachusetts thrift institutions. According to MIFA, the agency "services and originates direct loans on behalf of the Thrift Institution Fund for Economic Development."

MIFA also provides advisory services, which can be used to discuss each of these three options as well as other possible funding routes. Application, assistance and further information can be obtained directly from MIFA.¹²

The Warehouse Row project (page 4) is a good model of public/private partnership that is needed for successful adaptive re-use.

¹²For more information, contact the Massachusetts Industrial Finance Agency, 14 Hubbard Avenue, Springfield, MA 01105. Phone: (413) 785-5050.

Leasing Space

Tenancy is often secured once funding has been arranged. Often, outlet centers will grow in planned phases to facilitate the funding arrangements and to assure future tenants success based on past performance of the center.

The consultant plays a critical role in the leasing stage. Many of the tenancy agreements are made at the *Value Retail News* convention.

HOW IS AN OUTLET CENTER MARKETED?

Marketing a successful outlet center to the consumer must be a joint effort. The region, the local community and the developer need to work together to be effective. Tourism guides for the region must include the center side-by-side with the other area attractions. One of the most important tool for marketing an outlet center, aside from word of mouth, is the billboard. Most outlet centers use billboards, brochures and direct mail to spread their name. The marketing needs to center on the "it's worth the drive" theme. Another marketing source is *OutletBound!* magazine, Orange, Conn., which caters to the outlet center shopper.¹³

In Adams' case the keys to successful marketing involve targeting the areas where tourists originate. The New York metropolitan area, especially north of the city and in Fairfield and Litchfield Counties in Connecticut, is a major area of Berkshire visitors. A map illustrating the tourist draw can be found on page 23.¹⁴

Another source of marketing data is the Waverly outlet store.¹⁵ Their shoppers provide a starting profile of the new Adams' outlet center shopper by using information on those who already make the trip to the Waverly Mills.

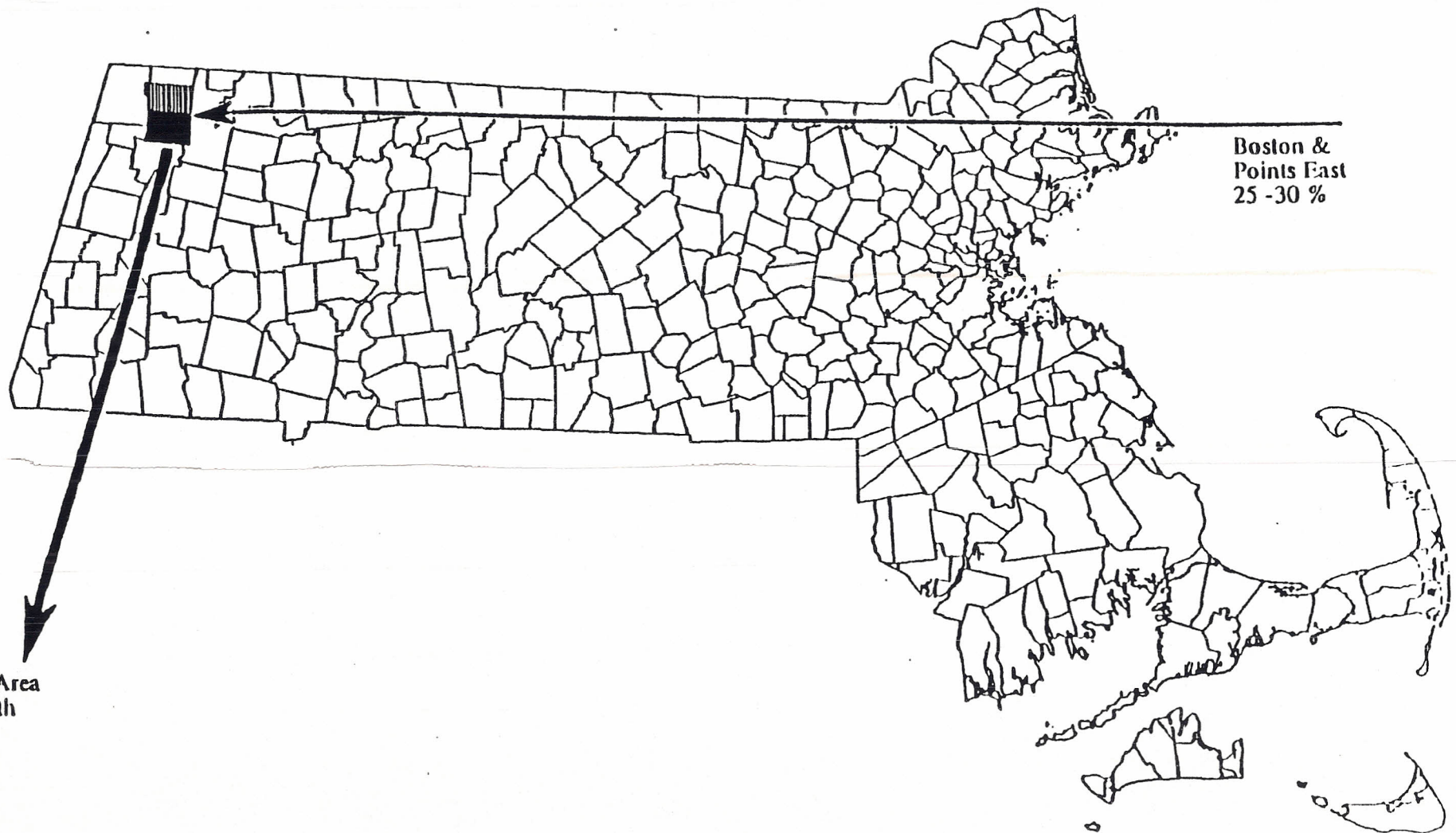
Advertising the outlet center can be done through the use of billboards, radio, magazines and newspapers located near or that cater to the New York metropolitan market.

¹³*OutletBound!* is published by the Outlet Marketing Group, P.O. Box 1255, Orange, CT 06477. Phone: (800) 336-8853. Contact: Randy Marks.

¹⁴Courtesy The Berkshire Hills Conference/Visitors Bureau.

¹⁵Annual sales for the outlet store in Waverly Mills are close to \$1 million annually. This figure is around the average for stores in outlet centers and should be stressed when recruiting a developer.

Where the Berkshire Tourists Come From:



Stress is placed on the outlets as a center as opposed to the individual stores. Without large anchor stores (average size is about 5,000 s.f per store), name recognition is with the center as a whole. For example, the goal of Willey Creek's marketing of the Factory Stores at Nut Tree is: "to maximize our efforts and collectively position the stores and center for success from our advertising and marketing efforts."

Appendix I

Consultants

The following is a partial list of consultants who specialize in outlet center development:

Peter S. Mitchell & Associates
1611 Peach Street, Suite 200
Erie, PA 16501
Phone: (814) 454-8712
Contact: Peter Mitchell

Devine Realty Consultants, Inc.
285 Pascack Road
Washington Township, NJ 07675
Phone: (201) 664-3333
Contact: Charles Devine

Bruce Targoff Associates
4720 Montgomery Lane
Bethesda, MD 20614
Phone: (301) 918-5900
Contact: Bruce Targoff

Retail Consultants, Inc.
374 Millburn Ave.
Millburn, NJ 07041
Phone: (201) 376-2020
Contact: Richard Echikson

Stan Samberg & Associates
4121 W. 83rd St., Suite 232
Prairie Village, KS 66208
Phone: (913) 648-5800
Contact: Stan Samberg

Turner Prospect Company
22022 NE 140th Way
Woodinville, WA 98072
Phone: (206) 869-4040
Contact: Robb Turner

Factory Outlet Consultants
8841 Burke Center Parkway #220
Burke, VA 22015
Phone: (703) 250-5166
Contact: Carleton Bob Myers

Howard & Rice
30230 Orchard Lake Road, Suite 240
Farmington Hills, MI 48018
Phone: (313) 932-1700

Developers

The following are developers with national or local outlet centers:

Western Development Corporation
3000 K Street, NW
Washington, DC 20007
Phone: (800) 932-5263

The Prime Group, Inc.
36 South Charles Street, Suite 2401
Baltimore, MD 21201
Phone: (800) 628-9467

Charter Oak Partners
4720 Montgomery Lane, Suite 500
Bethesda, MD 20814
Phone: (301) 913-5200

Wilmorite, Inc.
1265 Scottsville Rd., P.O. Box 370
Rochester, NY 14602
Phone: (716) 546-7240

Consulate Development Group
377 Burnhamthorpe Rd., East #117
Mississauga, Ontario L5A 3Y1
Phone: (416) 276-7690

The Chelsea Group
103 Eisenhower Parkway
Roseland, NJ 07078
Phone: (201) 228-6111

Cabral Realty
547 Amherst Street
Nashua, NH 03063
Phone: (603) 889-3700

Willey Creek Company, Inc.
Watson Brook Rd., P.O. Box 1070
Exeter, NH 03833
Phone: (603) 778-8107

Herbert M. Weiss & Associates
125 Summer St.
Boston, MA 02110-1624
Phone: (617) 345-3399

Magazines and Organizations

Outletbound Magazine
P.O. Box 1255
Orange, CT 06477
Phone: (800) 336-8853
Contact: Randy Marks

DOC-Developers of Outlet Centers
c/o Darrell Jent, Jent Co.
208 Outlet Ave.
Eddyville, KY 42038
(Contact for information on prospective developers)

The Value Retail News

The following products can be obtained through the *Value Retail News*, 13773 Icot Blvd., Suite 507, Clearwater, FL 34620. Phone: (800) 669-1020.

Value Retail News - The industry trade journal is published monthly. Subscription price is \$144.

The Art and Science of Outlet and Off-Price Retailing and Developing. "The Book" according to many sources is an indispensable tool for gaining a better understanding of the industry. The latest edition is due in spring 1992.

The Outlet Retail Directory - An index to real estate directions also includes information on each chain's average store size, site criteria, existing markets and growing regions. The retail directory comes with *The Outlet Project Directory*, detailing both planned and current centers with information on construction type, location, developer, tenants, and leasing companies, and *The Service Company Directory*, listing consultants, architects, etc. The *Outlet Project Directory* and *The Service Company Directory* can also be purchased separately.

Appendix II

Fiscal Impact of Outlet Center Development at the Waverly Mill

I. Revenue Generated from Property Tax

A.	Total Market Value	\$1,421,700
	multiply by the assessment ratio	100%
B.	Assessed Value	\$1,421,700
	multiply by tax rate/1000	\$14.82
C.	Estimated Revenue	\$20,672

II. Service Costs Due to Development

A.	Total Tax Levy	\$4,512,285
	multiply by service % of tax levy	67.98%
B.	Service Share of Tax Levy	\$3,067,451
	multiply by Commercial & Industrial % of all land	22%
C.	Service Costs due to Commerce & Industry	\$674,839
	divide by Commercial & Industrial Equalized Value	63,661,900
D.	Service Cost per Thousand of Equalized Value	\$10.60
	multiply by market value	\$1,421,700
E.	Service Cost due to Waverly Development	\$15,070

III Change in Tax Rate Resulting from Development

A.	Total Revenue from Development	\$20,672
B.	Service Costs due to Development subtract total revenue	\$15,070
C.	Net Fiscal Gain	\$5,602
D.	Total Tax Levy divide by Tax Rate/1000 (Average of all tax rates)	\$4,512,285 \$13.07
E.	Amount Affecting Tax Rate by One Dollar	\$345,240
F.	Net Fiscal Gain divide by amt. affecting tax rate by \$1	\$5,602 \$345,240
G.	Decrease in Tax Rate	\$0.02

IV Impact on Average Homeowner

A.	Average Value of Home multiply by current tax rate/1000	\$80,000 \$12.49
B.	Annual Tax Payment without Development	\$999.20
C.	Average Value of Home multiply by tax rate/1000 after development	\$80,000 \$12.47
D.	Annual Tax Payment with Development	\$997.60
E.	Tax Benefit of Development	\$1.60

**FEASIBILITY ASSESSMENT STUDY
PROPOSED INDUSTRIAL PARK**

ATHOL, MASSACHUSETTS

SPRING, 1992