



SOUTHBRIDGE

INNOVATION CENTER



40 Optical Drive

Former R&D Building for Cannabis Testing Laboratory

AVAILABLE FOR SALE



**Kelleher
& Sadowsky**

40 OPTICAL DRIVE

Kelleher & Sadowsky Associates, on behalf of the Southbridge Innovation Center, is pleased to provide this 24,700 SF former R&D building, perfectly suited for cannabis testing laboratory. The voters of the Town of Southbridge resoundingly voted in favor of overturning the ban on adult-use marijuana in June 2019. Town Counsel adopted the ban reversal in October 2019. Town Counsel adopted the final version of adult use marijuana zoning bylaws in November 2019. Adult Use Marijuana is a permitted use at the Southbridge Innovation Center with Special Permit and Site Plan Approval from the Town of Southbridge. As part of a 1.2 million square foot Industrial and Technology Park, with the most advantageous zoning, park security, and no residential abutters, the Southbridge Innovation Center is the ideal location for cannabis testing in Southbridge.

KEY ADVANTAGES OF THIS PROPERTY FOR CANNABIS TESTING ARE AS FOLLOWS:

- Electricity, chilled and hot water are generated on-site by a co-generation plant delivering utilities at market-competitive rates.
- True redundant power with National Grid also providing power to the Southbridge Innovation Center.
- Historic Tax Credits available which could be applied to offset up to 40% of the total project development costs.
- A single story building with ceiling heights of 12' and excellent window lines, making this facility perfect for laboratory use.



- Convenient Central Massachusetts location with access to Route 20 and I-90.
- Deep labor force in Southbridge and the surrounding community.
- On-site, 24 hour security as part of the Southbridge Innovation Center amenities.
- Hotel & Conference Center abutting the Southbridge Innovation Center with restaurant, health club, pool and meeting rooms; and
- A town that is eager to negotiate a host agreement and generate tax revenue for its community



40 OPTICAL DRIVE

Proposed Use: Laboratory and office

Built: 1950

Number of Floors: One

Net Rentable Area: 24,700± SF

Fire Safety: Fully Sprinklered

Parking: 45 spaces adjacent to the building

Utilities: Building served by electricity, steam, hot/chilled water and fiber; utilities provide by on-site co-generation equipment; natural gas available on-site

Loading: Yes/Drive-In

Ceiling Height: 12'

Column Spacing: Clear span / no existing columns

Roof Type: Tar and gravel

Construction: Masonry/Steel

Water/Sewer: Municipal

Zoning: Adult use marijuana as of November/2019

Floor load: On grade

Property Management: Franklin Realty Advisors LLC (on-site)

Commercial Tax Rate: \$20.38 per \$1,000

This single-story, 24,700 square-foot building, built in the 1950s was the former research and development laboratory for American Optical. The building can accommodate a single user or be subdivided. The building contains one loading dock.

The building is sited on the most beautiful portion of the Innovation Center – the riverfront park. A generous lawn and mature plantings lead to the river edge. Parking is available at the front of the building.

Tenants are invited to cross to the Conference Center via the Quinebaug River footbridge. All of the Conference Center facilities are easily accessible and available to the building tenants; these include the Conference Center, pub and fitness center.

Given the building's floor-to-ceiling height of 12', its excellent window lines and location within the park, 40 Optical Drive is ideally suited for laboratory use.





SOUTHBRIDGE
INNOVATION CENTER

AVAILABLE FOR SALE
40 OPTICAL DRIVE
SOUTHBRIDGE, MA
southbridgeinnovation.com

AERIAL OF SITE



**Kelleher
& Sadowsky**

kellehersadowsky.com

James Umphrey
Principal
508.635.6790 direct
508.579.6080 cell
umphrey@kellehersadowsky.com

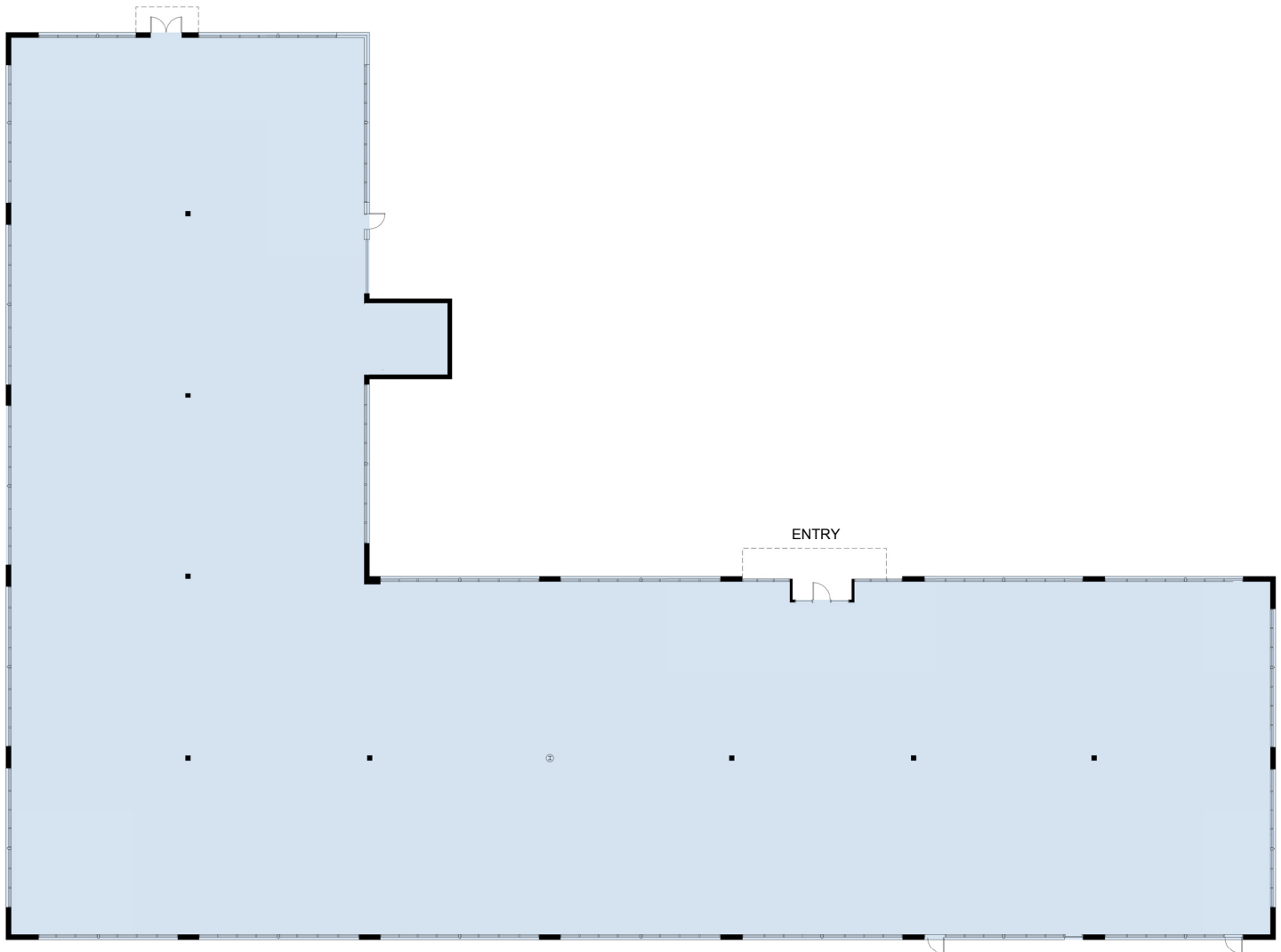
Donald J. Mancini
Principal
508.635.6786 direct
774.696.8023 cell
mancini@kellehersadowsky.com



SOUTHBRIDGE
INNOVATION CENTER

AVAILABLE FOR SALE
40 OPTICAL DRIVE
SOUTHBRIDGE, MA
southbridgeinnovation.com

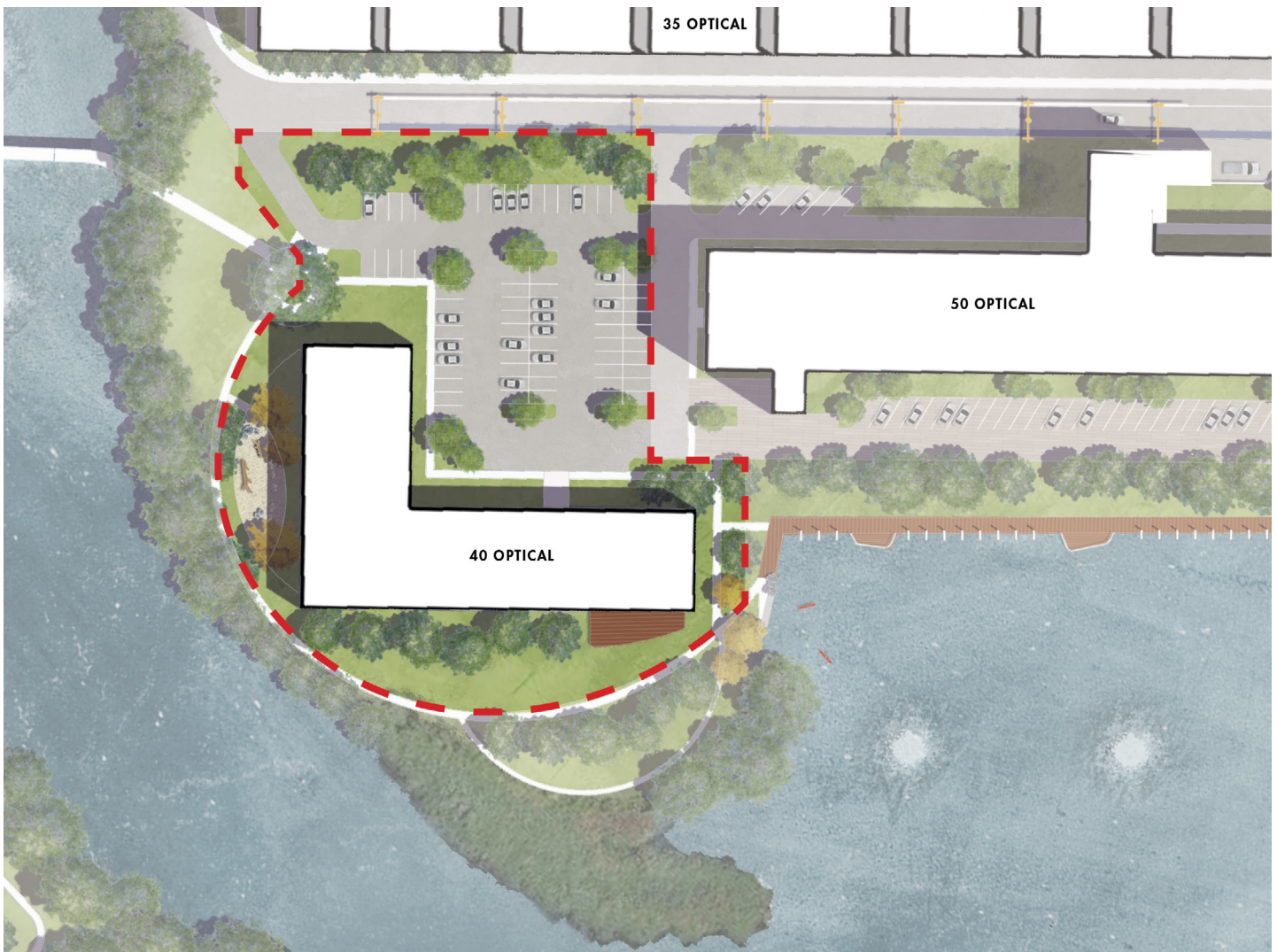
FLOOR PLAN



GROUND LEASE

In conjunction with the purchase of 40 Optical Drive, the buyer will enter into a long-term ground lease of approximately 2 acres with the property owner, Southbridge Associates II, LLC which will include the land under and around the building, loading area and parking areas (as noted in the red dotted areas) containing approximately 45 spaces.

GROUND LEASE SITE PLAN



The basic terms of the ground lease will be:

1. **Term:** 50 years with 2/10 year options to extend.
2. **Annual Ground Lease Payment:** \$15,000 per year increasing by 10% every five years beginning in year 6 and including the extension options.
3. **Appurtenant Rights:** The ground lessee will retain the right to use the ground lease area as well as other access roads and land area within the park in common with other park tenants.
4. **Additional Rent:** The ground lessee will be responsible for its proportionate share of operating expenses related to the park to include such expenses as insurance, landscaping, snow removal and repairs/maintenance. In 2019 the annual CAM charges for the park were \$1.57 per SF. The ground lessee will also be responsible for real estate taxes assessed for the building and its proportionate share of real estate taxes attributable to the park common areas. In 2019 the real estate taxes on the building/land were \$0.26 per SF.
5. **Utilities:** The ground lessee will be obligated to purchase all of its utilities (electricity, chilled water, hot water and water/sewer services) from the ground lessor on a metered basis. The cost of the utilities will be billed on a pre-negotiated rate/charge basis.
6. **Services/Maintenance:** The ground lessor will be responsible for maintaining the ground lease area as well as the access roads and common area within the park. The ground lessee will be responsible, at its cost, to maintain the building exterior consistent with the guidelines established by the ground lessor for the other building owners within the park.

TERMS OF OFFERS

1. **Price** - Formal asking price is \$1.5 million.
2. **Deposits** - An offer shall provide a certified cashier's check in an amount equal to \$75,000 made payable to Fletcher Tilton PC. The \$75,000 shall be placed into escrow at Fletcher Tilton and shall be considered non-refundable but applicable toward the purchase price.
3. **Financing** - All purchase offers shall be based on an all cash sale, not subject to any bank or third-party financing.
4. **Ground Lease** - The property does not reside on a public road with frontage. As such, the building will be sold on a ground lease basis. The ground lease will be for a term of 50 years with 2/10 year options at a starting rent of \$15,000 escalating 10% every 5 years.
5. **CAM Charges** - The owner shall pay its CAM charges to SA LLC II on a monthly basis as charged bedone due. The current CAM charges at the park, inclusive of real estate taxes, are \$1.83 per square foot per year.
6. **Historic Property** - The property, and the entire park, have received a preliminary designation to be listed on the National Historic Register. Any renovations to the building must comply with historic renovation specifications. The property does qualify for state and federal historic tax credits. Buyer should look into the feasibility and criteria for qualifying for the 20% state and 20% federal tax credit. Seller makes no warranties or representations that buyer will be able to secure any tax credits.
7. **Environmental** - Seller can provide a Phase 2,21 e report which was completed on the entire property with no known issues around or near the subject property. Ground Lessor will indemnify Ground Lessee for any claims/liability related to the ground lease area.
8. **Utilities** - the property is serviced by electricity, chilled and hot water from SBC Energy, LLC, an on-site co-generation power plant. Buyer shall be obligated to purchase ALL utilities from SBC Energy, LLC at market competitive prices.
9. **Brokerage commission** - Seller shall compensate its broker, Kelleher & Sadowsky, as per separate agreement. If buyer is represented by its own agent, buyer shall compensate its agent at buyers sole cost and expense.
10. **No Exclusivity** - Buyer acknowledges that the Southbridge Innovation Center is a 1.2 Million square foot commercial complex and that other buildings within the park may be suitable for laboratory use. Buyer hereby agrees that it shall not appeal, disrupt, petition, or otherwise act in any manner to prevent another laboratory from locating within the Southbridge Innovation Center.

SOUTHBRIDGE INNOVATION CENTER PROFILE

TOTAL SF

1.2 million

TOTAL ACRES

150 acres

(20–30 acres of developable land)

LEASED

535,000 SF

AVAILABLE

665,000 SF

USES

Lab, data center, educational, conference center, office, manufacturing, warehouse distribution, housing

Located in Southbridge, Massachusetts, the Southbridge Innovation Center is 1.2 million square feet of hotel/conference, commercial, industrial and manufacturing space in 14 principal buildings on a campus setting of 150 acres.

Southbridge Innovation Center offers visionary corporate facilities planning professionals a wide variety of building types offering terrific potential uses as R&D, office, light manufacturing space, biotechnology, life sciences, high technology, and other business operations.

The center's numerous single- and multi-story buildings are primed for conversion to office, industrial, warehouse, manufacturing, and classroom space. Two of the existing buildings are readily adaptable for residential use, which could provide housing for the full-time training, technical support, or other operational staff.



CURRENT TENANTS

**Southbridge Hotel &
Conference Center**

5 OPTICAL DRIVE
Quinsigamond | Workforce Central

25 OPTICAL DRIVE | 15 WELLS STREET
Schott | Metalogics | Stonebridge Press

10 CABOT STREET
Cleanpart | Element Precision

60 OPTICAL DRIVE
SBC Energy

80 OPTICAL DRIVE
**Massachusetts Department of Transitional Assistance
Franklin Realty Advisors**

35 CASE STREET
Industrial Transfer



PROJECT TEAM



OWNER & DEVELOPER

Franklin Realty Advisors LLC: Franklin Realty Advisors LLC is a regional real estate development and advisory firm headquartered in Wellesley, Massachusetts with specific expertise in public/private partnerships and historic preservation projects throughout the northeast region of the United States.

franklinra.com



LEASING AGENTS

Kelleher & Sadowsky: Kelleher & Sadowsky has been serving the Worcester and Central Massachusetts market since 1981. During this time they have earned a reputation as the area's premier commercial real estate company by forging strong relationships with landlords, tenants, and a wide network of business leaders. They have consistently achieved outstanding results for clients while conducting business with the highest level of integrity.

kelleher-sadowsky.com



CONSULTANTS

The Kunian Group: Led by Dennis Kunian, The Kunian Group brings to the team a deep expertise in both the cannabis and real estate industries. For many years they have been working at the intersection of the public and private sectors within these industries.



MARKETING & EVENTS COORDINATOR

Conventures, Inc.: New England's leading event planning, marketing and public relations company. Conventures collaborates with their clients to provide customized strategic communications, activation and branding from creation to completion.

conventures.com



PUBLIC/PRIVATE PARTNERSHIP

Worcester Business Development Corporation (WBDC): A collaboration of public/private partners whose mission is to strengthen the region's position as an economic leader in the Commonwealth through targeted investment and strategic partnerships.

thewbdc.com