

South Hadley Electric Light D E P A R T M E N T

Know Your Town

New Headquarters Project

March 12, 2026



Why A New Headquarters?

- Electric reliability is our #1 priority
- It is fundamental for modern life, powering health, life safety, and the economy as the “enabling function” for all critical infrastructure
- SHELD must comply with State utility requirements for essential buildings
- Massachusetts essential service buildings must comply with 780 CMR (State Building Code) for structural integrity, fire protection, and utility resilience
- Requirements include locating utilities above base flood elevations maintaining all safety systems in good working order

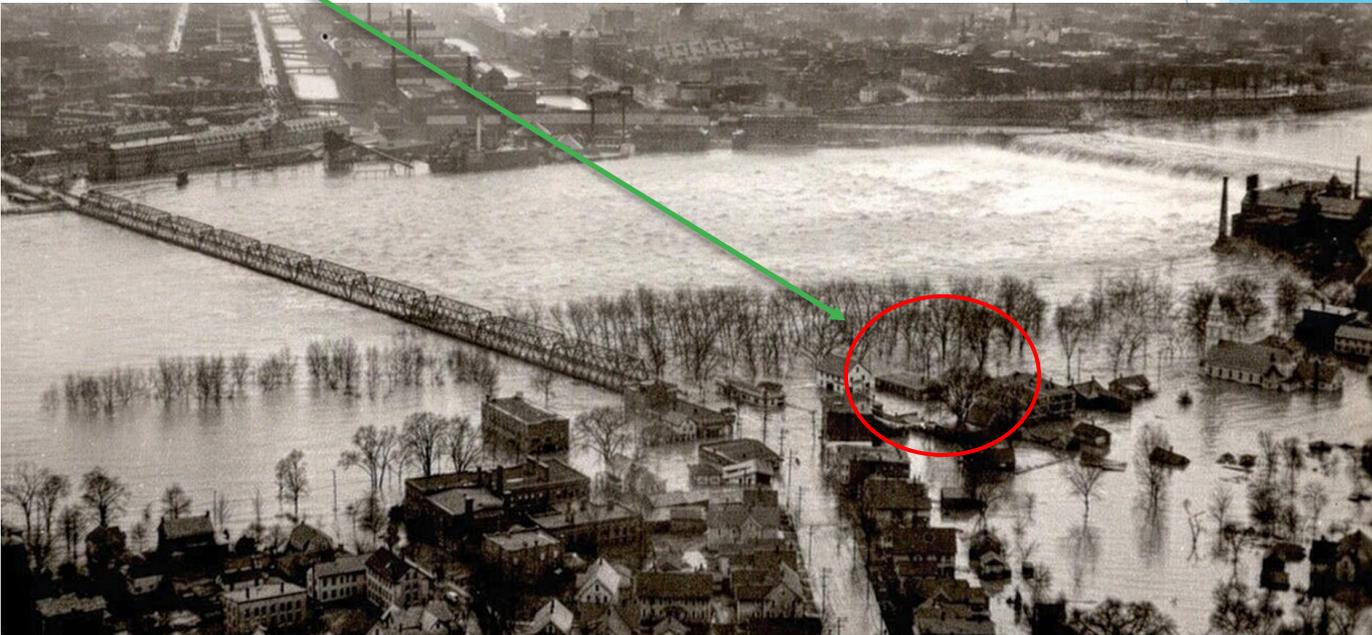
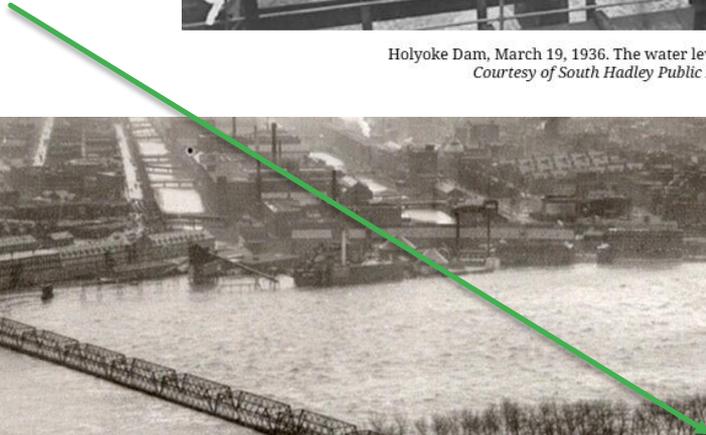
100 Year Floods

Known
Vulnerability



Holyoke Dam, March 19, 1936. The water level was at 17 feet when this photo was taken.
Courtesy of South Hadley Public Library/digitalcommonwealth.org

1936-SHELD





Why A New Headquarters?

- SHELD & Fiberspring facilities are too small
 - 85 Main Street is 30% too small
 - Lack of office space for new employees-leased space doesn't meet essential service requirements either
 - Leaking roof-staff using plastic to protect desks in heavy rains (roof being patched), a new roof needed
 - Heating and cooling failures requiring periodic office shut downs and remote service
 - Existing Parking & Equipment Yard not adequate, 70% too small
 - Parking lots patched yearly, crumbling, and at end of life
 - Critical electric equipment (transformers) stored in elements (ice and snow)
- SHELD is located within the 100-year flood zone
- SHELD is an essential service facility

What were our Options?

- Renovate SHELD's 114-year old building
 - Repairs, renovations, and code compliance estimates are \$6.5 to 8.5 Million
- Continue to lease additional space for Fiberspring
 - \$90K per year
- Purchase or lease a pre-existing building
- -or-
- Build new

Options Considered

- SHELD's search over the last decade has evaluated both undeveloped parcels of land and existing buildings
- Existing buildings investigated included: Mohawk Paper, General Wire, 510 New Ludlow Road, Canson Talons
 - Properties were either leased to others, not ideal zoned, or too expensive to renovate for essential service utility code compliance (i.e. Gaylord Street)
- New Land Parcels assessed were Old Lyman/Eagle Dr, 545 Granby Rd, Willimansett St (Big Y)
 - Zoning and wet-lands were not ideal for SHELD siting

Mohawk Paper/Big Y Evaluations

A Feasibility Study was conducted by 3rd party consultant in 2026, then compared against the Big Y property proposed new headquarters

SOUTH HADLEY ELECTRIC LIGHT DEPARTMENT NEW OPERATING FACILITY ALTERNATIVE COMPARISON			
COST COMPARISON	Gaylord Street	Willimansett (one story)	Willimansett (two story)
Land / Building Acquisition	\$ 13,000,000	\$ 750,000	\$ 750,000
PCM Construction / Renovation Cost Estimate	\$ 22,351,618	\$ 28,142,958	\$ 29,416,011
Soft Costs - 30% of Construction Estimate	\$ 6,705,485	\$ 8,442,887	\$ 8,824,803
TOTAL INVESTMENT	\$ 42,057,103	\$ 37,335,845	\$ 38,990,814
CRITICAL SUCCESS FACTORS (1 low to 3 high)			
1. Initial Investment	1	3	2
2. Cost Estimate Certainty	1	3	2
3. Annual Operations / Maintenance Costs	1	3	2
4. Estimated Useful Life	1	3	3
5. Location	3	2	2
6. Building / Site Efficiency	1	3	2
7. Environmental Concerns	1	3	3
8. On-going Liabilities	1	3	2
SUCCESS SCORING	10	23	18

** Not worth it. Added costs offset any material or site savings!*

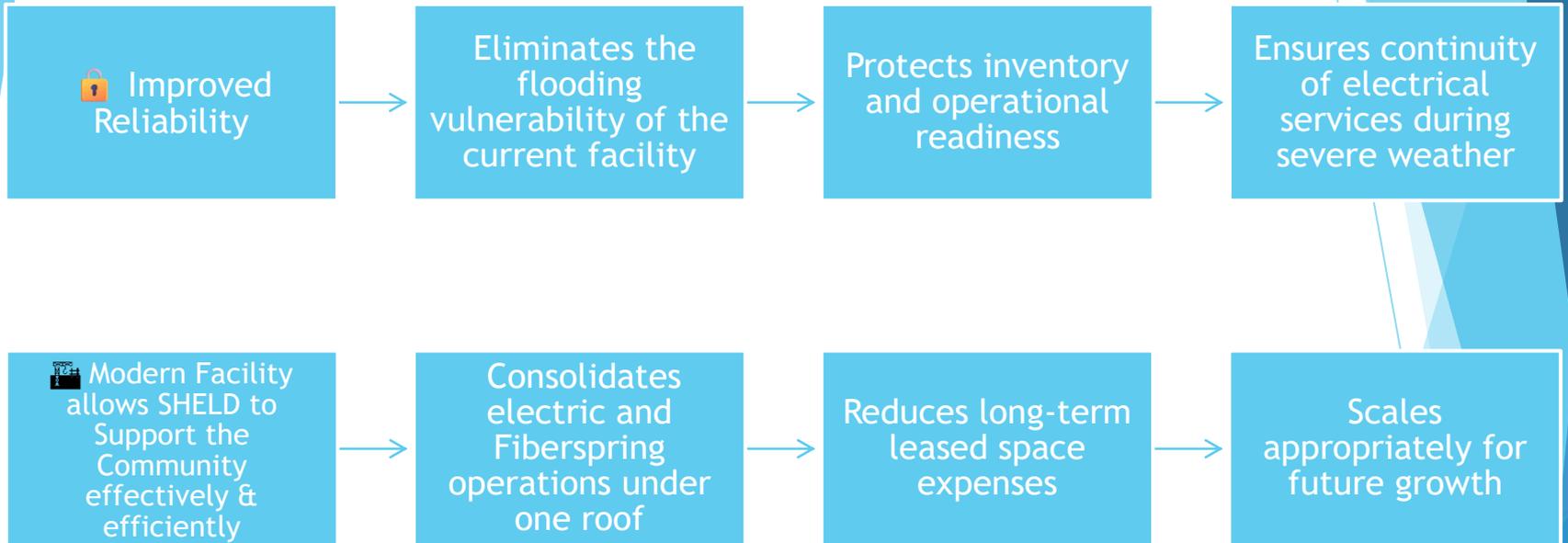
** Includes 15% or \$4.98M contingency. Likely to go down!*

** Includes inheritance of hazmat, shared site/bldg, landlord responsibilities,*

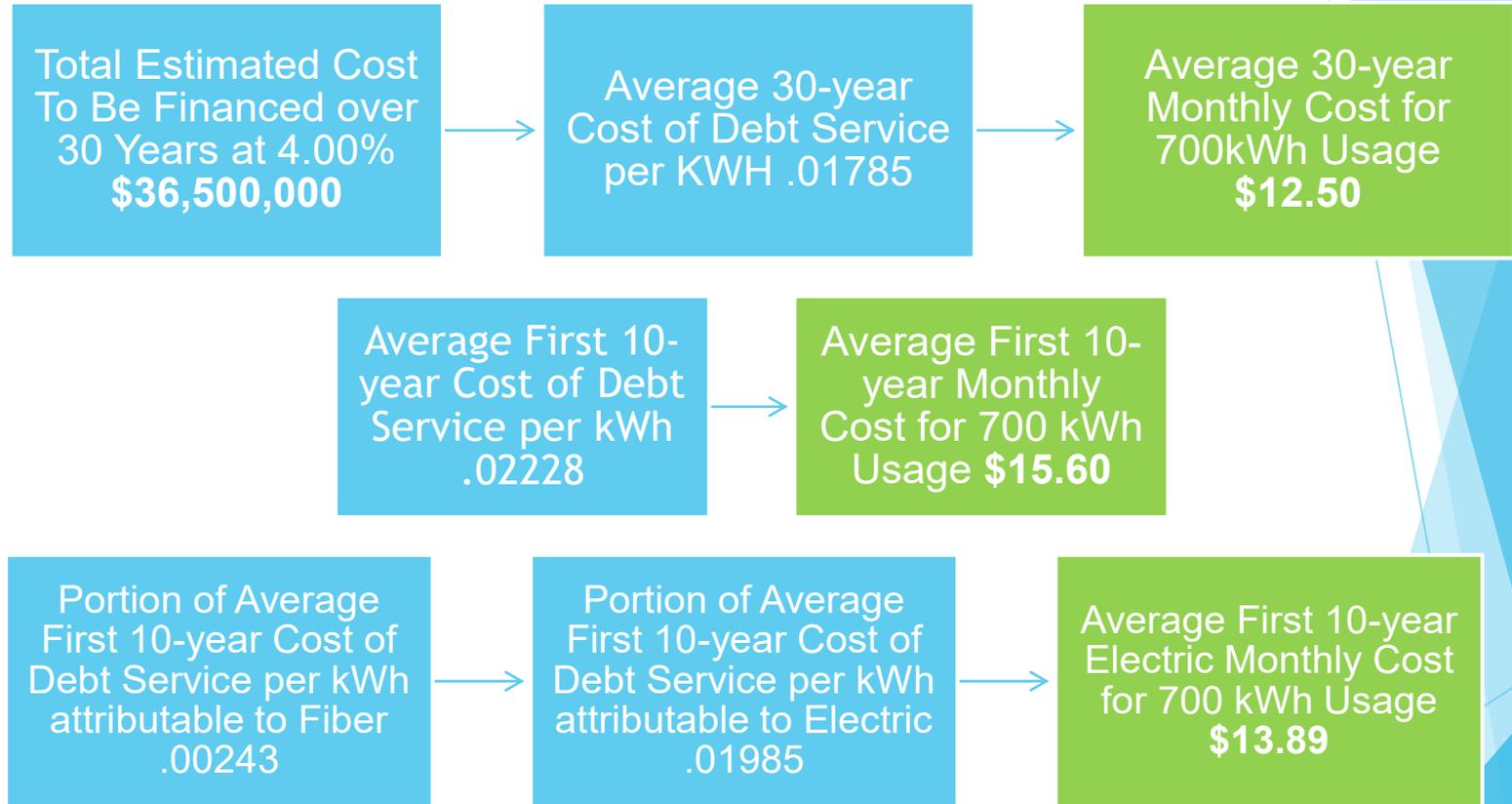
** Includes 15% or \$2.67M contingency. Likely to go up!*

** The Big Y Location as currently proposed comes out as the best option for SHEL D.*

WHAT RESIDENTS GAIN

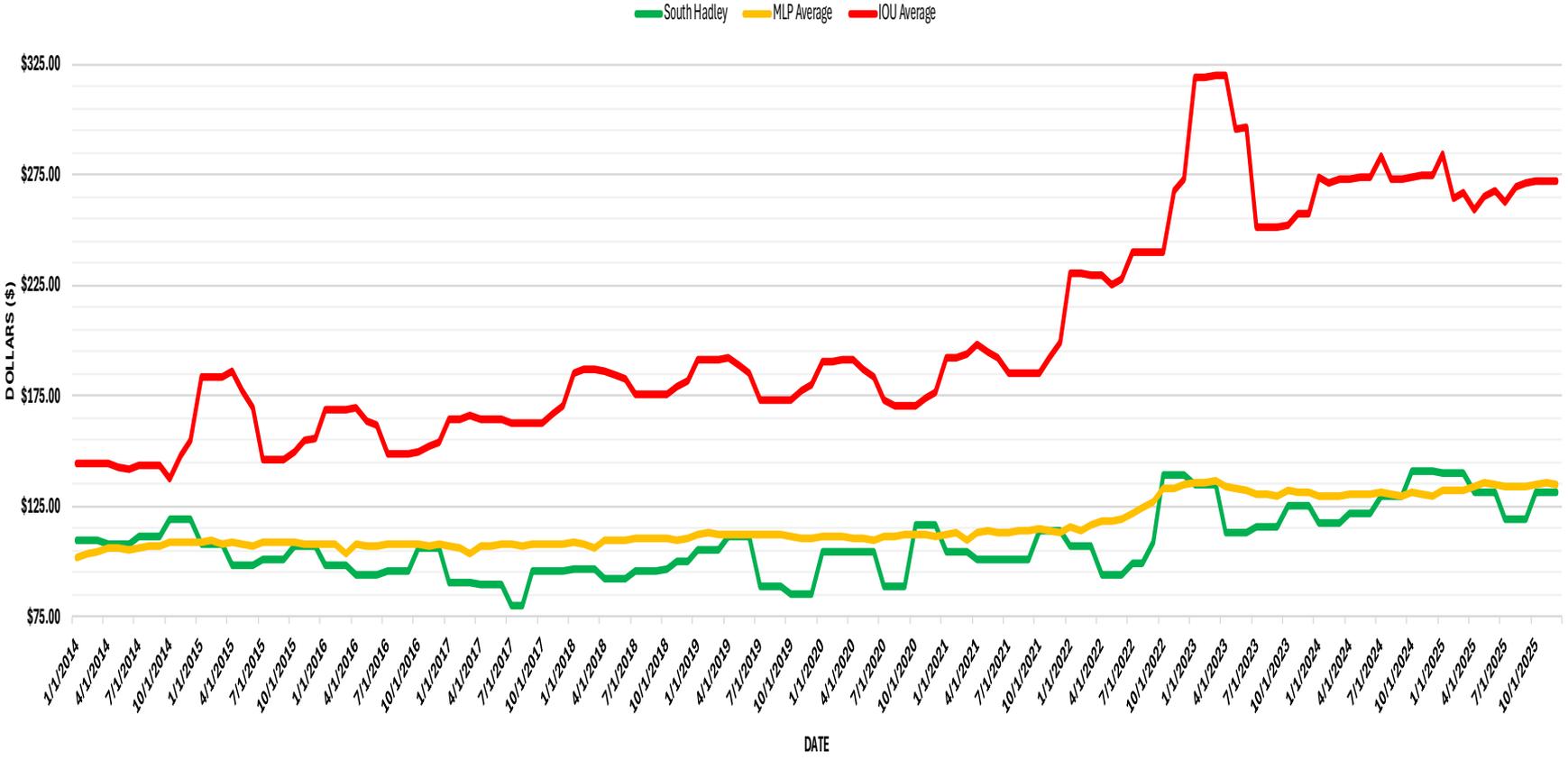


New Building costs

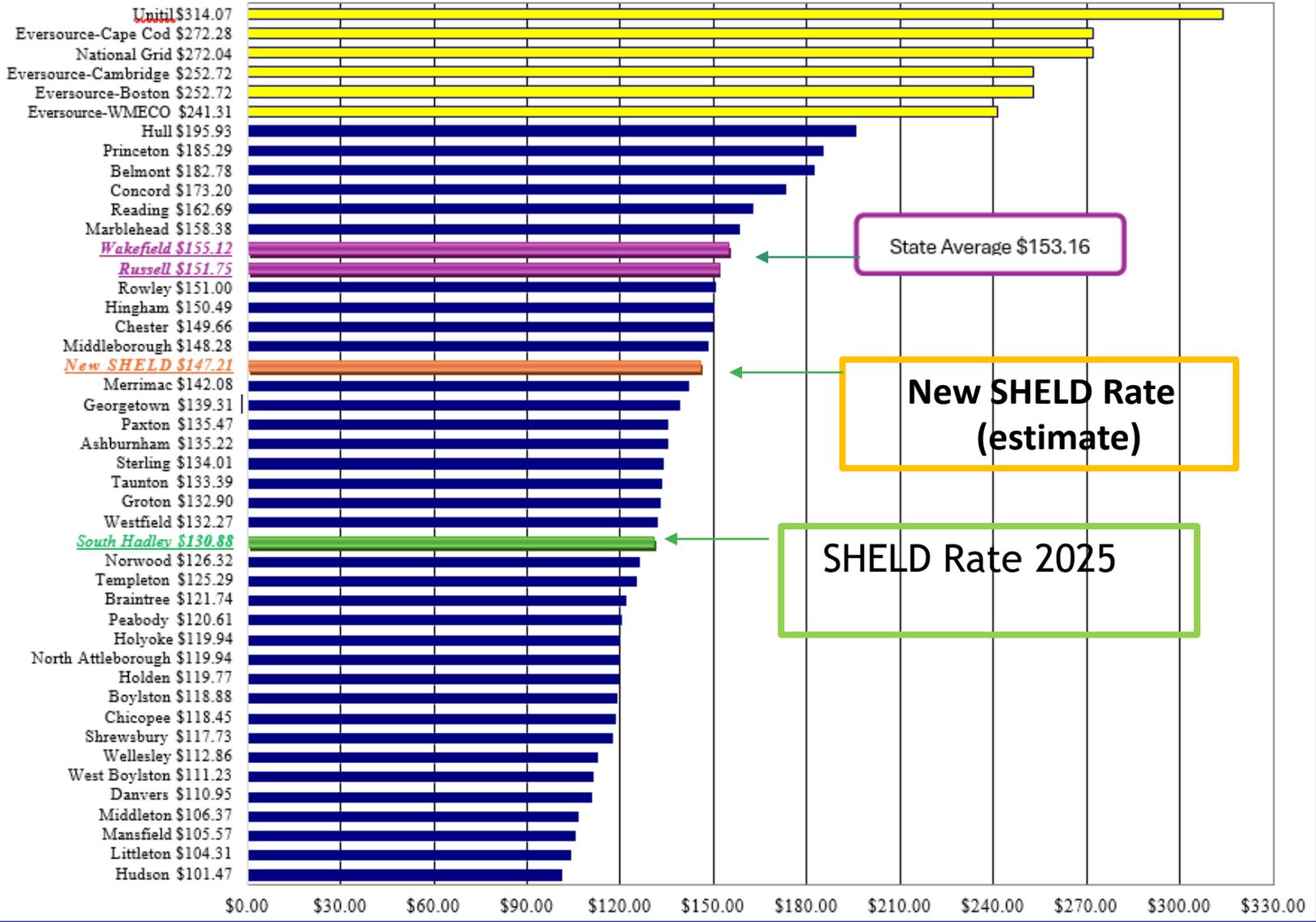


South Hadley Rates Comparison (11 Years)

750 kWh Residential Rates January 2014 - December 2025



Residential Rate Comparisons 750 kWh June 2025



Why Now?

- This is not a new effort...
- SHELD has been working at this since 2012, when a previous Board attempted to address the needs for a new building for \$12 Million
 - **If not now, when?**
- Costs are going up. A very similar building design was \$12 million in 2012 and is \$35 Million in 2026
- If not now, the cost will continue to escalate

CURRENT PROJECT STATUS

1

Design plan underway to support municipal filings for approvals

2

Site Plan Review and Stormwater Management applications have been submitted to Planning Department

3

Notice of Intent submitted to Conservation Commission

Upcoming public hearing dates*

- Planning Board - April 13
- Conservation Commission - April 1

*currently tentative dates subject to confirmation by the respective agencies



South Hadley Electric Light
DEPARTMENT

FIBERSPRING
HOMEGROWN GIG SPEED INTERNET

SUMMARY

The SHELD Board is committed to providing reliable electrical service to the residents of South Hadley at the lowest possible cost, now and into the future.

Awarded the 2023 & 2024 American Public Power Associations “Certificate of Excellence and Reliability”

Continue to have electric rates which are 50% less than the IOUs and competitive with all utilities, including MLPs

To meet that commitment, we must address both the limitations of the current facility and the threat of another catastrophic flood



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