

At Holyoke site, data center developers point out assets

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An artist's rendering of the \$200 million, 20-megawatt data center Chestnut River Power and Infrastructure is proposing for the vacant Hampden Papers complex at 100 Water St., in Holyoke. This is an artist's rendering of the proposed plant. The city is considering a moratorium on such data center projects as opposition to them nationally grows. (illustration provided) Made with Google AI

HOLYOKE — With the Connecticut River on one side of an abandoned stretch of rail line and a wall of a shuttered factory building on the other, James Lavin pointed out where [data center](#) cooling towers would go.

“I’m not sure anyone would ever hear them,” Lavin, the chief technology officer of [Chestnut River Power and Infrastructure](#), said while leading journalists on a tour of the company’s proposed data center site on Water Street in Holyoke.

A few minutes later and on the other side of the site, he led a walk from the 100 Water St. site to the Holyoke Gas & Electric substation and the [Martin J. Dunn Energy Center](#) battery storage facility across the street.

The proposed data center will need to bring power to less than half a block, he said.

“As these things go, a minimal impact,” Lavin said.



At the site of a proposed \$200 million data center on 100 Water St. in Holyoke, James Lavin, chief technical officer of Boston-based Chestnut River Power and Infrastructure, surveys the abandoned paper mill that sits on the property on the west side of the Connecticut River. (Michael J. Fiedler / Special to The Republican)Michael J. Fiedler / Special to The Republican

Water use for those cooling towers would amount to 250,000 gallons a day.

“That sounds like a lot,” Lavin said. “But it’s a swimming pool.”

And well under the city’s reserve of unused water capacity.

Benjamin Marshall, co-managing director of Chestnut River Power and Infrastructure, said if his project buys water and power, it’ll help Holyoke residents. More sales for those municipal utilities mean high fixed costs get spread out more.

Out front, facing Water Street, would be backup generators constructed in shipping containers. Lavin said they’d run periodically during the day for testing, then only in emergencies.

“You would see some shipping containers,” he said.

Same with some battery power storage, similar to what’s in place at the Dunn Energy Center.

Lavin grew up in Longmeadow. His great uncle once had a company here during Holyoke’s manufacturing heyday. Now, he and his team have a lot of convincing to do.



The site of the defunct Hampden Papers Inc. at 100 Water St. in Holyoke, where the Boston based Chestnut River Power and Infrastructure is proposing the construction of a \$200 million data center. (Michael J. Fiedler / Special to The Republican)Michael J. Fiedler / Special to The Republican

Chestnut River Power and Infrastructure proposes a \$200 million, 20-megawatt data center for the vacant Hampden Papers complex.

They promise to redevelop and restore the vacant paper mill buildings and pay a yearly property tax bill of about \$2 million.

On Monday, Marshall predicted that the facility will have a permanent staff of about 20 employees, plus an ongoing parade of maintenance contractors and visiting clients.



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But data centers have become controversial in the Pioneer Valley, where some Westfield residents oppose a much larger project planned on Servistar Industrial Way. One already exists in Holyoke, the Massachusetts Green High Speed Computing Center.

On Tuesday night, Holyoke city counselors plan to discuss a [possible data](#) center ban or moratorium.

“I’m not sure that’s the message Holyoke wants to send,” Lavin said on his visit.

The developers warned that Holyoke might be on the verge of saying no to more than just one project.

Last year, the [MIT Lincoln Laboratory](#) deployed an AI supercomputer at its Supercomputing Center in Holyoke. The Massachusetts Institute of Technology’s nondescript building is within sight of 100 Water St.

Holyoke could be on the verge of putting itself on the map, said Marshall.

“People are going to start looking at Holyoke,” he said.



At the site of a proposed \$200 million data center on 100 Water St. in Holyoke, Benjamin Marshall, co-managing director of Boston-based Chestnut River Power and Infrastructure, visits the abandoned paper mill that sits on the property on the west side of the Connecticut River. (Michael J. Fiedler / Special to The Republican)Michael J. Fiedler / Special to The Republican

He pointed out that his proposed 20-megawatt center would be much smaller than the gigawatt-sized facilities being built in other parts of the country.

Chestnut River started working in Holyoke in the fall, drawn by both the power, the water and the available property zoned for industry and far from residences. Chestnut has no formal plans before any city authority.

Customers will be Boston-based tech companies, said Moshe Weinreb, the director of operations for Chestnut River. One potential customer is a manufacturer of data center equipment that is looking for data center computing power itself.



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But power is expensive in the Northeast. Why Holyoke? Holyoke has the power, the connectivity and the space and it's close to Boston, New York and Hartford, company partners said.

"Why do people rent expensive apartments in Boston?" he said. "Proximity matters."

Hampden Papers sold 100 Water St. to cannabis company Green Thumb Industries for \$4.55 million in 2021. Green Thumb renovated portions of the 326,664-square-foot complex for cannabis growing before abandoning the project. The property has been on the market for three years with a price of \$4.9 million.



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A separate cannabis company, Massbiology Technology, continues work on its own grow operation in a building next door at 6 Appleton St.

At 100 Water St., Lavin said older mill buildings with their many support columns are hard to reuse. That space might become offices or another use.

Hampden Papers left behind some relatively modern industrial space without obstruction. Those buildings will be renovated.

That is if the city allows, Marshall said.

"Or you start looking at other cities," he said.