



Land Use Committee Report

City of Newton In City Council

Tuesday, December 11, 2018

Present: Councilors Schwartz (Chair), Lipof, Greenberg, Auchincloss, Kelley, Markiewicz, Laredo, Lipof, Downs

City Staff Present: **Associate City** Solicitor Jonah Temple, Senior Planner Michael Gleba, Chief Planner Jennifer Caira, ADA Coordinator Jini Fairley, Director of Economic Development Kathryn Ellis, Housing Development Planner Eamon Bencivengo, Director of Economic Development Kathryn Ellis, School Department Assistant Superintendent/CFO Liam Hurley, Director of Business and Planning Julie Kirrane, Planning and Development Board Members: Director of Planning and Development Barney Health, Kelley Brown, Sonia Parisca, Kevin McCormick, Rachel Powers

All Special Permit Plans, Plan Memoranda and Application Materials can be found at http://www.newtonma.gov/gov/aldermen/special_permits/current_special_permits.asp. Presentations for each project can be found at the end of this report.

#425-18 Request to Rezone three parcels for Northland Development

NEEDHAM STREET ASSOCIATES, NORTHLAND TOWER ROAD INVESTORS, NORTHLAND OAK STREET, LLC petition for a change of zone to BUSINESS USE 4 for land located at 156 Oak Street (Section 51 Block 28 Lot 5A), 275-2 81 Needham Street (Section 51, Block 28, Lot 6) and 55 Tower Road (Section 51 Block 28 Lot 5), currently zoned MU1.

Action: **Land Use Held 7-0 (Lipof not Voting)**

#426-18 Special Permit to allow mixed use development

NEEDHAM STREET ASSOCIATES, NORTHLAND TOWER ROAD INVESTORS, LLC, NORTHLAND OAK STREET, LLC petition for SPECIAL PERMIT/SITE PLAN APPROVAL to allow a mixed-use development greater than 20,000 sq. ft. with building heights of up to 96' consisting of 822 residential units, with ground floor residential units, with restaurants with more than 50 seats, for-profit schools and educational uses, stand-alone ATMs drive-in businesses, open air businesses, hotels, accessory multi-level parking facilities, non-accessory single-level parking facilities, non-accessory multi-level parking facilities, places of amusement, radio or TV broadcasting studios, and lab and research facilities, to allow a waiver of 1,600 parking stalls, to allow a reduction in the overall parking requirement to not less than 1900 stalls, to waive dimensional requirements for parking stalls, to waive end stall maneuvering requirements, to allow driveway entrances and exits in excess of 25', to waive perimeter landscaping requirements, to waive interior landscaping requirements, to waive lighting requirements for parking lots, to waive

general lighting, surfacing and maintenance requirements, to waive off-street loading facilities requirements, to waive sign requirements relative to number, size, location or design, to waive the number of signs allowed at 156 Oak Street (Section 51 Block 28 Lot 5A), 275-281 Needham Street (Section 51, Block 28, Lot 6) and 55 Tower Road (Section 51 Block 28 Lot 5), Newton Upper Falls, Ward 5, on 22.6 acres of land in a proposed BU4 district. Ref: Sec. 7.3.3, 7.4, 4.1.2.B.1, 4.1.2.B.3, 4.1.3, 7.8.2.C, 5.4.2, 4.4.1, 5.1.4, 5.1.13, 5.1.8.B.1, 5.1.8.B.2, 5.1.8.B.6, 5.1.8.D.2, 5.1.9.A, 5.1.9.B, 5.1.10.A.1, 5.1.10, 5.1.12, 5.1.13, 5.2, 5.2.13 of the City of Newton Rev Zoning Ord, 2017.

Action: **Land Use Held 7-0 (Lipof not Voting)**

Note: Attorney Alan Schlesinger, offices at 1200 Walnut Street, represented the petitioner and introduced members of the Northland Development team. Atty. Schlesinger confirmed that the presentation would be focused on Housing and Economic Impact which was reviewed by the City's consultant RKG. He explained that the design of the Northland development is consistent with the Comprehensive Plan, which focuses on economic development, the vitality of neighborhoods and the relationship of economic housing and neighborhood planning. The 2018 Vision Plan emphasized a vision for mixed use on Needham Street. Atty. Schlesinger noted that the financial analysis of the project included a review of the municipal and regional impacts. He explained that the estimates of the financial impact studies will vary based on tax assessments, rates and the methodology used; but provide a sense of how the proposed development will impact the City.

Northland Investment Corporation Vice President Kent Gonzales presented details of the Inclusionary Zoning Plan as shown on the attached presentation. As part of the mixed-use development, the petitioner proposes to create 123 affordable rental units, representing 15% of the 822 proposed dwelling units. The affordable units will be established to ensure that the rents do not exceed 30% of the tenants' gross monthly income and will include one parking space as well as access to all common amenities. The 123 affordable units will be distributed proportionally throughout the buildings in the development and will average 65% AMI (half at 50% AMI and half at 80% AMI). The affordable units will be built to be indistinguishable from the market rate units. Mr. Gonzales noted that 6.4% of the proposed units will be constructed to meet Group 2A accessibility standards and located throughout the project. In response to a request from the Commission on Disability, Mr. Gonzales confirmed that the petitioner will be considering the ability to locate additional accessible units.

Northland Investment Corporation Senior Vice President Peter Standish presented detailed of the development program. The proposed development includes 180,000 sq. ft. of office space in addition to 185,000 sq. ft. of retail and restaurant space. Residents will live above retail space and the center of the development will have green space. It is expected that the development will provide a vibrant community with amenities that will welcome young professionals and empty nesters. The proposed development is located near public transportation and will feature a robust transportation management program. Mr. Standish stated that the petitioner has responded to community concerns relative to density by reducing the number of units proposed from 950 (at an early community meeting) to 822 but emphasized the demand for affordable and market rate housing.

Mr. Standish explained that the development will incorporate a broad spectrum of uses and noted that while Clarks and Trip Advisor left the City for higher visibility; a renovated Saco Pettee Mill building will offer a unique and attractive space for small-mid sized tech and innovation companies. The proposed 185,000 sq. ft. of retail space will include 50,000 sq. ft. of restaurant space, 20,000 sq. ft. for fitness/wellness and 10,000 sq. ft. for medical/diagnostic uses. It is anticipated that 60,000 sq. ft. will be allocated for small scale retail and 20,000 sq. ft. will be used to locate a mid-size retailer. 10,000 sq. ft. will be reserved for qualified local retailers for a 25% discount from the market rate rental price. It was noted that the new retail space will be a net of approximately 112,000 sq. ft. Mr. Standish explained that the fiscal analysis assumes that the retail tenants will draw visitors from a predominantly local population. It is expected that the mid-sized retailer will draw visitors from a larger radius. Mr. Standish noted that the RKG analysis does not account for the proposed mobility hub.

Fougere Planning and Development Fiscal Analyst Mark Fougere provided the fiscal analysis for the petitioner. A summary of the fiscal analysis is shown on the attached presentation. Mr. Fougere noted that it is expected that proposed project will generate an annual net revenue of \$1.6 million dollars for the City. Mr. Fougere stated that non-school municipal costs are estimated at \$267,000 and school costs are estimated at \$2.3 million dollars. Mr. Fougere noted that the projected number of students (128) is conservative.

Landwise Advisors Principal John Tremontozzi prepared the Economic Impact Analysis which estimates economic impact of jobs and spending on the City. Mr. Tremontozzi explained that the economic analysis is based on program input from Northland, IMPLAN modeling, and judgement. Mr. Tremontozzi estimates that approximately 3,310 construction jobs will be created over the five-year construction period. During that time, it is estimated that 1,057 additional jobs will be created to address the additional activity. Recurring annual impact is based on on-site employment after construction. Mr. Tremontozzi stated that it is expected that there will be 977 (office), 494 (retail) and 24 (property management) employees at the site and 900 added jobs off-site.

Attorney Alan Schlesinger reiterated the benefit of the additional 123 affordable housing units and \$2 million-dollar net revenue for the City and noted that the RKG peer review is generally supportive of the petitioners' analyses. He confirmed that the petitioner has not reviewed the revised number of projected students submitted by the School Department but notes that a decline in enrollment is expected over the next five years.

Chief Planner Jennifer Caira provided an overview of the Needham Street Vision plan as shown on the attached presentation. Ms. Caira noted that the proposed development meets many of the Land Use goals from the vision plan including; housing, commercial uses a mix of amenities and the support of local businesses through rent subsidy. Additionally, the project meets goals particularly relative to the production of affordable and accessible housing.

The City hired RKG Associates Eric Halvorsen to perform a market analysis of the residential, office and retail fiscal impact as well as an economic and housing accessibility assessment. Mr. Halvorsen summarized his findings. In 2016, it was identified that there was a need for 1900-3300 additional housing units based on the projected growth in the City. The need for affordable housing at a

level of 80% AMI was even greater. Mr. Halvorsen noted that the number of units would be beneficial for the City and that the pricing of the units would encourage young professionals or empty nesters to remain in Newton.

Mr. Halvorsen noted that while the Needham Street Corridor has seen a significant loss in use of office space, the most recent economic development strategy has identified Needham Street as a good location for Class A office space. He believes the unique space will be attractive to tenants but noted that the location of the proposed office space is slightly further than other office locations. When researching what type of office space tenants desire, many brokers identified smaller (10,000 sq. ft. – 20,000 sq. ft.) spaces as ideal.

The petitioner proposes to include 185,000 sq. ft. of retail space. Mr. Halvorsen noted that RKG did not receive a breakdown of how the retail space would be utilized and based the analysis on attracting visitors within a five-minute drive time. Mr. Halvorsen noted that the five-minute drive time analysis was supportive of approximately 67,000 sq. ft. of retail space. He stated that as the petitioner is proposing 185,000 sq. ft., this caused some concern. Mr. Halvorsen acknowledged that the inclusion of a medium sized retailer will draw from a larger radius, but he believes that Northland should consider regional competition (i.e. Natick Mall, Legacy Place, Chestnut Hill). Mr. Halvorsen questioned what radius and drive time was used and what was used to determine retail space demand. He noted that the economic development strategy calls for 240,000 sq. ft. of retail space and questioned how 185,000 sq. ft. in one location will impact other sectors in the City.

Mr. Halverson stated that RKG generally agrees with the fiscal impact analysis, estimates, methodology and noted that either analysis results in a net positive impact for the City. He noted that there is a difference in employee estimates and confirmed that he will analyze the numbers provided by the petitioner. He requested that the petitioner provide an analysis for the retail employment estimates based on the net new retail space, not the total retail space.

Mr. Halverson noted that 18% of the accessible units are affordable and questioned whether the petitioner might consider making more of the accessible units affordable.

Senior Planner Michael Gleba provided an overview of Planning's review of the Economic impact as shown on the attached presentation. He noted that there is a strong demand for housing in the region and a need to diversify housing options for all age ranges and income levels. Given the need for affordable housing discussed by RKG, Planning staff recommends that Northland comply with the proposed Inclusionary Zoning ordinance requirements that are currently pending before Council, which would provide for a total of 145 deed-restricted affordable units at the following levels:

- Tier 1 (up to 50% AMI): 21 units
- Tier 2 (51%-80% AMI): 103 units
- Tier 3 (81%-110% AMI): 21 units

Mr. Gleba noted that staff also recommends that 23 of the accessible units be included in the Tier 1 and Tier 2 affordable units as there is also a great need for fully accessible units at lower income

levels. He stated that the draft Economic Development Action Plan by Camoin Associates identifies opportunities for office development at Northland due to proximity to I-95/128 as well as the need for smaller, affordable workforce units to support new commercial development. He confirmed that the Planning Department believes that the proposed 180,000 square feet of newly renovated Class A office space can be absorbed, given the mix of housing and amenities proposed. Mr. Gleba notes that the Planning Department recommends that the petitioner explore diversifying the proposed commercial uses and converting some of the retail space to include; coworking space, lab space and/or a boutique hotel. The Planning Department recommends the petitioner explore increasing the number of affordable units.

School Department Assistant Superintendent Liam Hurley notes that the School Department budget estimates approximately \$19,000 per pupil. He noted that 2018 was the first year that the School Department has seen a decline in enrollment and they are not expecting a major bump. Mr. Hurley noted that the five-year projection also demonstrates a continued decline in enrollment. He stated that the School Department has engaged a consultant to perform a demography study. Newton Public Schools Director of Business and Planning Julie Kirrane noted that the schools have been working to update the methodology to estimate number of students. She estimated that approximately 18-19% of children attend private schools.

Public Comment

Julie, 33 Alexander Road, noted that she lives close to the proposed development, has a child that attends Countryside which is overburdened. She stated that she has concerns about the financial impact of additional students in the school, the impact of traffic on the neighborhood and the impact the proposed development will have environmentally.

Jay Walter, 83 Pembroke Street, believes that the project is well thought out and the developer has worked to engage the community. Mr. Walter stated that the distribution of the affordable units is proportionate in each building and he believes that the proposed development will be a good place to live. Mr. Walter noted that the project does not address needs of the middle-income residents in the City.

Josephine McNeil, 53B Taft Avenue, commended the developer for recognizing the need of housing for people at 50% AMI. Ms. McNeil questioned whether the developer can consider options to include middle income units, but not at the expense of the tier 1 units. Ms. McNeil also requested that the develop consider including additional 3-bedroom units.

Lynn Weisberg, 5 Alden Street, noted that the proposed change to the IZO is under consideration and has not yet been voted. Ms. Weisberg encouraged the developer to consider exceeding the number of required inclusionary housing units and add additional units in another category (i.e. middle income).

Dennis, 40 Harrison, noted that he has worked on various development projects. Mr. noted that apartment buildings he has worked on have been limited to 70' to limit construction costs. He encouraged the developer to consider a cap in building height of 70' to save funds. He also noted the need for 55+ housing.

Becky Schwartz, Needham Street Area Vision Planning Committee, Ms. Schwartz believes that Northland's proposal is heavily residential and does not adequately balance retail and office. Ms. Schwartz applauded the inclusion of affordable housing but noted that 65% AMI is still high and questioned where employees of the retail establishments will park, if they don't live on site.

Leon Schwartz, 39 Carl Street, noted that office space on Needham Street has not been successful, but Class A office space will be critical to attracting tenants. Mr. Schwartz believes that something should be built to revitalize the neighborhood but believes that the proposed development will have impacts on parking and traffic in the neighborhood. He questioned where visitors to the site will park and where restaurants will be located. He encouraged the petitioner to include additional affordable units.

Mary Jackson, 12 Spring Street, is looking forward to having Northland as a neighbor but believes traffic is going to be an issue.

Diane Prunte, Winchester Street, has concerns about the fiscal impacts of the development. Ms. Prunte also has concerns that empty retail spaces will result in the loss of retail revenue. Ms. Prunte expressed concerns about the impact on the retail entities on traffic.

Betsy Hewitt, 1 Winter Street, noted that there is existing retail space on Needham Street that is unoccupied. Ms. Hewitt has concerns that the proposed development could exacerbate the number of unoccupied retail buildings on Needham Street. Ms. Hewitt asked that the developer consider the inclusion of additional affordable units. She questioned where new students will go to school.

A resident noted that affordable housing means opportunities for families to excel in a safe environment, with supportive education. He stated that the proposed development will offer people an opportunity to excel.

Greg Reibman, President, Newton Needham Chamber, 10 Mayflower Terrace, noted that density at the development is important and stated that the residential component will drive economics throughout the area. Mr. Reibman noted that the petitioner low- and middle-income housing. He stated that while the 180,000 sq. ft. of office space in the Saco Pettee building will be a nice addition, it represents a large portion of Class A office space in the N2 district. Mr. Reibman suggested that the Northland proposal is consistent with the Needham Street Vision Planning but noted that the traffic in the area will remain a concern and will prevent the Chamber from endorsing the project at this point.

Liz Moravale, believes that the net revenue for the City is low. She stated that while new housing is important, the proposed development could negatively affect existing residents.

Committee members noted that it is inappropriate to consider the impact of additional students when deliberating a project and noted that the School Department is tasked with analyzing and accommodating growth. A Committee member expressed concern relative to the projected decline in student enrollment, questioning whether it is related to the lack of available housing. Committee members urged the petitioner to consider the location of additional affordable and workforce housing. Committee members expressed concerns relative to traffic and emphasized the importance of a plan to address traffic from the site. Committee members questioned whether the petitioner would consider adding more commercial space and reducing the number of residential units. Atty. Schlesinger noted that there is a market inversion in Newton, where residential land is valued higher than commercial property at this time. He explained that converting residential space into commercial space would result in an adverse fiscal impact to the City. A Committee member noted that the proposed development has the opportunity to revitalize the neighborhood by incorporating creative and vibrant amenities. The Chair noted that the presentation and public hearing will continue on January 15, 2018 with a discussion on Transportation.

The Committee adjourned at 9:55 pm.

Respectfully Submitted,

Greg Schwartz, Chair

Northland
INVESTMENT CORPORATION

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Alan J. Schlesinger
Partner
Schlesinger and Buchbinder, LLP

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2007 COMPREHENSIVE PLAN

THEMES:

- “Intensive well planned corridor development is anticipated and welcomed on Needham Street and Chestnut Hill as long as it is integrated with and helps produce transportation and other enhancements to make the impact of that development a positive one.” P 34

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2007 COMPREHENSIVE PLAN

THEMES:

- “While recognizing the importance of maintaining the City’s historic buildings used by businesses, provide zoning support for the redevelopment of obsolete properties for uses that will maintain or increase the City’s tax and employment base.”

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NEEDHAM STREET VISION PLAN

THEMES:

- “A mixed-use place linking the villages of Upper Falls and Newton Highlands”
- “Needham Street continues to be an economic powerhouse within Newton and a central spine of the N² Innovation District.”
- “Attract employers and support employees by encouraging housing and transportation options as well as amenity uses such as restaurants, retail and entertainment”

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LUC MEETING 12/11/2018

TONIGHT'S SPEAKERS:

- G. Kent Gonzales
- Peter M. Standish, Jr.
- Mark Fougere
- Jon Tremontozzi

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G. Kent Gonzales
Vice President
Northland Investment Corporation

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UNIT MIX

ANTICIPATED UNIT MIX:

Unit Type	# of Units
Studios	12
1 Bedroom	57
2 Bedroom	48
3 Bedroom	6
Total	123

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AFFORDABLE HOUSING

65% of AMI in Newton for 2018:

Family Size	65% Income Level
Family of 2	\$56,056
Family of 3	\$63,063
Family of 4	\$70,070

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Peter M. Standish, Jr.
Senior Vice President
Northland Investment Corporation

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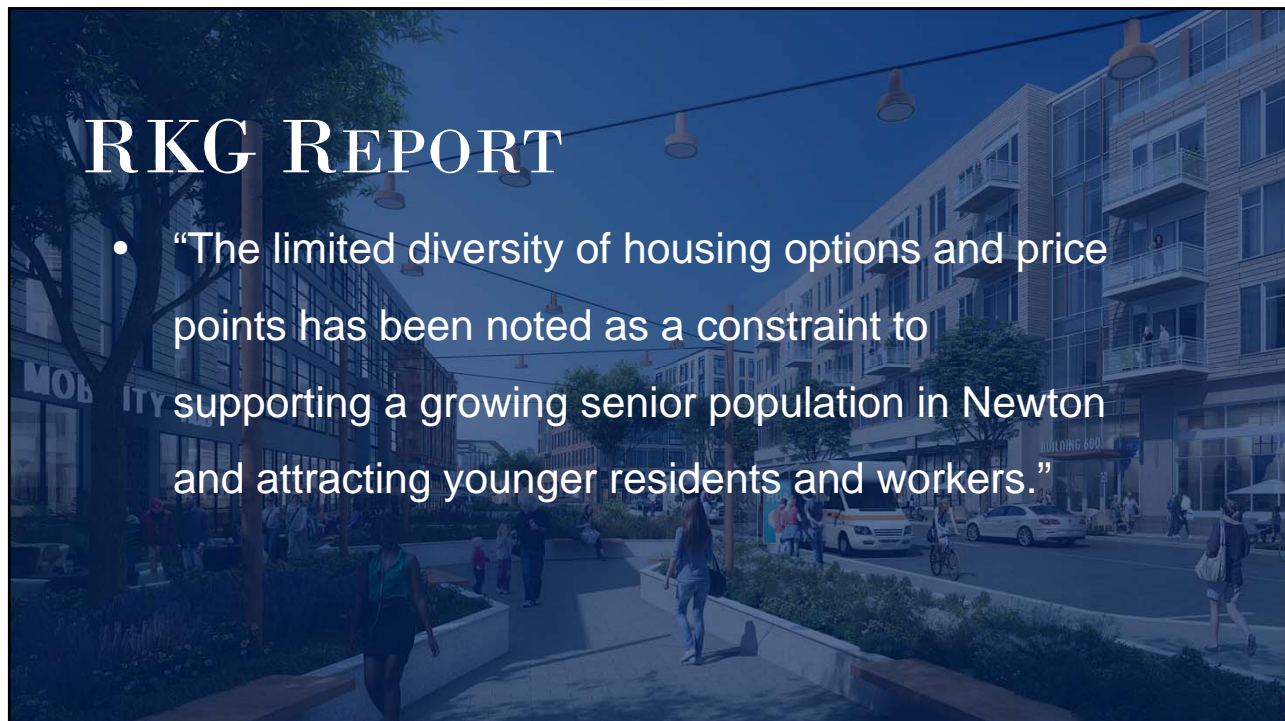
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DEVELOPMENT PROGRAM

- 822 Apartment Units 123 of which will be affordable
- 180,000 SF of first class office space in the Saco Pettee Mill
- 185,000 SF of retail and restaurant space

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RKG REPORT

- “The limited diversity of housing options and price points has been noted as a constraint to supporting a growing senior population in Newton and attracting younger residents and workers.”

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RKG REPORT

- “The growing senior population and the desire to attract and retain younger residents in Newton speaks to the need for small units in buildings that are well managed, include on-site amenities, and are conveniently located near transportation options and activity centers”.

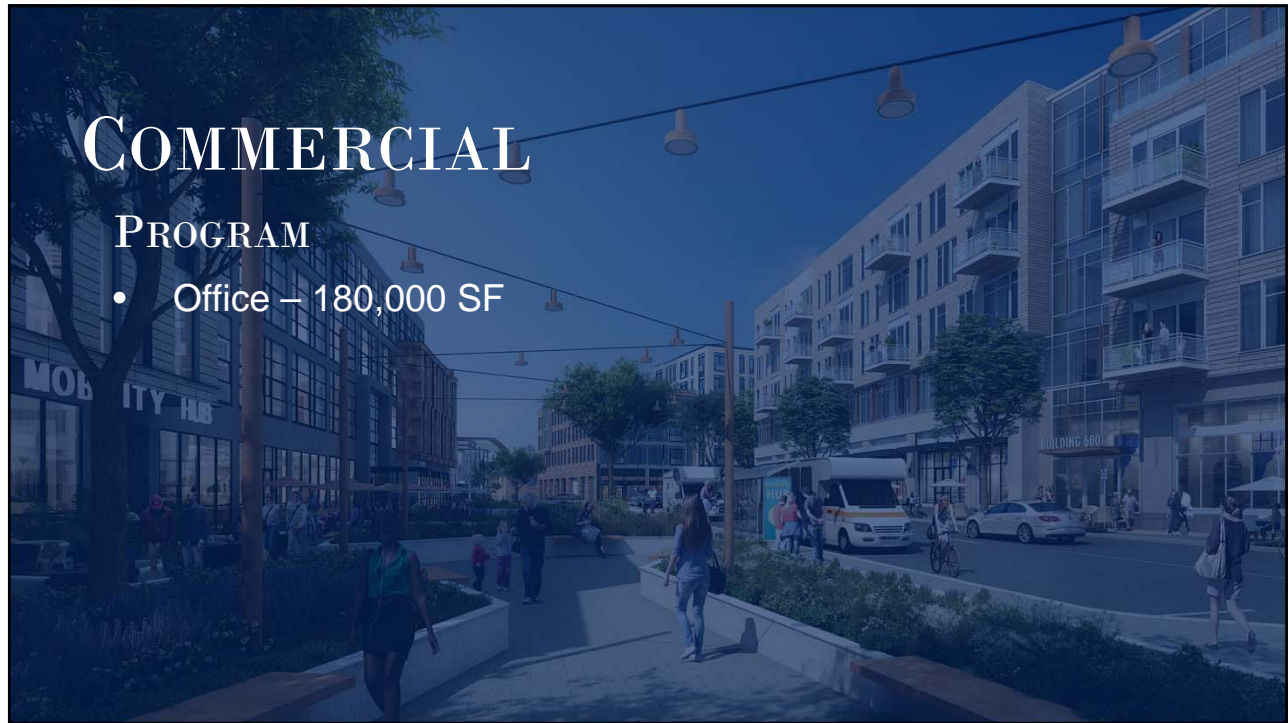
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RESIDENTIAL

UNIT MIX:

Unit Type	# of Units
Studios	80
1 Bedroom	381
2 Bedroom	323
3 Bedroom	38
Total	822

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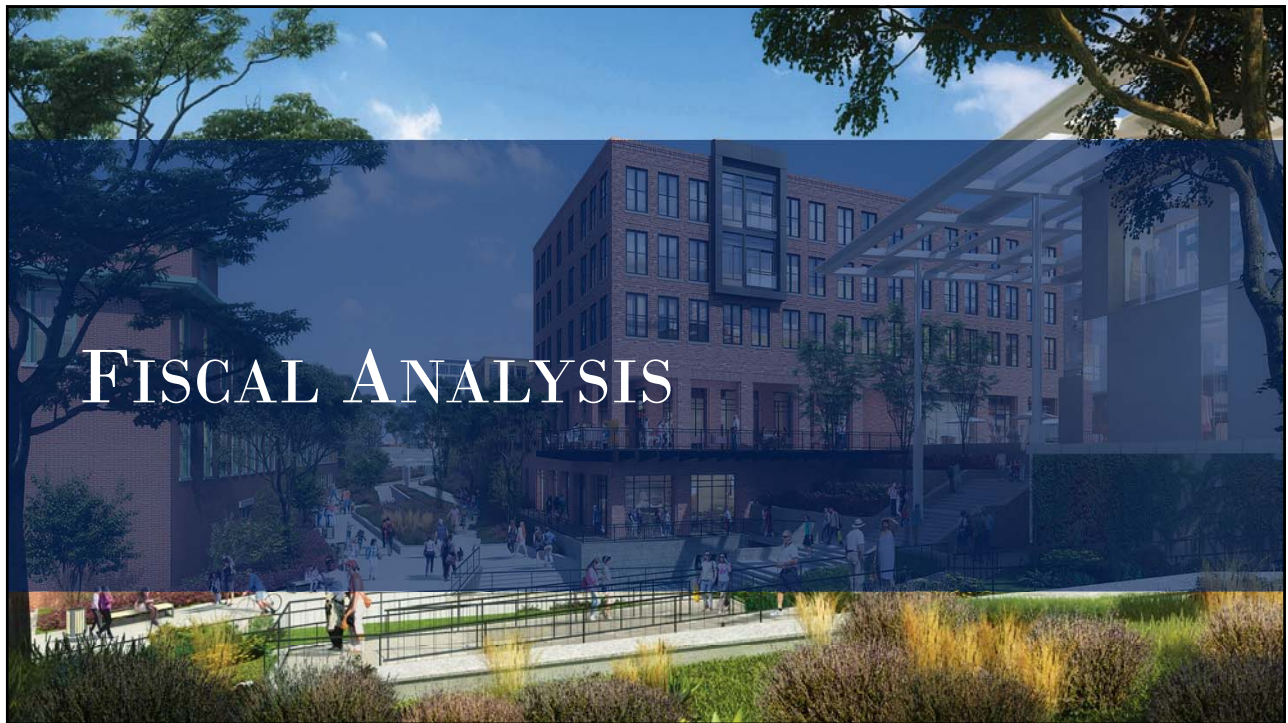
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FISCAL ANALYSIS

CITY OF NEWTON STAKEHOLDERS

- **Police** – Capt. Dennis Geary
- **Fire** – Dep. Chief Michael Smith
– Capt. Mark Hernandez
- **Schools** – Ms. Julie Kirrane
- **Assessor** – Ms. Elizabeth Dromey & Mr. Michael Flynn

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FISCAL ANALYSIS

CURRENT & EXPECTED REVENUE

Revenue Source	Annual Revenue
Commercial / Residential Property Tax	\$4,513,797
CPA Surcharge	\$45,138
Excise Taxes	\$178,075
Local Meal Taxes	\$195,000
Personnel Property Taxes	\$30,589
Total Revenue	\$4,962,599
Existing Revenue	(\$990,898)
Gross Revenue Increase	\$3,971,701

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FISCAL ANALYSIS

ESTIMATED MUNICIPAL EXPENSES

City Department	Annual Cost
Police	\$56,502
Fire	\$100,000
Health	\$85,728
Other Departments	\$25,000
Total Revenue	\$267,230

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FISCAL ANALYSIS

SCHOOL ENROLLMENT

Unit Type	Units	SAC Ratios	Total SAC
Studio Market	70	0.000	0.0
Studio Affordable	12	0.000	0.0
1 Bed Market	315	0.000	0.0
1 Bed Affordable	56	0.000	0.0
2 Bed Market	279	0.192	53.568
2 Bed Affordable	49	0.918	44.982
3 Bed Market	35	0.735	25.725
3 Bed Affordable	6	2.563	15.378
Total	822		140
Total Includes 14% Private School			-20
Total Estimated Public School Children			120

*All information as of November 2017 Enrollment Report

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FISCAL ANALYSIS

ESTIMATED SCHOOL EXPENSES

- Cost Per Pupil Approach*:

Total SAC	Cost/Student	Total Cost
142	\$14,386	\$2,042,812

*All information as of November 2017 Enrollment Report

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FISCAL ANALYSIS

ESTIMATED ANNUAL FISCAL IMPACT

	COSTS	REVENUE
Gross Rev. Taxes, CPA, Meals, Excise & Personnel Property Taxes		\$4,962,599
Estimated Municipal Costs		
Police	\$56,502	
Fire	\$100,000	
Health	\$85,728	
Other Departments	\$25,000	
School Costs	\$2,042,812	
Total Costs	\$2,310,042	
Annual Positive Fiscal Impact		\$2,652,557
Existing Revenue		(\$990,898)
Net Increase in New Revenue		\$1,661,659

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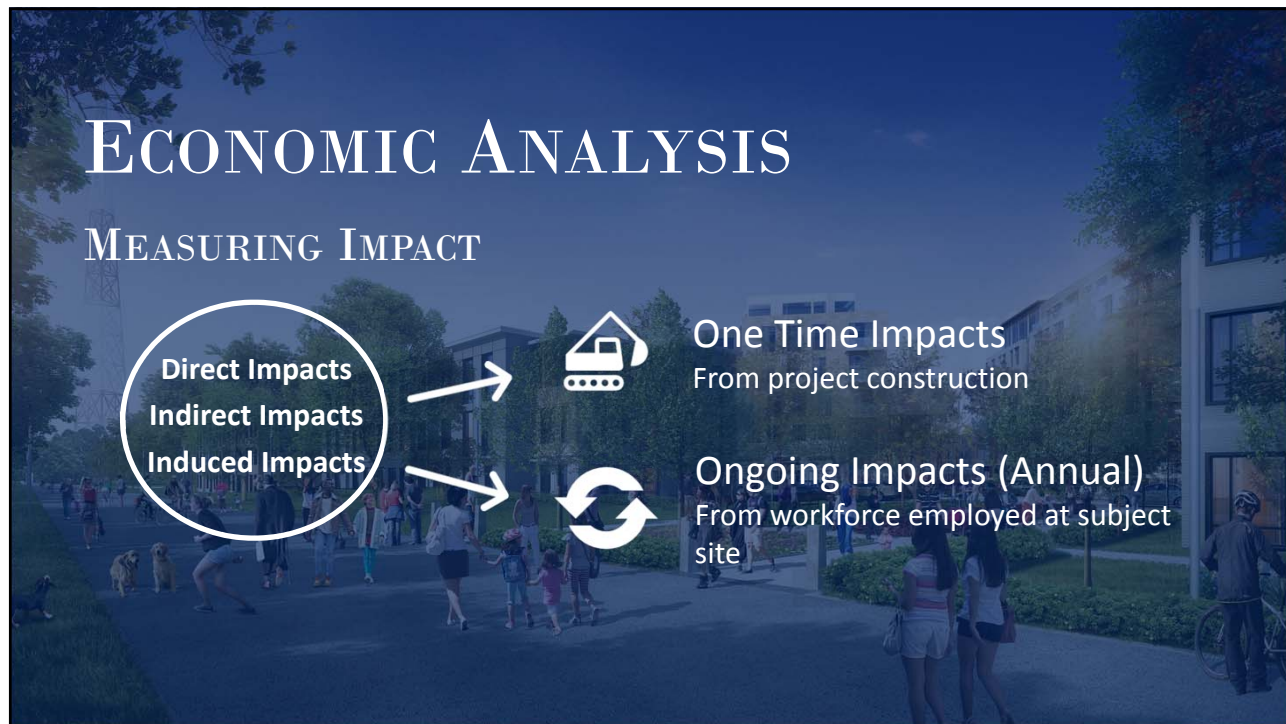
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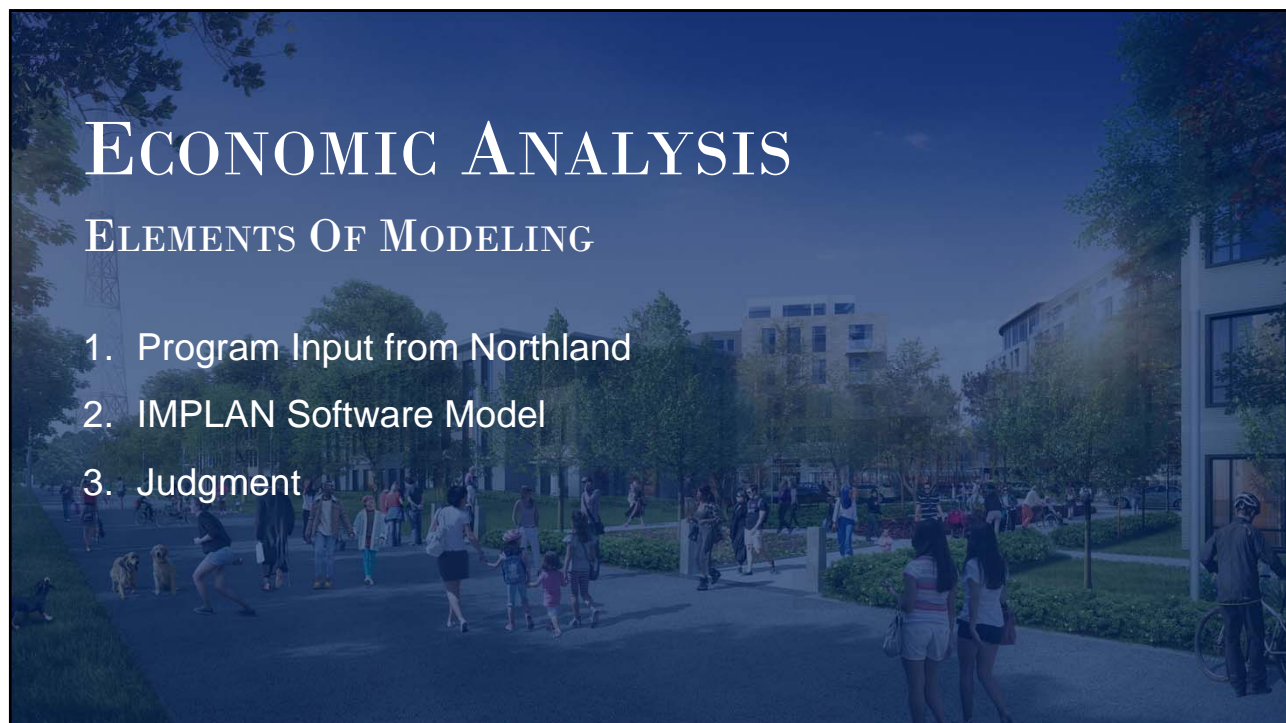
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ECONOMIC ANALYSIS

LANDWISE PROJECTIONS

CONSTRUCTION PERIOD IMPACTS

	Supported Jobs	Economic Impact
Construction	3,310*	\$486 million
2nd & 3rd Level	1,057	\$160 million

*RKG Estimate 2,317 Construction Jobs

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ECONOMIC ANALYSIS

LANDWISE PROJECTIONS

ANNUAL IMPACTS

	Supported Jobs	Economic Impact
Office	977	
Retail	494	
Management	24	
Total	1,495	\$340 million
2nd & 3rd Levels	900	\$143 million

*RKG Estimate 2,317 Construction Jobs

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Alan J. Schlesinger
Partner
Schlesinger and Buchbinder, LLP

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Northland Newton Peer Review

City of Newton, Massachusetts
December 2018



Tasks:

- Independent Market Analysis
- Fiscal Impact Peer Review
- Economic Impact Peer Review
- Housing Accessibility Assessment

Process:

- Review Northland Team's Proposal and Reports
- Meeting with City Staff
- Conduct Peer Review Analyses
- Discussions with Northland Team as Needed
- Meeting with City Staff on Findings, Memo Revisions

Market Analysis

Independent Assessment

Overview of Findings

Market Analysis

HOUSING

- Housing demand in the Boston area is extremely strong, constrained supply is driving prices up for ownership and rental housing.
- Locally, Newton's 2016 Housing Needs Analysis points to a need for **1,900 to 3,300** additional housing units through 2030 to keep pace with population growth and changes in household formation.
- Newton's affordable housing needs is even greater. The Housing Needs Analysis points to a need for **over 5,000** units priced at or below 80 percent of Area Median Income (AMI). The large majority of housing produced over the last 18 years has been affordable to households at or above 200 percent of AMI.
- Northland's proposal would add 822 new units in Newton, of which 123 units would be set aside as affordable. 80 percent of the units would be one- and two-bedrooms catering to younger and older households, the later of which is projected to grow significantly through 2030.
- Northland's proposal also includes a 5 percent set aside for fully-accessible units.

Overview of Findings

Market Analysis

OFFICE

- While Newton lacks Class A office space, the larger Route 128 region offers more competitive locations and a pipeline of 1.1 million square feet of office coming online in the next five years.
- Historically, Newton's office market has not performed as well as other locations directly off Route 128.
- Filling the large office space could prove difficult given the location and visibility from Route 128. Larger office users prioritize access, convenience, and visibility.
- Current market seems to be for smaller office users from 5,000 – 15,000 square feet in size.
- As employment expands in Newton and the N2 corridor evolves, this space could become more attractive over time.

RETAIL AND SERVICES

- Northland is proposing 185,000 square feet of new retail space on site.
- RKG's analysis of a 5-minute drive time indicates demand for 67,000 square feet of new retail, plus an addition 27,000 square feet supported by future residents and employees of the development.
- Competition from regional retail centers such as Natick Mall, Chestnut Hill, Legacy Place, and Westwood Station.
- RKG acknowledges Northland is planning on a mix of chain/large-format retailers, restaurants, a gym, medical office, and a small amount of "neighborhood" retail.

Overview of Findings

Market Analysis

REMAINING QUESTIONS

- What radius or drive time did Northland use to determine the retail market?
- What capture rate was used to determine retail space demand?
- Will new retail space on Needham Street reduce spending in other commercial activity nodes across the city?
- What happens if the market for the office and retail space does not materialize?

Fiscal Impact Analysis

Peer Review

Overview of Findings

Fiscal Impact Analysis

VALUATION AND TAXES

- RKG estimates **higher** per square foot value for retail
- RKG estimates **lower** per square foot value for office
- RKG estimates **lower** per square foot value for residential
- **Removed** CPA surcharge taxes, not general fund revenue

MUNICIPAL COSTS

- RKG agrees with Northland's assessment of municipal costs for police, fire, health and other.

SCHOOL COSTS

- Updates were provided to RKG by the School Department
- School Department estimates 142 students, increase of 22 over Northland's original estimate
- School Department estimates low cost of \$14,383 per student to high of \$19,082 per student

REMAINING QUESTIONS

- How did Northland arrive at the assessed values per square foot for different uses?
- The City should consider tying the delivery of residential units to the delivery of commercial space.

Economic Impact Analysis

Peer Review

Overview of Findings

Economic Impact Analysis

SHORT-TERM IMPACTS

- RKG typically uses a factor of 30-35% of total construction costs attributable to construction wages.
- Northland's Team is using a factor of 50%, resulting in a different of close to 1,000 employees.
- Important to note employment estimates and impacts are regional, some portion could come directly from Newton.

ON-GOING IMPACTS

- RKG agrees with the factors used to determine employees per square foot.
- RKG would like to see a low and high range based on potential that not all retail on site will be net new.

ECONOMIC OUTPUT

- If construction employment is adjusted, outputs/impacts in Newton will change.

REMAINING QUESTIONS

- Could Northland offer a low and high range for economic impacts based on the possibility that some retail may not be net new?

Housing Accessibility Assessment

Peer Review

Overview of Findings

Housing Accessibility Assessment

GROUP 2A FULL ACCESSIBLE UNITS

- Northland Newton does include the mandated 5 percent set aside for Group 2A fully accessible units as described in MAAB 521 CMR Section 9.
- The project also complies with distribution requirement where units are to be equally distributed across unit types, with the exception of Building 13 where the townhouses are proposed.

REMAINING QUESTIONS

- Will any of the townhouses in Building 13 qualify as Group 2A accessible? Will one of the townhouses provide space for the installation of a wheelchair lift or future elevator?
- How will accommodations be made for persons who are deaf or hard of hearing? 521 CMR 9.7 requires at least 2 percent of the accessible units have accommodations for these residents.
- Currently 82 percent of the Group 2A units are to be located in market rate apartments with only 16 percent located in affordable units. Would the developer be amenable to shifting more of the Group 2A units to the affordable side to create a more even distribution?

Department of Planning and Development



**156 OAK STREET, 275-281
NEEDHAM STREET AND 55 TOWER
ROAD**

PETITION #425-18
FOR A CHANGE OF ZONE TO BUSINESS USE 4
FOR LAND CURRENTLY ZONED MIXED USE 1.

PETITION #426-18
FOR SPECIAL PERMIT/SITE PLAN APPROVAL TO
ALLOW A MIXED-USE DEVELOPMENT WITH 13
BUILDINGS, 822 UNITS, 193,000 SQUARE FEET
OF OFFICE SPACE, AND 237,000 SQUARE FEET
OF RETAIL SPACE ON A 22.6 ACRE SITE.

DECEMBER 11, 2018



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AERIAL/GIS MAP



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HOUSING & ECONOMIC IMPACTS

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Needham Street Area Vision Plan

Vision for Land Use

- *“Amend zoning along Needham Street to encourage mixed uses, including housing, community uses, smaller commercial uses, and compatible manufacturing/production uses (e.g. breweries, artisans, R&D lab space, etc.)”*
- *“Attract employers and support employees by encouraging housing and transportation options, as well as amenity uses, such as restaurants, retail, and entertainment”*
- *“Reduce minimum lot area per unit in the zoning ordinance to encourage the production of a range of housing types”*
- *“Locate neighborhood-scale retail and service uses on the ground floor of new developments”*
- *“Explore ways to support affordable business space for new and established small and family-run businesses”*

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Needham Street Area Vision Plan

Vision for Land Use (cont.)

- *“Encourage a range of housing unit types and sizes to accommodate all ages and incomes”*
- *“Encourage new development to include deed-restricted middle-income housing in addition to housing in the lower affordable housing price range”*
- *“Incorporate universal design and/or accessibility in development”*

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Planning Recommendations

Housing and Accessibility

- Strong demand for housing in the region and a need to diversify housing options for all age ranges and income levels.
- Given the need for affordable housing discussed by RKG, staff recommends that Northland comply with the proposed Inclusionary Zoning ordinance requirements that are currently before Council, which would provide for a total of 145 deed-restricted affordable units:
 - Tier 1 (up to 50% AMI): 21 units
 - Tier 2 (51%-80% AMI): 103 units
 - Tier 3 (81%-110% AMI): 21 units
- Staff also recommends that 23 of the accessible units be included in the Tier 1 and Tier 2 affordable units as there is also a great need for fully accessible units at lower income levels.

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Planning Recommendations

Economic Development

- Draft Economic Development Action Plan by Camoin Associates identifies opportunities for office development at Northland due to proximity to I-95/128 and also identifies an urgent need for smaller, affordable workforce units to support new commercial development.
- Camoin also suggests potential opportunities for lab, medical office, industrial and hotel uses along Needham Street.
- Analysis from the Petitioner argues that the market for office is directly along the 128 corridor where there is visibility from the highway and that office uses have not historically thrived along Needham Street.

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Planning Recommendations

Economic Development

- Planning staff believes that the proposed 180,000 square feet of newly renovated Class A office space can likely be absorbed, especially given the mix of housing and amenities proposed.
- Additional large, Class A office space is likely not feasible however.
- Given the analysis from Camoin and RKG, Planning Staff recommends that the petitioner explore diversifying the proposed commercial uses and converting some of the retail space to some combination of small or medium offices, coworking space, lab space, and also explore possibilities for a boutique hotel.

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Fiscal Analysis



Revenue Generated

- Fougere analysis (petitioner) estimates approximately \$4.96 million in taxes generated by the project and RKG analysis (peer review) estimates approximately \$4.73 million.

Municipal Costs

- Cost to City, exclusive of education, is approximately \$267,230.
- School Department estimates 142 new students entering Newton Public Schools from the project.
- Costs per student are \$14,383 per student assuming a marginal cost, and \$19,082 per student assuming an average cost.

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Fiscal Analysis



Net Fiscal Impact

- Fougere estimates between +\$1.41 million (average student cost) and +\$1.98 million (marginal student cost)
- RKG estimates between +\$721,617 (average student cost) and +\$1.39 million (marginal student cost)
- Net positive fiscal impact to the City in all scenarios and with the costs per student incorporated

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Impact to Schools



- Based on the latest projections from the School Department total enrollment is stable for the next five years and then declines in years six through ten.
- When accounting for projected students from Northland, elementary school enrollment decreases in years 2020-2021 and then stabilizes around 5,600 students. Middle school enrollment decreases in 2023-2024 when two large grade cohorts move to high school and stabilizes around 2,850 students. High school enrollment grows until 2026-2027 when the large grade cohorts begin to graduate, then declines by 240 students during next three years and stabilizes at around 4,050 students.
- Countryside enrollment sees minor increase in years nine and ten when incorporating projected new students from Northland. Countryside is also next in line for renovations and expansion.

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Next Steps



- Planning Staff recommends the petitioner explore increasing the number of affordable units and diversifying the commercial mix and provide responses to questions raised in RKG report.

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