

CITY OF NEWTON

IN BOARD OF ALDERMEN

REAL PROPERTY REUSE COMMITTEE REPORT

TUESDAY, OCTOBER 25, 2011

Present: Ald. Danberg (Chairman), Ald. Merrill, Linsky, Crossley, Fischman, Gentile, and Baker; absent: Ald. Salvucci; also present: Ald. Albright and Yates
City staff: Stephanie Gilman (Commissioner of Public Buildings), Donnalynn Kahn (City Solicitor), Robert Rooney (Chief Operating Officer), Eve Tapper (Chief Planner for Current Planning), Ouida Young (Associate City Solicitor), Dori Zaleznik (Commissioner of Health & Human Services), Linda Finucane (Assistant Clerk of the Board)

#287-11 DIRECTOR OF PLANNING & DEVELOPMENT submitting on October 3, 2011 a letter stating that the building and land at 1294 Centre Street, declared surplus by the COMMISSIONER OF HEALTH & HUMAN SERVICES on September 21, 2011, should be declared unnecessary for all municipal purposes pursuant to Section 2-7.

ACTION: HELD 7-0

NOTE: Mr. Rooney explained that although moving the Health Department is not imminent, the Executive Department would like to get the process underway to ensure a smooth transition. Dr. Zaleznik told the committee that the building has many problems, including structural and masonry issues, roof leaks, rotting windows, inconsistent heat, and water in the basement. She would like to relocate the department, which consists of 14 staff, to city hall. She believes it would improve customer service by allowing many of its customers, particularly food service establishments that need to go to Licensing - and often to Inspectional Services - one-stop shopping. (For example, the City Clerk's office now issues burial permits as well as death certificates.) Although most food service establishments still would have to go to Fire headquarters in Newton Centre.

The 4600 square-foot building was constructed as the Newton Centre Branch Library in 1927 with subscriptions from the Newton Centre community raised through a committee under the direction of A. Oram Fulton, chairman, Mr. S. Hardy Mitchell, vice-chairman, Mrs. Ellis Spear, Jr., Mr. Mahlon Baily, Mr. Walter Worth, Mr. Ambrose Moriarty, Mr. Albert Scott, Mrs. George J. Murphy and Mr. Norman Pratt. Although built with private funds, it was turned over to the city and there are no deed restrictions on the property. The Health Department moved into the building approximately 18 years ago after outgrowing its space in the former Davis School. Prior to that, the building had been vacant for several years and had suffered vandalism. The building is listed on the National Historic Register, which in reality offers little protection other than being subject to an 18-month demolition delay under chapter 22, although the Historical Commission could designate it a landmark. Since it is an historic building, the committee asked whether or not it was eligible for Community Preservation Act (CPA) funds. In 2006, there was an initial request for \$175,000 in CPA money to perform necessary renovation/restorations. Ultimately, \$26,000 in CPA money was allocated for an energy audit and preservation study of the building; however, the city never pursued additional funding for the actual work. In 2008,

the cost to repair the building was estimated at approximately \$500,000. Ms. Gilman said the building has so many issues and that an assessment team has determined a cost for mechanical/electrical, foundation, envelope, and, most importantly handicapped access which is essentially nonexistent, to be approximately \$1.2 million. Several committee members suggested this was putting the cart before the horse and voiced some hesitancy about declaring the building surplus without an actual plan. In Alderman Crossley's opinion a current assessment would probably make \$1.2 million seem like a small amount.

In response to a question as to where the Health Department would be located in city hall, Mr. Rooney said the plan is to convert offices in the first-floor of the War Memorial portion of the building, space currently occupied by the Veterans' Agent, Licensing, Sealer of Weights & Measures, and the Excise Tax division of the Assessing Department. (The Programs & Services Committee will hold public hearings on November 9 on the Mayor's request to transfer the Sealer function and Licensing Board to the Health Department.) Mr. Rooney said the excise tax function would move to the space across from Assessors currently occupied by Elections; Elections would move into space next to the City Clerk currently occupied by the Department of Public Works; and the DPW staff would probably move into the Engineering Division. He said the bare minimum of \$300,000 estimated to keep the Health Department in Newton Centre would be about the same cost to upgrade the space in the War Memorial.

Dr. Zaleznik said the Health Department has nine on-site parking spaces: five to the rear of the building and four along the driveway it shares with Learning Express as the property line runs along the middle of the driveway. When the city's four parking spaces are occupied it leaves the Learning Express portion as the only a travel lane, which occasionally creates a problem with Learning Express.

Alderman Linsky asked about the value of the property. Its assessed value is approximately \$690,000. Several committee members suggested the city obtain an appraisal. Noting the historic character of the building and the fact the city has few such buildings, Aldermen Gentile and Yates recommended trying to maximize CPA funding for at least the exterior work. Alderman Gentile suggested the city rent the building as it did Bigelow Junior High School until it was reclaimed for a middle school. Alderman Baker agreed there are too few historic city-owned buildings. The question is where should the Health Department be located?

Mr. Rooney explained the FY13-17 Capital Improvement Program (CIP), which will be presented to the Board on November 7, identifies preservation projects as to CPA eligibility. The Community Preservation Committee awaits the city's priorities for projects to be funded in the next cycle. Alderman Yates would like to know where the building ranks in the prioritized list compiled by the Public Buildings Preservation Task Force.

Alderman Merrill moved to hold the item pending the presentation of the CIP; receipt of information relative to the building's eligibility for CPA funding; and receipt of information from the Public Buildings Department for a better sense of the amount necessary to do more than minimum maintenance to the building. The motion to hold the item carried unanimously.

#150-09(6) JOINT ADVISORY PLANNING GROUP and PLANNING & DEVELOPMENT DEPARTMENT filing their separate reports pursuant to Ordinance Sec. 2-7(2)b) identifying alternatives for the future use of the Austin Street municipal parking lot at 28 Austin Street, on land known as SBL 24, 9, 15, containing approximately 74,536 sq. ft. of land, in Newtonville, which was declared surplus by the Commissioner of Public Works on December 1, 2010.

ACTION: APPROVED 6-0-1 (Gentile abstaining) to sell or lease/retaining 85 public parking spaces

NOTE: This item was the subject of a public hearing and working session on September 27, 2011, report attached.

Alderman Baker began by noting that unlike the Health Department building, this property is a very valuable asset and as such part of the challenge is the position advocated in the Joint Advisory Planning Group (JAPG) and Planning Department reports that the city should get in-kind benefits instead of cash. It is unusual to sell a city asset for nothing. He wondered if there is a way for the city to realize a financial return through CPA funding. Alderman Albright felt this would be circular, like taking money from one pocket to another, besides CPA money can be used for housing only if it is affordable housing.

Both the JAPG and Planning reports recommend the property be delivered rezoned from Public Use to Business 4. (A text amendment will be necessary to allow a public use, in this case parking, in any zoning district.) Alderman Fischman pointed out that mitigations would be part of the special permit, which any proposal for development will require. Philip Bram Way, the right-of-way that runs through the parking lot from Austin Street to Highland Avenue needs to continue to function for access to the commercial buildings fronting on Walnut Street. Ms. Young noted that because the city owns the property delivering it rezoned confers protections not present in property privately owned.

Alderman Gentile said he would have a hard time letting the property go for \$1.00; he remains unconvinced there is enough public benefit to sell it for that price. He asked if the city had obtained an appraisal. Ms. Tapper explained no, it had surveyed 120 properties improved with apartments, commercial space or both located in commercial assessing district 6 (in which the Austin Street lot is located), where the median *assessed* value of lots with greater than 20,000 square feet of land is an average of \$20-\$25 per square foot. Alderman Gentile suggested getting an appraisal. Ms. Tapper said an appraisal would be difficult without knowing what is going to be built on the property. Alderman Baker agreed that the city should get an appraisal. By rezoning the property from Public Use to Business 4, the city is conferring additional value. Theoretically, getting at least 18 units of housing of which 25% must be affordable, divesting itself of an asset, rezoning the property ourselves to add more value, seems a relatively modest public benefit for what the city is putting into this.

Alderman Linsky disagreed. The site is burdened by 85 public parking spaces and the city will gain tax revenue; it is not a giveaway.

Phil Herr, Chairman of the Housing Partnership and member of the Comprehensive Planning Advisory Committee pointed out that the parking needs to be structured to make the site work. He estimates that each space will cost the developer approximately \$20,000; the 25% versus the 15% required affordable housing will probably bring the cost a quarter of a million dollars more than market units and the developer will be responsible for undergrounding wires and intersection improvements. Mr. Herr recommends the city avoid putting a large financial stipulation for conveyance of the property because it will scare off potential developers. He suggested an analysis of costs at the time of conveyance and then of the benefit stream over time, it might be better if the number is not stipulated at the front end. Alderman Baker said the city is creating added value and subsidizing housing, a novel exercise for the Board of Aldermen.

Acknowledging that it is an experiment, Alderman Albright said the whole point of the proposal is the revitalization of a village center per the recommendations contained in the *Comprehensive Plan*. Alderman Johnson could not be present this evening because of a family commitment, but the three aldermen from Ward 2 have been working on this since 2005 and fully support the proposal to revive Newtonville with what they envision as a vibrant mix of uses to attract people to the square.

Alderman Baker said that since the Ward 2 aldermen are such strong proponents, he is persuaded it is worth a shot; however, he and Alderman Gentile would like the city to obtain a professional appraisal prior to the full Board vote. Since an appraisal has to be done prior to the bidding process anyway, it might as well be done now. The Committee agreed. Although finding the funding in such a short time could be a problem, Ms. Tapper agreed the Planning Department would do its best to do so.

Alderman Linsky moved approval to sell or lease the property with the city retaining 85 parking spaces and with the resolves contained in the draft board order dated November 7, 2011. The motion to approve carried 6-0-1, with Alderman Gentile abstaining.

The meeting was adjourned at approximately 10:00 PM.

Respectfully submitted

Victoria Danberg, Chairman

CITY OF NEWTON

IN BOARD OF ALDERMEN

REAL PROPERTY REUSE COMMITTEE REPORT

TUESDAY, SEPTEMBER 27, 2011

Present: Ald. Danberg (Chairman), Ald. Merrill, Linsky, Crossley, Fischman, and Baker; absent: Ald. Gentile and Salvucci; also present: Ald. Johnson, Shapiro, and Albright
City staff: Candace Havens (Director of Planning & Development), Eve Tapper (Chief Planner for Current Planning), Ouida Young (Associate City Solicitor), Linda Finucane (Assistant Clerk of the Board)

A public hearing was held on the following item:

#150-09(6) JOINT ADVISORY PLANNING GROUP and PLANNING & DEVELOPMENT DEPARTMENT filing their separate reports pursuant to Ordinance Sec. 2-7(2)b) identifying alternatives for the future use of the Austin Street municipal parking lot at 28 Austin Street, on land known as SBL 24, 9, 15, containing approximately 74,536 sq. ft. of land, in Newtonville, which was declared surplus by the Commissioner of Public Works on December 1, 2010.

ACTION: HELD 6-0

NOTE: The following is a brief timeline:

- The concept of developing the Austin Street parking lot into a mixed residential/commercial development while retaining 85 parking spaces for the city began in 2005, resulting in docket item #150-09.
- The Committee discussed docket item #150-09 on November 24, 2009 and on March 23, May 25, and September 23 of 2010.
- In May of 2010 the Planning Department sent out a Request for Interest (RFI), which elicited three written responses and two verbal inquiries.
- The Commissioner of Public Works declared the parking lot surplus on November 3, 2010.
- Item #150-09(3), pending in the Zoning & Planning Committee, was docketed by the Ward 2 Aldermen on December 10, 2010 proposing that the parcel be rezoned from Public Use to Business 1.
- A 14-member Joint Advisory Planning Group (JAPG) was appointed in April of 2011.
- As required by ordinance, the JAPG and the Planning Department submitted their separate reports (both attached) in June of 2011. Upon receipt, both reports were distributed to the Board and posted on the city's website. *The committee reports referenced above available at www.ci.newton.ma.us under Board of Aldermen/Committees/Real Property Reuse.*

This evening, Jack Leader, Chairman of the Joint Advisory Planning Group (JAPG), presented the JAPG report and Chief Planner for Current Planning Eve Tapper presented a PowerPoint presentation (attached). The Committee's is to recommend a minimum sale and/or lease price, which requires a 2/3 vote of the Board of Aldermen, and to communicate to the Mayor via

resolutions what the Board and community envision for the parcel. The Planning Department will issue a Request for Proposals (RFP) consistent with the JAPG and Planning Department reports and the board order.

Speaking at the public hearing were the following individuals, all of whom favor the mixed use model proposed in both reports.

Dan Fahey, 86 Washington Park, Newtonville, attended several of the JAPG meetings. Given the small size of the lot it is important to provide incentives to an imaginative developer. Is there a possibility of acquiring an adjacent space to work with?

Doris Sweet, 281 Lexington Street, Auburndale, said there is a crying need for affordable housing and the affordable component should be maximized in developing this site.

Phil Herr, 20 Marlboro Street, Newton Corner, was a member of the Newton Housing Action Plan Initiative (HAPI), the body instrumental in getting this project off the ground. HAPI and the JAPG are admirable examples of citizens and the city working together for a constructive purpose. Relative to rezoning, options include adding another zoning district or creating an overlay district; however, in Mr. Herr's opinion, it makes the most sense to rezone the parking lot to Business 4. There are several other B4 parcels in the city, the most recent the Chestnut Hill Shopping Center. The 25% v. the 15% required affordable units recommended by the JAPG are an extraordinary opportunity. If cost analyses prove it can't be done, then the city can revert to 15%. The JAPG agreed that fiscal benefits trade off against other benefits, i.e., other benefits to the community should be given more weight. Perhaps a developer should pay less in proportion to the benefits it would bring.

Jackie Gelb, 81 Prairie Avenue, urged that the Request for Proposals state that affordable housing is a priority.

Sonia Michelson, 94 Park Avenue, Newton Corner, concurred that the opportunity to include affordable housing is a priority.

Morton Grossman, 213 Nahanton Street, owns 10-12 Austin Street, a commercial block that abuts the parking lot. He is a long-term small property investor in Newton and would like to improve his Austin Street property, perhaps combining it somehow with the proposed development.

Mindy Sieber, 15 Upland Road, Waban, Director of the New Art Center in Newtonville, suggested that including a performance space for arts would draw people in the evening and stimulate the economy for local restaurants.

MaryAnn Figoni, 929 Beacon Street, who owns a 4-family at 33-35 Highland Avenue that abuts the parking lot, does not want a 4-story parking garage up against her residential property. It will block the light. She hopes the design will complement the Victorian neighborhood.

The Committee thanked the members of the JAPG for the time and work given to this project.

In working session, the Committee discussed the differences between the JAPG and Planning reports, which some members thought were more substantial than other members:

The differences are:

- JAPG recommends 25% of the housing units be affordable; the Planning Department suggests 15%;
- JAPG recommends rezoning to Business 4; Planning Department agrees with B4 rezoning *or* creating a new “village zone”
- JAPG says the *most important* thing is to enliven Newtonville Square; the Planning Department wants to enliven the Square *and provide* significant fiscal benefits to the city.
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Accessibility to persons with mobility disabilities is a non-issue because all the housing must be built to Architectural Access Board standards and must comply with Building Code.

Several members asked if rezoning the site prior to the RFP being issued was premature since it was usually done in conjunction with the special permit application. Proponents believe rezoning the site up front will attract serious responses and there is no harm because the city still controls the site. Ms. Young pointed out that there are legal issues to reconcile for a private/public mixed-use project. She would like more control than just a lease to retain the 85 public parking spaces. Ms. Young explained that the RFP process is controlled by the public bidding process in GL chapter 30B, §16. The RFP tells potential bidders what the city wants and the bidders in turn state in narrative what they are willing to provide. It is not a design competition. A development on this site will need a special permit from the Board of Aldermen.

As to a sale of the property v. a ground lease (Warren House has a 65-year ground lease), some members thought it might be a lengthy process to get approved the home rule legislation necessary to allow the city to enter a ground lease of more than 30 years. Some prior reuse board orders have included both a minimum sale price and a minimum lease price.

Ms. Havens is not troubled with the slight differences in the reports. Both the JAPG and the Planning Department are essentially on the same page. A development as proposed can fill an unmet demand for people downsizing as well as young couples with no children.

The maximum height and stories allowed in a B4 district by special permit are 96 feet and 8 stories, respectively. The JAPG considers the Masonic Temple and the Claflin condominiums the bookends of Newtonville Square. Both buildings are approximately 75 feet in height.

Many see this project as a model. If successful in Newtonville, it may be emulated in other villages sliced in half by the Turnpike. Not counting the commercial losses, it is estimated that Newtonville lost approximately 80 units of multi-family housing when the Turnpike was built.

Alderman Linsky was prepared to offer a motion to set the minimum sale price at \$1.00, using the bullet points contained in the JAPG report as a basis for resolutions.

Terry Morris, who asked to speak as a life-long citizen of Newton, former Alderman and Chairman of the Land Use Committee, not as someone who had represented one of the parties who responded to the RFI, suggested that asking for a lower number of affordable units could encourage potential developers to compete with higher numbers. He also suggested that the RFP be not so specific as to the number of total units. Establish a parameter of stories and height. Smaller units will create a greater density. Finally, he suggested the minimum sale price be set at \$1.00. The city has an opportunity to create excellence in place-making.

Brooke Lipsitt, a former Alderman and President of the Board, also asked to speak because she had a prior commitment and was unable to attend the public hearing, agreed that the minimum price should be as low as possible. Taxes and income from the development will bring in revenue. She urged including a high threshold for affordability because it is difficult to maintain diversity in the community.

Aldermen Crossley, Albright, and Johnson all voiced support for what they consider an exciting opportunity for Newtonville and the entire city.

Alderman Baker said the parcel is a public asset of significant value and that for him to support this there has to be a very high order of public benefit to justify a very minimum sale price. He also needs a clear sense that the special permit process will not be abdicated.

Again, the Committee's only authority is to set a *minimum* sale and/or lease price, with other parameters set out in resolution form to guide the Mayor in negotiations. After discussing what to incorporate into the resolutions, the Committee agreed that it would prefer to have a draft board order to work from. There are also responsibility issues to be resolved. Holding the item until October would provide enough time for the Law and Planning Departments to respond and generate a draft board order.

Alderman Baker moved to hold the item, which motion carried unanimously. The meeting was adjourned at approximately 10:55PM.

Respectfully submitted,

Victoria Danberg, Chairman