



David B. Cohen
Mayor

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Office of the Mayor

FINAL

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May 12, 2003

Jeffrey W. Sacks, Chairperson
Community Preservation Committee
City Hall
1000 Commonwealth Avenue
Newton, MA 02459

Dear Mr. Sacks:

I am writing to ask that you and members of the Community Preservation Committee recommend approval of my request to spend *up to \$5,000,000* for a proposal to preserve up to 30 acres of the Kessler Woods property. Kessler Woods is a tract of more than 42 acres of unprotected open space in Newton. The land is currently owned by the Boston Edison Company (*NSTAR*) and includes two (2) parcels of land at LaGrange and Vine Streets, in the southeast corner of the City. The north parcel contains more than 33 acres and the south parcel contains nearly 9 acres. The land is currently zoned single-family residential.

The Boston Edison Company has offered this land in a sealed bid auction to the highest bidder. Insignia ESG, Edison's real estate broker, has extended their "call for offers" date from February 21 to June 20, 2003 to allow time for all interested parties to better formulate a "conforming bid." In Insignia's letter to prospective bidders, the offering conditions require that the full purchase price be paid on October 10, 2003, and that bids involving any delayed payments or other contingencies will be considered nonconforming.

The Boston Edison Company's sealed bid auction and their filing in early January 2003 of a 68 lot preliminary plan of subdivision, just prior to their initial announcement of "Residential Land for Sale," leave the City in a desperate situation. For these reasons, I am prepared to submit my request to use Community Preservation Act (CPA) funding to further three of the four goals of the CPA, as follows:

- ✓ Preservation of open space;
- ✓ Creation and preservation of land for recreational use; and
- ✓ Creation of community housing.

This land represents a unique smart growth opportunity for the City of Newton, as it will allow for the clustering of housing on a small portion of the land, while keeping most of the site in its natural state.

1000 Commonwealth Avenue Newton, Massachusetts 02459

www.ci.newton.ma.us

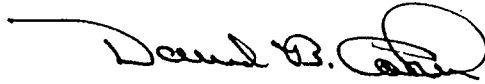


DEDICATED TO COMMUNITY EXCELLENCE

Additionally, I believe that this proposal is consistent with *"The Framework for Newton's Planning,"* which states that "(t)he basic location, scale, and intensity of development needs to be shaped to reflect a "balancing" of interests....." By maximizing open space preservation, creating passive recreational opportunities, and creating community housing, this proposal intends to balance these important CPA and community goals.

I respectfully urge you to consider this important request for Community Preservation funding. This is a rare opportunity for the City that could not even be considered without Community Preservation Funds. Thank you for your consideration.

Very truly yours,

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City of Newton



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APPLICATION FOR COMMUNITY PRESERVATION FUNDING

Submit to Community Preservation Planner
Newton Planning and Development Department
1000 Commonwealth Avenue, Newton, MA 02459
communitypreservation@ci.newton.ma.us
617-796-1120 ext. 1131

Name of Applicant City of Newton

Sponsoring Organization, if applicable Executive Office and Planning & Dev. Dept., contact: Michael Kruse

Mailing Address 1000 Commonwealth Ave **City** Newton **State** MA **Zip** 02459

Daytime Phone 617-796-1120 **Email** mkruse@ci.newton.ma.us

Name of Proposal Kessler Woods, Boston Edison/NStar property on Vine and LaGrange Streets

CPA Category (circle all that apply): Open space Historic preservation Recreation Community housing

CPA Funding Requested \$5M (up to) **Total Cost of Proposed Project** \$8M - \$11.5M

PROJECT DESCRIPTION: Attach answers to the following questions. Applications will be returned as incomplete if all requested information is not provided. Include supporting materials as necessary.

1. **Goals:** What are the goals of the proposed project?
2. **Community Need:** Why is this project needed? Does it address needs identified in existing City plans?
3. **Community Support:** What is the nature and level of support for this project? Include letters of support.
4. **Timeline:** What is the schedule for project implementation, including a timeline for all critical elements?
5. **Credentials:** How will the experience of the applicant contribute to the success of this project?
6. **Success Factors:** How will the success of this project will be measured? Be as specific as possible.
7. **Budget:** What is the total budget for the project and how will CPA funds be spent? All items of expenditure must be clearly identified. Distinguish between hard and soft costs. (NOTE: CPA funds may NOT be used for maintenance.)
8. **Other Funding:** What additional funding sources are available, committed or under consideration? Include commitment letters, if available, and describe any other attempts to secure funding for this project.
9. **Maintenance:** If ongoing maintenance is required for your project, how will it be funded?

ADDITIONAL INFORMATION: Provide the following additional information, as applicable.

10. Documentation that you have control over the site, such as Purchase and Sale Agreement, option or deed.
11. Evidence that the project does not violate any zoning ordinance or any other laws or regulations.
12. Evidence that the proposed site is free of hazardous materials or that there is a plan for remediation in place.
13. Evidence that appropriate professional standards will be followed if construction, restoration or rehabilitation is proposed.
14. Information indicating how this project can be used to achieve additional community benefits.

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KESSELER WOODS PROJECT

BACKGROUND

The property known as Kessler Woods consists of over 42 acres of open land in the southeast corner of Newton and is the largest open space land in the City at risk of development. For many years, this land has been a conservation priority identified in the City's *Recreation and Open Space Plan* due to its environmentally sensitive features which include: a substantial amount of wetland and floodplain; Saw Mill Brook; a locally-rare vegetative community; and a significant amount of diverse wildlife habitat.

In addition, these parcels are located adjacent to two existing Conservation Areas owned by the Newton Conservation Commission. The north parcel abuts the Baldpate Meadow Conservation Area, a wetland/floodplain parcel managed for the benefit of wildlife. The south parcel cuts through the Saw Mill Brook Conservation Area, which is managed for passive recreation.

In January Boston Edison/NSTAR announced its intent to sell Kessler Woods by sealed bid auction, which is scheduled for June 20, 2003 (originally scheduled for February 21). On behalf of NStar, Insignia/ESG, Inc. has announced that bids cannot be contingent on receipt of any state or local permits, change of use, subdivision approvals or similar approvals, and the full purchase price must be paid at the delivery of the deed (scheduled for October 10, 2003). More information regarding the bid process and deadlines is found at <http://www.lagrangelandsale.com/>.

Through February and March, the City of Newton worked with Sasaki Associates, Inc., a land planning firm commissioned by the City, to consider development options and conceptual site plans for preserving all or parts of Kessler Woods. Sasaki also evaluated the Preliminary Plan of Subdivision for 68 lots that was filed with the City of Newton (and currently before the Board of Survey) by the Boston Edison Company (NSTAR) in January 2003 (see <http://www.lagrangelandsale.com/>).

In addition, the City has been working with LandVest, an appraisal firm commissioned by the City, to establish the land's value under the current bid structure with no contingencies and also comparative value of highest and best use with a contingent bid. In summary, the land value under the current bid structure is a range of **\$6.6M - \$9.6M**. Whereas, the land value under a contingent bid scenario would be a range of **\$14.3M - \$15.8M**. Both values incorporate a discount for the significant infrastructure issues that make this a challenging development site.

The City of Newton released a Request for Interest (RFI) on March 28 to seeking expressions of interest from individuals or developers to explore the potential to submit a co-bid to NStar for acquisition of the land. On April 14, nine complete responses to the RFI were received. The Mayor and his working group reviewed and evaluated the proposals, held a public meeting on May 6, and interviewed and negotiated with many of the respondents. The respondents have been short-listed to four firms that the Mayor is seriously negotiating with.

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PREFERRED CONCEPTUAL SITE PLAN

Through this process a preferred conceptual site plan has emerged as follows (refer to attached map to locate areas 1-4):

Area 1 (Brookline Street, 6.8 acres): 6 single family houses along the existing road frontage (ANR lots) with a conservation easement (to be held by the City, Conservation Commission) located on the rear developable acreage (approximately 5 acres).

Area 2 (LaGrange Street, 11.3 acres): 54 units of housing in approximately 20 buildings that have the appearance of large single family houses, but each accommodate 2-4 dwelling units. The plan would likely include a loop road, individual driveways with garages incorporated within the buildings to minimize surface parking, and a significant landscaped buffer along the northern edge abutting existing single family houses.

Area 3 (Vine Street, 2.4 acres): Open Space, owned by the City, under the control of the Conservation Commission.

Area 4 (the entire South Parcel, 7 acres): Open Space, owned by the City, under the control of the Conservation Commission and likely to be merged with the existing Saw Mill Brook Conservation Area.

Environmentally Constrained Area (15.2 acres, 35% of entire site): Open Space protected through a conservation easement (held by the City, Conservation Commission).

This preferred conceptual site plan would require a special permit. In the event that the special permit required is not forthcoming, while Areas 3-4 will still be preserved as open space, the remainder of Area 1 may be subject to development and some of the environmentally regulated areas, although unbuildable, may form part of some of the lots on Area 2.

1. GOALS

This project is a unique opportunity for the City to submit a co-bid to NStar that preserves the majority of the site for open space with a limited housing development on Areas 1 and 2 as described above. This project will be consistent with the City's Goals for this land as described below:

1. Maximize open space conservation and the protection of wildlife habitat, with special consideration given to proposals that expand and connect existing Newton Conservation Commission lands;
2. Protect environmentally sensitive site features;
3. Preserve open space vistas/view sheds;
4. Enable passive recreation opportunities and connection to existing conservation areas (see discussion under Development Site, below);
5. Respect and enhance quality of life and neighborhood character, including consideration of the relationship of any development to nearby structures in terms of major design elements;
6. Minimize development impacts on existing single-family neighborhoods and provide buffer areas between proposals that include densities higher than the single-family residences that predominately surround the site; and
7. Create appropriately scaled, community housing in the context of a site that is predominately left open for conservation and passive recreation purposes.

2. COMMUNITY NEED

If the City's bid to NStar is successful, this project will meet the community needs of open space preservation, passive recreation, and creation of community housing. Kessler Woods is the largest open space land in the entire City that is clearly at risk of development. Through this project, as proposed, the majority of the land (25-30 acres) will be preserved as permanent open space, thus

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protecting wildlife habitat, scenic road frontage, forested land, a locally rare plant community, existing trail systems, and the opportunity for new trail systems for passive recreation.

In addition, the proposed limited housing development, which would be clustered primarily in Area 2, would provide an opportunity for Community Housing for 15% of the development on Area 2. If the land were developed as a standard single-family subdivision, which is allowed under current zoning and reflected in the Preliminary Subdivision Plan submitted by NStar, no affordable housing would be required.

3. COMMUNITY SUPPORT

The Mayor and Planning & Development Department held a public meeting on May 6 to solicit community input regarding the 9 complete responses to the RFI and the City's next steps. The meeting was well attended with over 70 people, many of whom provided thoughtful input. Although the attendees had varying viewpoints, there was clear agreement that the City should request CPA funds in order to make a competitive bid to NStar for acquisition of the land. Many attendees spoke in favor of limited development on the site that incorporated community housing, just as many spoke in favor of maximizing open space on the site to the greatest extent possible. The City's proposed conceptual site plan intends to balance both of these important CPA and community goals as well as integrating passive recreation opportunities into the site.

4. TIMELINE

The timeline, as laid out by Insignia on behalf of NStar is as follows:

May 30 – All questions must be submitted electronically to Insignia.

June 20 – All bids due to Insignia by 5pm. A \$25,000 Initial Deposit must accompany all bids.

July 3 – Buyer is selected.

July 14 – Purchase and Sale Agreement signed with an additional deposit due of 10% full bid.

October 10 – Closing Date/Delivery of Deed.

If the City's bid is the winning bid, the title of Areas 3 and 4 would be directly transferred to the City. Areas 1 and 2 would be transferred to the City's co-bidder. The co-bidder would be responsible, under contract to be negotiated and signed prior to June 20, to pursue the permits required for the preferred development concept, as described above.

5. CREDENTIALS

The four development firms the City is considering as potential co-bidders each have experience in housing developments of this general type and scale. References are being checked.

6. SUCCESS FACTORS

Success will first be measured by a winning bid. If the City does not win the bid, any CPA funds appropriated for the bid would be returned to the CPA fund.

If the City is the winning bidder, open space and passive recreation on Areas 3 and 4 is guaranteed with the added benefits of a conservation easement for approximately 5 acres on Area 1, and disguised density housing with 15% community housing.

7. BUDGET

The City's final bid price will be in the range of \$8M-\$11.5M. The developer's contribution will remain constant at around \$6M-\$6.5M within this bid range. The CPA contribution could be as low as \$2M,

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but no higher than \$5M. The City is attempting to submit a bid that would be structured to allow its bid to be \$100,000 over the highest bid received by Insignia with a floor of \$8M and a ceiling of approximately \$11.5M.

8. OTHER FUNDING

As part of the bid, the selected developer will contribute a range between \$6M and \$6.5M. Most of the development firms under consideration will require financing for both acquisition and construction.

9. MAINTENANCE

The open space will be maintained by the City, under the jurisdiction of the Conservation Commission, as conservation land and managed for passive recreation that will include trail maintenance. Any future development undertaken by the City's co-bidder on Areas 1 and 2 will not be the City's responsibility to maintain in anyway.

10. SITE CONTROL

The City would gain site control over the open space portions of the site (Areas 3 and 4) if the City is the highest bidder and is able to meet requirements for closing by October 10.

11. ZONING

The land is currently zoned single-family residential. The housing portion of this proposal (Areas 1 and 2) is designed to be consistent with the underlying Single Residence 3 District, with a minimum lot area per unit of 10,000 sq.ft. It is anticipated that a special permit would be required from the Board of Aldermen to develop the plan as currently shown.

12. HAZARDOUS MATERIALS

The Phase I Environmental Site Assessment Report, completed in 1997 by Foster Wheeler Environmental Corporation, which found ". . . it is our opinion that no recognized environmental conditions exist at the subject site." In addition, a Phase I Review Report was completed in January 2003.

13. STANDARDS OF CONSTRUCTION

All applicable codes will be complied with as required under the law.

14. ADDITIONAL COMMUNITY BENEFITS

As mentioned above, this project will permanently preserve open space, link existing conservation areas, create land for passive recreation, and enable a clustered development that includes 15% community housing. Since the City is hand-selecting the co-bidder, the City will strive to ensure a development that is well-designed to respect and enhance quality of life and neighborhood character, minimizes development impacts on adjacent existing neighborhoods, and provides buffer areas around the new development.



North Site

Net Usable Land Area (NULA)	20.8 Acres (62% of site)
Full Constraints (non-NULA) (Combination of floodplain, wetlands, easements, and Inner-Riparian Zone)	12.8 Acres (38% of site)
Regulated Area within NULA (6.1 Acres - 18% of site) (Combination of 100' wetland buffer and Riverfront Area minus area of full constraints)	33.6 Acres (100% of site)

South Site

Net Usable Land Area (NULA)	7.0 Acres (74% of site)
Full Constraints (non-NULA) (Combination of floodplain, wetlands, easements, and Inner-Riparian Zone)	2.4 Acres (26% of site)
Regulated Area within NULA (3.6 Acres - 38% of site) (Combination of 100' wetland buffer and Riverfront Area minus area of full constraints)	9.4 Acres (100% of site)

Both Sites

Net Usable Land Area (NULA)	27.8 Acres (65% of site)
Full Constraints (non-NULA) (Combination of floodplain, wetlands, easements, and Inner-Riparian Zone)	15.2 Acres (35% of site)
Regulated Area within NULA (9.6 Acres - 22% of site) (Combination of 100' wetland buffer and Riverfront Area minus area of full constraints)	43 Acres (100% of site)

- ### Other Features
- Streams
 - >20% Slope

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- ✓ Preservation of open space;
- ✓ Creation and preservation of land for recreational use; and
- ✓ Creation of community housing.

This land represents a unique smart growth opportunity for the City of Newton, as it will allow for the clustering of housing on a small portion of the land, while keeping most of the site in its natural state.

Additionally, I believe that this proposal is consistent with *"The Framework for Newton's Planning,"* which states that "(t)he basic location, scale, and intensity of development needs to be shaped to reflect a "balancing" of interests....." By maximizing open space preservation, creating passive recreational opportunities, and creating community housing, this proposal intends to balance these important CPA and community goals.

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Dear Mr. Sacks:

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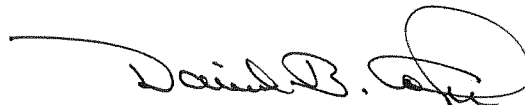
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