



Ruthanne Fuller
Mayor

Barney S. Heath
Director
Planning & Development
Devra G. Bailin
Director Economic
Development

Commissioners

Phil Plottel, Chair
Sarah Rahman, Vice Chair
Chuck Tanowitz, Secretary

Lisa Adams
Ali Erol
Robert Finkel
Jeremy Freid
Debora Jackson
Jack Leader
Marcela Merino
Joyce Plotkin
Sarah Rahman
Matt Segneri
Jean Wood

1000 Commonwealth Ave.
Newton, MA 02459
T 617/796-1122

[www.newtonma.gov/economic
development](http://www.newtonma.gov/economic-development)

Twitter: @newtonecondev

CITY OF NEWTON, MASSACHUSETTS

Economic Development Commission

MEMORANDUM

Date: February 10, 2022

To: Honorable Mayor Ruthanne Fuller
Honorable City Council

From: Philip Plottel, Chair, Economic Development
Commission
Barney Heath, Director of Planning & Development
Devra G. Bailin, Economic Development Director

Subject: Economic Development Commission 2021 Annual Report

On behalf of the members of the Economic Development Commission,
we are pleased to submit the 2021 Annual Report.

ECONOMIC DEVELOPMENT COMMISSION
2021 ANNUAL REPORT

Submitted February 10, 2022

I. Background: Role of the Economic Development Commission

The Economic Development Commission (EDC) presently consisting of 15 members (currently there are two vacancies) appointed by the Mayor, was established under General Laws Chapter 40, Section 8A to promote and develop business and industry within the City of Newton. The Commission is charged with strengthening the local economy, leading to new job opportunities for residents and expansion of the City's tax base. City Ordinance Article V, Section 22.95 lays out the governing provisions as summarized below:

The Commission has the power and duty to:

1. Study, investigate and apprise economic conditions and trends
2. Promote, assist, and encourage the preservation, development and location of new and existing Newton industry, business, and commerce
3. Investigate and assist in the establishment of commercial projects and identify appropriate commercial areas and zones for such establishment
4. Prepare and distribute informational publications
5. Cooperate with civic agencies/ commissions/ associations, state/federal agencies, municipal departments and officials, and business associations and organizations and
6. Advise and make recommendations to appropriate officials, agencies, boards, department, and commissions of the City.

This report is prepared and submitted to the City Council in compliance with City Ordinance Article V, Section 22.95 (g) (10).

II. 2021 in Review

During 2021, the Economic Development Commission undertook the following activities:

A. Key Business Initiatives

1. Development Proposals

The EDC spent considerable time in actively engaging in the review of developers' projects with a focus on the potential increased commercial tax revenue, new business investment in Newton, and other economic development priorities. The EDC monthly meetings included updates from the City's Planning Director on major pending or proposed projects so the Commissioners could be kept up to speed on developments. As in 2020, much of the work of the EDC dealt with the Riverside project which represents one of two largest projects to come before the City in decades.

- a. **Riverside Development:** The EDC conducted meetings with Mark Development and Alexandria Equities about their proposal to amend the special permit for the Riverside MBTA site to convert one of approved office buildings to a second life science R&D building. On April 11, 2020, the EDC wrote a letter of support for the project and also actively participated in a public hearing before the Land Use Committee. A copy of the letter is attached as Appendix A. The amended special permit was approved by the City Council unanimously on September 9, 2021. Of note, the EDC has been involved in the redevelopment of Riverside since 2006.
- b. **1021 Boylston Street Proposed Starbucks drive-through:** The EDC conducted multiple meetings and provided feedback to the representative of the proposed Starbucks Drive through at 1021 Boylston Street. Ultimately, this project was withdrawn by the developer.

2. Attracting Life Science Companies to Newton/Achieving MASS BIO Platinum

- a. The EDC created a subgroup focusing on attracting life science companies to Newton.
- b. The EDC worked with City staff to upgrade Newton to be a MassBio Platinum BioReady Community, the highest level designated by MassBio. MassBio's BioReady® Community designation signifies that a municipality has biotech and life sciences

friendly zoning, a streamlined permitting process, and has a robust infrastructure. The designation showcases Massachusetts communities that are ready to host new life sciences research and manufacturing facilities. A copy of the press release is included as Appendix B.

- c. EDC commissioners and City Staff met with several life science companies to attract them to Newton.

3. Clarifying Zoning for Life Science uses

- a. The EDC created a zoning subgroup.
- b. The EDC supported efforts to clarify the Newton Zoning code for uses related to research and development as follows:
 - i. The EDC docketed item to the City Council #485-20 to amend Sections 4.4.1 (Business, Mixed Use & Manufacturing Districts), 6.4.28 (Research and Development), and 6.5.9 (Laboratory and Research Facility) in order to clarify inconsistencies in the way Research and Development is treated in the use tables and definition. EDC commissioners worked collaboratively with Planning Department staff and attended public hearings in support of these changes. The Zoning and Planning Committee and the full City Council voted to approve these changes unanimously on February 16, 2021. The proposed changes are included in Appendix C.
 - ii. The EDC supported the Planning Department for clarification related to docket item #150-21 “Requesting an amendment to Chapter 30 to allow for flexibility in building story heights without exceeding maximum building heights.” EDC commissioners worked collaboratively with Planning department staff and attended public hearings in support of these changes. The Zoning and Planning Committee and the full City Council voted to approve these changes unanimously on June 7, 2021. The proposed changes are included in Appendix D.

4. Supporting Storefront business and the Village Center Rezoning efforts

- a. The EDC created a subgroup focusing on Storefront Business and Village Centers

- b. The EDC worked with Planning Department staff to support the City's storefront businesses and the revitalization of Village centers. The subgroup played an important and active role in the Zoning Redesign Village Center project by:
 - 1. Participating in planning meetings with the City of Newton Planning and Development Department to provide local knowledge and expertise
 - 2. Providing input to the business survey and focus group questions, including the format and process of these efforts
 - 3. Identifying and providing connections to help with outreach diverse business and property owners participants for the focus groups
 - 4. Facilitating focus groups with business owners and property owners in July 2021
 - 5. Providing insights and findings from the focus groups on elements to consider for future zoning redesign efforts
 - 6. Participating, with other members from the EDC, in public outreach project presentations made by Utile and the Zoning Redesign City Planning team
- c. The subgroup investigated the Needham/Wellesley storefront art program for vacant commercial properties to see what learnings can be applied to the Newton program.
- d. The subgroup followed outdoor and pop-up initiatives from other cities, sharing insights and best practices with the EDC and City of Newton staff.

5. Supporting Diversity, Equity, and Inclusion (DEI) Business Efforts

- a. The EDC created a subgroup focusing on DEI businesses.
- b. The EDC worked with City staff on the following in process initiatives:
 - i. Adding a question on the request for vendor number requesting whether the bidding company is women or minority-owned in order to gather data.
 - ii. Creating a procedure for notifying women and minority-owned businesses when a contract is open for bidding.
 - iii. Expanding the list of women and minority-owned businesses beyond the State's Supplier Diversity Office list.
 - iv. Selecting vendors where women and minorities are represented in leadership.
 - v. Recommending bidding on a project's components by women and minority-owned businesses.
 - vi. Diversifying vendors as contracts come up for bidding.
- c. The subgroup worked with City staff to determine the feasibility for implementation of these initiatives and determined that the most pressing initiative is to expand the list of women and minority-owned businesses beyond the State's Supplier Diversity Office list, which remains the focus of the subgroup going into 2022.

6. Providing advice on the proposed Electrification Ordinance

The EDC discussed the proposed Home Rule Petition and draft Electrification Ordinance at our September, October, November, and December 2021 meetings. Over the course of these meetings, EDC had the opportunity to hear from representatives of Newton Wellesley Hospital (NWH) including Dr. Errol R. Norwitz, MD, PhD, MBA, President and CEO, Newton-Wellesley Hospital; Peter J. Barrer of Green Newton; representatives from Northland Development (whose planned development on Needham Street will be 100% electric); Greg Reibman, President of the Charles River Regional Chamber; City Councilor Crossley; and Ann Berwick and William Ferguson, Co-Directors of Sustainability for the City. The EDC prepared an advisory letter to the Mayor and City Council that shared our findings, presented our questions, and highlighted our concerns and the need for more information regarding some of the issues surrounding electrification. The EDC's advisory letter is included as Appendix E.

7. Outreach

The EDC expanded outreach to the Mayor, City Council, the Charles River Regional Chamber formerly the Newton Needham Regional Chamber. The Officers updated the Mayor monthly by emails following each EDC meeting and have arranged conversations to discuss important decisions. The Officers periodically updated City Council leadership on important matters and solicited their input. EDC Officers coordinated efforts as needed with the Chamber.

C. Other EDC Projects

1. Private Funding /Community Foundation

As a follow-up to the June 9, 2020, letter to the Mayor regarding ideas on how to assist businesses regain their footing through and post COVID, the EDC created a private funding subgroup to explore options to raise external funding in support of local small businesses negatively impacted by the COVID pandemic. The subgroup gained input from a series of individuals representing different perspectives and capacities in the community. The subgroup determined that mechanisms do not presently exist in Newton to readily raise external funding for small business. The subgroup arrived at the conclusion that a community foundation could play a role in channeling some kinds of small business financial support, as is done in other cities

and towns. However, the subgroup was unclear what levers (if any) the EDC has to advance this idea and did not explore it further over the course of 2021.

2. Northland's Needham Street Project

From 2017 to 2019, the EDC conducted multiple meetings about the project and provided extensive comments, feedback, analysis, and recommendations. The EDC provided specific comments both supporting the project and enumerating concerns. The EDC issued a formal letter in 2019 detailing its deliberations regarding the project, a copy of which is attached to this report. The zoning and special permit for the Northland project were approved by the City Council in December of 2019. When challenged by referendum, the EDC continued its support for the project. The EDC received an update on the project and will continue to follow the progress.

3. Zoning Redesign

The EDC devoted several Commission meetings to working with the Planning Department to review the proposed zoning regulations and ensure that they contain meaningful improvements to support economic development and the business community. Major topics of discussion included: reduced parking requirements, revised and simplified signage requirements, more efficient and flexible permitting and review procedures, support for diverse housing options, improved manufacturing districts, clarification of research and development use and advocacy for such uses as co-working space and the arts.

D. Organizational

1. EDC Officers

- In February 2022 for a one-year term the Commission elected:
 - Philip Plottel, EDC Chair
 - Sarah Rahman, Vice Chair
 - Chuck Tanowitz, Secretary
- In February 2021 for a one-year term the Commission elected:
 - Mr. Philip Plottel, EDC Chair

- Dr. Jean Wood, PhD, Vice Chair
- Sarah Rahman, Secretary
- In February 2020, for a term starting February 10, 2020, the Commission elected:
 - Mr. Philip Plottel, EDC Chair
 - Dr. Jean Wood, PhD, Vice Chair
 - Rev. Dr. Debora Jackson, Secretary

2. EDC Members

Beth Nicklas and Eryn-Ashlei Bailey moved out of Newton in 2021 and resigned their commission as result. We thank them both for their service.

The EDC welcomed Ali Erol as a newly appointed commissioners in January 2022.

The current diverse membership and background of commissioners will enable the EDC in 2022 to benefit from diverse experiences, ideas and strive to be a truly inclusive commission.

III. Priorities for 2022

The Economic Development Commission has identified the following priorities for the upcoming year:

1. Support DEI business efforts
2. Support zoning changes that strengthen and expand the City's commercial tax base
3. Engage in sustainability, energy & electrification efforts
4. Support the Planning Department's Economic Development efforts
5. Engage with the Mayor, City Councilors, the Chamber, local businesses, and each other to advocate for expanding the City's commercial tax base

IV. Economic Development Commission Members for 2021

Philip Plottel (Chair)

Jean Wood (Vice Chair)

Sarah Rahman (Secretary)

Lisa Adams

Eryn-Ashlei Bailey (Resigned, Fall 2021)

Ali Erol (Term Started, January 2022)

Robert Finkel

Jeremy Freid

Debora Jackson

Jack Leader

Marcela Merino

Beth Nicklas (Resigned, Summer 2021)

Joyce Plotkin

Matt Segneri

Chuck Tanowitz

V. Attachments

- Appendix A: Riverside Letter of Support, dated April 16, 2021
- Appendix B: Mass Bio Platinum press release, dated October 21, 2021
- Appendix C: Zoning Clarification for R&D use
- Appendix D: Zoning clarification for Building heights
- Appendix E: Electrification Letter, dated 12/15/2021

Appendix A: Riverside Letter of Support, dated April 16, 2021



April 13, 2021

City Councilors
City of Newton
1000 Commonwealth Avenue
Newton, MA 02459

Ruthanne Fuller
Mayor

Re: Riverside Project
Amendment to Special Permit #27-20

Barney S. Heath
Director
Planning & Development
Devra G. Bailin
Director
Economic Development

Dear Honorable City Councilors:

Commissioners
Phil Plottel, Chair
Jean Wood, Vice Chair
Sarah Rahman, Secretary

The Economic Development Commission (EDC) is pleased to provide our strong support for the City Council's expeditious review and approval of Mark Development's request to amend its approved Special Permit for development of the Riverside parcel. A year ago, on March 10, 2020, the EDC, by a vote of 12-0, supported the plan that was ultimately approved by the City in October of 2020. At that time, the Council recognized the value to the City and its residents of responsible development to activate a large parcel of land that has been underutilized for decades. Today, due to effects of the Pandemic resulting in significant changes in market conditions for hotels and with the opportunity to increase research and development uses in the City, the EDC recommends by a vote of 14-0 of the members present that the City Council move forward as expeditiously as possible to amend Special Permit #27-20.

Lisa Adams
Eryn-Ashlei Bailey
Robert Finkel
Jeremy Freid
Debora Jackson
Jack Leader
Marcela Merino
Beth Nicklas
Joyce Plotkin
Matt Segneri
Chuck Tanowitz

This amendment projects to increase the net fiscal impact to the City by approximately \$800,000 per year by increasing the square footage dedicated to research and development space while reducing the impact of traffic on weekends and perhaps at peak hours. The exodus away from high-cost urban areas accelerated by COVID-19 creates an opportunity for more R&D activities in Newton. This will enable the City to make progress towards implementing recommendation 1A to "[i]ncrease lab space in Newton to capitalize on highly skilled workforce with science background and regional economic trends" from the 2019 Newton Strategic plan (Camoin study) and to leverage Massachusetts' economic strength as an R&D powerhouse while creating higher-skill, higher-wage jobs suitable for Newton's highly educated resident labor force.

T 617/796-1120
F 617/796-1142

Twitter: @newtonecondev

EDC members appreciate that Mark Development's proposed amendment results in some increases (and decreases) in building heights and square footage due to the change in use from a hotel to a research and development use. These changes reflect the needs of the robust life science industry in Massachusetts. With the City Council's approval of the Corindus petition and its consideration of this revised project, the City of Newton can participate in the economic benefits accruing to neighboring communities from a strong industry. Conversely, delaying, denying or unduly conditioning approval of the proposed amendment would significantly impact the City's ability to attract future R&D and other commercial projects and benefit from the associated economic activity and tax revenue.

EDC members also note that Mark Development has increased the percentage of affordable housing units to 20% to meet Newton's new inclusionary housing ordinance.

In our March 10, 2020 letter, we expressed concerns about the density of the currently approved plan. While this development is still smaller than what we believe the site can handle, the proposed changes -- most notably the conversion of the hotel into a second R&D building -- will better position Newton going forward. In the future, we urge City Councilors to revisit the question of zoning to allow for 1.5 million square foot or larger of development at Riverside, even as the special permit maintains the currently proposed 1 million sq. ft. of development. This modification will leave the door open for future opportunities at Riverside that could help the City achieve its long-term economic development goals around tax revenue, the commercial property base, and business growth.

With regard to the current petition, the EDC recommends that the City Council move forward to approve changes to the proposed MARK development at Riverside.

Sincerely and on behalf of the EDC,



Phil Plottel, Chair
Economic Development Commission of the City of Newton

Copy to: Mayor Ruthanne Fuller
Planning and Development Board
Rick Lipof, Chair Land Use Committee
Mark Development

Appendix B: Mass Bio Platinum press release, dated October 21, 2021

MassBio upgrades Newton to a Platinum BioReady Community

Newton, MA, October 21, 2021 -- -- The Massachusetts Biotechnology Council (MassBio®) has upgraded Newton to a Platinum BioReady Community, the highest designation.

MassBio's BioReady® Community designation signifies that a municipality has biotech and life sciences friendly zoning, a streamlined permitting process, and has a robust infrastructure. The designation showcases Massachusetts communities that are ready to host new life sciences research and manufacturing facilities. For Newton, these facilities provide high salaried jobs, support for our local small businesses and long-term sustainability to our entire business community.

“The City of Newton is an emerging biotech mini-cluster that will build on Massachusetts’ leading position as a vibrant life sciences ecosystem. Newton’s rating as a Platinum-level BioReady Community means the City has done the work necessary to attract and host life sciences. We look forward to working with the City to further develop this cluster of businesses along route 128 and Mass Pike with excellent transit connections,” said Ben Bradford, Vice President of Economic Development and Membership.

“Achieving the Platinum BioReady designation is both important and exciting for Newton. By welcoming more life sciences companies, we capitalize on Newton residents’ skills and experience, and help our biotech ecosystem flourish. We’re seeing great life sciences and biotechnology activity in Newton, including the Lab Shares incubators, UMass’s Mount Ida Innovation and Collaboration Space, STC Biologics, Allena Pharmaceuticals, Acer Therapeutics, Karyopharm, and more. We are looking forward to welcoming more life science companies to Newton, at Riverside, in Nonantum, within the Wells Avenue Office Park, and beyond,” said Newton Mayor Ruthanne Fuller.

“One of the keys for achieving Bio Ready Platinum designation was the approval of the Riverside project. Adjacent to the MBTA Green Line Riverside station, this development consists of 370,000 square feet of laboratories and offices, 550 residential units, and 22,000 square feet of retail was approved by votes of 7-0 on the Land Use Committee and 23-0 for the City Council. These votes reflect significant community input and the importance of Life Sciences and Biopharma to Newton’s future.” Rick Lipof, Vice President of the Newton City Council and Chair of the Council Land Use Committee.

The Newton Planning Department is available to assist companies wishing to locate and grow in the City. Please contact Devra Bailin, Newton Economic Development Director at dbailin@newtonma.gov or 617-796-1122 (office) and 617-831-0103 (cell).

The City of Newton joins the other 33 Platinum communities. Additionally, 22 Gold communities, 11 Silver and 22 Bronze all participate in the BioReady® Program. Communities are ranked on a scale of Bronze, Silver, Gold or Platinum, and the system helps Massachusetts cities and towns market themselves to biotechnology companies looking to expand or relocate. To learn more and view full ratings criteria, visit MassBio's BioReady® Communities web page at <https://www.massbio.org/initiatives/bioready-communities/>

Appendix C: Zoning Clarification for R&D use

Zoning & Planning
Committee
February 8, 2021

**Clarification of Existing
Allowed Research and
Development Uses**

Joint presentation by

Department of Planning and Development
and the Economic Development
Commission

Public Hearing

Corrective Measure to Clarify R&D Use to Encourage Investment by R&D Enterprises

- Existing zoning for Research and Development and Laboratory and Research Facility uses are contradictory and lead to confusion
- Proposed Revisions retain original intent of zoning by-law and uses allowed by right in MU1, MU2, M and LM Districts and by special permits in other areas
- Manufacturing definition updated to reflect product and/or process development associated with R&D industries such as life sciences, robotics, etc.
- Technical inconsistencies corrected
- Consistent with City's Economic Development Plans

Existing Zoning

Business, Mixed Use & Manufacturing Districts	BU1	BU2	BU3	BU4	BU5	MU1	MU2	MU3	MU4	M	LM	Definition/ Listed Standard
	Research and development	--	--	--	--	--	--	--	P	--	--	--
Laboratory and research facility	SP	SP	SP	SP	SP	P	P	SP	P	P	P	Sec. 6.5.9

6.4.28. Research and Development

A. Defined. [reserved]

6.5.9. Laboratory and Research Facility

- A. Defined. Research and development facility, laboratory or research facility with or without recombinant DNA research or technology, as defined in Revised Ordinances Chapter 12, Sections 12-20 et. seq.
- B. Standards. In the business 5 District, the facility is exclusively for research purposes with no manufacturing on the premises.

(Ord. No. S-260, 08/03/87; Ord. No. T-319, 12/20/93; Ord. No. A-113, 06-19-17)

Proposed clarifications

- 6.4.28 Research and Development Use
 - Eliminate from use table
- 6.5.9 Laboratory and Research Facility
 - Refine definition to better align with 21st century research and development (e.g. sustainability, technology, life sciences, robotics, etc.)
 - Clarify accessory manufacturing use associated with R&D
- 6.5.11 Manufacturing
 - Allow the types of manufacturing in the 21st century associated with research and development

Economic Development Strategy (2019)

- Goal 1 - Objective A:
 - *Increase lab space to capitalize highly-skilled workforce with science background and regional economic trends*
- Goal 1 - Objective B:
 - *Increase office space in Newton ... to attract and retain companies and increase the commercial tax base*
- Goal 3 - Objective H:
 - *Target growth sectors based on Newton's strengths – bio/life sciences; healthech; professional and technical services (including IT)*

Unique Opportunity to Increase Commercial Tax Base with R&D Enterprises

- Exodus away from high-cost urban areas accelerated by COVID-19 creates opportunity for R&D activities in Newton
- Newton can leverage Massachusetts' strength as an R&D powerhouse (e.g., biotech R&D jobs reached 46,000 in 2019, an increase of 18% from 2018 – *MassBIO's 2020 Industry Snapshot Report*)
- Newton's highly-educated resident labor force is well aligned with the higher-skill, higher-wage jobs available in R&D

Proposed Ordinance Revisions

Business, Mixed Use & Manufacturing Districts	BU1	BU2	BU3	BU4	BU5	MU1	MU2	MU3	MU4	M	LM	Definition/ Listed Standard
Commercial Uses												
Research and Development								P				
Industrial Uses												
Laboratory, research and development	SP	SP	SP	SP	SP	P	P	SP	P	P	P	Sec. 6.5.9

Proposed Ordinance Revisions

6.5.9. Laboratory, Research and Development

- A. **Defined.** Technical facility consisting of laboratory space, office space, storage space, and space for assembly of materials for study, research and development, experimentation, and prototype development in one or more scientific fields including, but not limited to, life sciences, biotechnology, biomedical research, robotics, renewable technology, sustainable technology, computer science, electronic technology, or medicine.
- B. **Standards.** Research and Development involving recombinant DNA shall be subject to Revised Ordinances Chapter 12, Sections 12-21 et. seq.
- C. Manufacturing activity shall be considered an allowed accessory use to a technical facility in a business or mixed-use district that does not otherwise permit manufacturing uses provided that such manufacturing activity is related to the research and development being conducted in such a facility and occurs inside of buildings.

Proposed Ordinance Revisions

6.5.11. Manufacturing

A. **Defined.** Manufacturing includes:

....

10. Product and/or process development in connection with a Laboratory, Research and Development use;

Appendix D: Zoning clarification for Building heights

Appendix E: Electrification letter, dated 12/15/2021



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1000 Commonwealth Ave.
Newton, MA 02459
T 617/796-1120
F 617/796-1142

CITY OF NEWTON, MASSACHUSETTS

Economic Development Commission

Mayor Fuller and City Councilors
City of Newton
1000 Commonwealth Avenue
Newton, MA 02459

Re: Electrification Ordinance Docket items:

- #61-20 Discussion to limit or prohibit the installation of fossil fuel infrastructure
- #294-20 Discussion to require or encourage the use of efficient electric technology
- #275-21 Request for Home Rule Petition to require electricity in new or rehabilitated buildings

December 15, 2021

Dear Mayor Fuller and Honorable City Councilors,

The Economic Development Commission (EDC) was established under General Laws Chapter 40, Section 8A to promote and develop business and industry within the City of Newton. The Commission is charged with strengthening the local economy, leading to new job opportunities for residents, and an expansion of the City's tax base. Per City Ordinance Article V, Section 22.95, the EDC is tasked to "advise and make recommendations to appropriate officials, agencies, boards, department, and commissions of the City." This letter, approved by the EDC on 12/14/2021 by a vote of 9-0, is intended to provide the EDC's advice and recommendation regarding the proposed Electrification Ordinance and Home Rule Petition.

The EDC recognizes the importance of reducing fossil fuel consumption and applauds the city for considering ways in which its citizens and businesses can contribute to saving our planet. The EDC wants to be sure that what is enacted is successful, practical, and operational; however, the impact to small and large businesses, commercial and residential property owners, life science and health care facilities need to be considered. Therefore, the EDC recommends the administration and City Council proceed with a comprehensive public outreach initiative and technical study to fully understand the impacts and benefits of a Home Rule Petition and Electrification Ordinance and to gather more information to address outstanding questions. Specific recommendations are outlined at the end of this letter.

BACKGROUND

To prepare these recommendations, EDC discussed the proposed Electrification ordinance at our September, October, November, and December 2021 meetings. Over the course of these meetings, EDC had the opportunity to hear from representatives of Newton Wellesley Hospital (NWH) including Dr. Errol R. Norwitz, MD, PhD, MBA, President and CEO, Newton-Wellesley Hospital; Peter J. Barrer of Green Newton; representatives from Northland Development (whose planned development on Needham Street will be 100% electric); Greg Reibman, President of the Charles River Regional Chamber; City Councilor Crossley; and Ann Berwick and William Ferguson, Co-Directors of Sustainability for the City. In addition, the EDC reviewed the August 26th and November 3rd draft ordinances (copies attached as Appendix A1 and A2), as well as the proposed Electrification ordinances from the towns of Acton, Arlington, Brookline, Concord, Lexington. A comparison table is included as Appendix B. We also reviewed the referenced docket items, copies of which are included in Appendix C.

MAJOR ISSUES

Below we highlight the key issues that we believe require consideration:

A. Impact to Newton's commercial and residential property owners

The broad reach of the proposed home rule petition and electrification ordinance will affect all properties in the City currently served by fossil fuels which includes almost all landowners including homeowners. The impact to owners is not clearly understood, especially as the vast majority of housing stock in Newton is old and may, at some point, require renovations extensive enough to trigger mandatory compliance with the draft ordinance.

B. Feasibility of Implementation

The feasibility of implementing any ordinance needs to be thoroughly examined for hospitals and federal/state regulated health care facilities, Life Science laboratories, and similar facilities because federal and Massachusetts regulations and guidelines require standby electrical power and/or continuous heat. Legally a city ordinance cannot override federal and state law. Although there has been much discussion of late between the City and NWH, other health care facilities such as nursing homes and senior living facilities, to our knowledge, have not been brought to the table to determine the most appropriate way for them to reduce fossil fuel consumption. We urge the City to include these entities in further discussions.

C. Current Utility Infrastructure

There has been much conversation about the electric grid capacity in Newton. The approved new development at Riverside, which will be mostly electric, is required to install new electric lines from Waltham as the City's substations are at capacity. Parts of Newton are already experiencing periodic power failures and brownouts. Adding additional load as the result of an ordinance will make this situation worse unless the electric distribution infrastructure is upgraded. We recommend including the electric utility as a key stakeholder into this important discussion.

Newton falls within the New England region's electric grid. Given the current composition of this grid, under the draft ordinance, each new incremental watt of energy used for heating will likely be

produced by burning natural gas in a power plant and then transmitting it to the building as electricity, as opposed to using natural gas for heat directly in the building. EDC understands that direct natural gas is up to 2.5 times more energy efficient for heating than electricity. Sufficient renewable energy sources need to be built in the Commonwealth and New England before the full benefits of electrification can be achieved. Less clear is the timing and alignment for this. Electrifying too soon would likely result in an increase in fossil fuel usage.

D. Uncertainty Concerning Costs and Implementation

Based on input from City staff and Councilors, it appears that implementation processes have not been determined. The current draft ordinance applies to a “50%” renovation. First of all, how is the 50% being calculated? Who will perform the calculation? Who will approve the calculation? Does it include square footage in the basement in the denominator? Is the calculation done on the square footage listed in City records? Is the calculation based on the building value? Although this may seem like minutia, it is important that homeowners and contractors understand how any ordinance will impact them. We urge the City to work through these important details prior to approval of an ordinance.

The impact on small business who are renovating their spaces also needs to be studied and fully understood. Typically, landlords will either require tenants to pay for renovations or will include renovation costs in the rent. If the ordinance requires replacement of currently functioning fossil fuel heating systems when a commercial property is renovated, then the ordinance may drive some small businesses away.

To achieve the full energy use reduction, which is not explicitly spelled out in the electrification ordinance, we understand that a building’s envelope (i.e., windows, insulation, etc.) needs to be upgraded above and beyond current building code requirements. We recommend that the city be transparent with the total costs for building owners to achieve the desired energy use reduction. In addition, special emphasis should be placed on understanding the impact on affordable units and how to reconcile this added cost at a time when efforts are underway to make housing more affordable in the city.

The current draft ordinance gives the inspectional services department absolute responsibility for interpretation, implementation, and enforcement. Study is required to understand what changes and resources Inspectional Services will need to do timely reviews and approve permits. Further, the lack of an appeals process in the current draft ordinance is problematic.

E. Decreased Economic Competitiveness

Compared to other municipalities, Newton’s draft ordinance is prescriptive and at the same time, lacks clarity on important implementation issues. Because the draft ordinance introduces additional costs, uncertainty, and a lack of predictability into the renovation/new construction process, business owners, developers and homeowners may choose to build elsewhere. Currently, there are primarily performance-based State and National model buildings codes, whereas the draft ordinance imposes Newton-only prescriptive standards. Because most surrounding communities will not have an electrification ordinance, or may have one that is less strict, businesses will be able to locate in those communities at lower cost.

EDC RECOMMENDATIONS

As currently written, the draft electrification ordinance presents well-meaning and important policy ideas, but leaves too much uncertainty about costs, implementation, and community impacts. The EDC recommends that the City Council Committee reopen public hearings and conduct more robust public information efforts. Specifically:

- a. Implement meaningful and actionable climate change legislation
- b. Develop robust public outreach and comment initiative similar to on-going zoning redesign
- c. Actively seek out impacted stakeholders including small store front business, life science landlords and companies and non-profits including houses of worship
- d. Engage a consultant to conduct energy model including the impact on the climate change as well as the costs of the proposed ordinance to the environment
- e. Engage with small storefront businesses, and conduct cost benefit analysis of proposed ordinance on these businesses with a focus on impact of renovation provisions
- f. Engage with the utilities for feasibility
- g. Find points of agreements with NWH and all other impacted regulated health care facilities located within the city
- h. Understand the impact on low and moderate income households and new affordable housing developments
- i. Understand what additional City resources are required to implement these ordinance and funding source, with a focus on inspectional services
- j. Advocate for state and regional solutions
- k. Address additional topics and issues raised by the EDC in this letter

Sincerely and on behalf of the EDC

A handwritten signature in black ink that reads "philip plottel". The signature is written in a cursive, lowercase style.

Phil Plottel
Chair,
Economic Development Commission

APPENDIX A1 - 8-26-2021 Draft Ordinance

AGB draft 8.26.21

Draft Newton Electrification Ordinance

Purpose

The City of Newton adopts this Ordinance to require new and substantially remodeled or rehabilitated buildings to use electricity instead of fossil fuels for heating and cooling systems and hot water appliances or, for hot water, to use thermal solar. The Ordinance will protect the health and welfare of the City's inhabitants and the environment by reducing greenhouse gases, which cause climate change, and by reducing other air pollutants since electricity can be created by solar, wind and other fossil-free sources.

Definitions

"Substantially Remodeled or Rehabilitated" means a renovation that affects 50% or more of the building floor area.

Applicability of Electrification Requirements

Any building project that requires a building permit involving the construction of a new building or a Substantially Remodeled or Rehabilitated Building located or to be located in whole or in part within the City of Newton shall install only heating and cooling systems and hot water appliances powered by electricity and, for hot water, by electricity or thermal solar. In no event shall such installed heating and cooling systems or hot water appliances be powered by fossil fuels.

Exceptions

The requirements of this Ordinance do not apply to any of the following:

- A. Indoor cooking appliances.
- B. Freestanding outdoor cooking appliances that are not connected to the building's natural gas or propane infrastructure.
- C. Freestanding outdoor heating appliances that are not connected to the building's natural gas or propane infrastructure.

- D. Emergency generators.
- E. Appliances to produce potable or domestic hot water from centralized hot water systems in commercial buildings with a Gross Floor Area of at least 10,000 square feet, provided that the architect, engineer, or general contractor on the project certifies by affidavit that no commercially available electric hot water heater exists that could meet the required hot water demand for less than 150% of installation costs, compared to a conventional fossil fuel hot water system.

Application Requirements

When applying for a building permit for a new or Substantially Remodeled or Rehabilitated Building, the applicant must submit documents with the application that identify the heating and cooling systems and hot water appliances that will be installed and used in the building. The submitted documents must include, at a minimum, XXX *[an alternative: such documents as are specified in guidance issued by the Commissioner of Inspectional Services]*.

Compliance

The Commissioner of Inspectional Services shall not issue any building permit for the construction of a new or Substantially Remodeled or Rehabilitated Building unless the applicant submits the documentation set forth in Section XXX, Application Requirements. The Commissioner of Inspectional Services shall not issue a certificate of occupancy for any building subject to this article prior to inspection and confirmation that the heating and cooling systems and hot water appliances installed in the building comply with the applicant's documents submitted pursuant to Section XXX, Application Requirements *[an alternative: such documents as are specified in guidance issued by the Commissioner of Inspectional Services]*.

Waivers

- A. The Commissioner of Inspectional Services may grant a waiver from the provisions of this Ordinance in the event that compliance makes a project financially infeasible or impractical to implement. Compliance with this Chapter may be considered infeasible or impractical to implement if, without

limitation, as a result of factors beyond the control of the proponent, the additional cost of the project over the long term, including any available subsidies, would make the project economically unviable.

- A. Waiver requests shall be supported by a detailed cost comparison, including available rebates and credits.
- B. Waivers may be subject to reasonable conditions. Where possible, waivers shall be issued for specific portions of a project that are unviable or unsuitable to implement, rather than for entire projects.
- C. The Commissioner of Inspectional Services shall issue guidance on the granting of waivers and the imposition of conditions.

Effective Date

The requirements of this Article XXX shall not apply to any building permit, special permit or comprehensive permit issued prior to the effective date of XXX, 2021.

APPENDIX A2 - 11-03-2021 Draft Ordinance

Draft Newton Electrification Ordinance

Purpose

The City of Newton adopts this Ordinance to require new and substantially remodeled or rehabilitated buildings to use electricity instead of fossil fuels for heating and cooling systems and hot water appliances or, for hot water, to use thermal solar. The Ordinance will protect the health and welfare of the City's inhabitants and the environment by reducing greenhouse gases, which cause climate change, and by reducing other air pollutants since electricity can be created by solar, wind and other fossil-free sources.

Definitions

"Substantially Remodeled or Rehabilitated" means a renovation that affects 50% or more of the building floor area.

"Hospital Building" means a building zoned for Hospital Use under Chapter 30 Zoning.

Applicability of Electrification Requirements

Any building project that requires a building permit involving the construction of a new building or a Substantially Remodeled or Rehabilitated Building located or to be located in whole or in part within the City of Newton shall install only heating and cooling systems and hot water appliances powered by electricity and, for hot water, by electricity or thermal solar. In no event shall such installed heating and cooling systems or hot water appliances be powered by fossil fuels.

Exceptions

The requirements of this Ordinance do not apply to any of the following:

- A. Indoor cooking appliances.
- B. Freestanding outdoor cooking appliances that are not connected to the household natural gas or propane infrastructure.

- C. Freestanding outdoor heating appliances that are not connected to the household natural gas or propane infrastructure.
- D. Emergency generators.
- E. Appliances to produce potable or domestic hot water from centralized hot water systems in commercial buildings with a Gross Floor Area of at least 10,000 square feet, provided that the architect, engineer, or general contractor on the project certifies by affidavit that no commercially available electric hot water heater exists that could meet the required hot water demand for less than 150% of installation costs, compared to a conventional fossil fuel hot water system.

Hospital Buildings

Notwithstanding any provision of this Ordinance, an owner of a Hospital Building to be newly constructed or Substantially Remodeled or Renovated may elect to be subject to the following energy and water usage disclosure requirements and emission reduction obligations as an alternative to compliance with the electrification requirements set forth herein:

- A. The owner of the Hospital Building shall make a report to the City every year of the energy and water use of the Hospital Building for the previous calendar year. Such report shall tally the greenhouse gas emissions, including carbon dioxide, methane and nitrous oxide of the Hospital Building. The reported data shall be calculated and reported using a methodology in a form promulgated by the commissioner of [INSERT APPROPRIATE DEPARTMENT]. Such reports shall be due on May 15th of each year.
- B. The owner shall be permitted to install, use, and maintain emergency backup generation/backup power to ensure reliable operations as required by federal law or regulations or as a condition of receiving accreditation as required by federal agencies for hospital operations, without such usage being deemed a violation of this Ordinance and without such emissions being counted toward the aggregate amount of energy usage reported. Notwithstanding such exception for backup generation/backup power, the owner shall be required to report the amount of energy usage associated with backup generation/backup power.

- C. Provided that the necessary mechanisms already exist, owners may authorize an energy or water utility or third party to report Building-specific data on their behalf to the City. Such authorization shall not create an obligation on the part of Energy or water utilities or remove the obligation of owners to comply with reporting requirements.
- D. Owners shall self-certify their reporting data every year.
- E. The Hospital Building shall comply with the emission standard for its greenhouse gas emissions as set forth in the Table I below.

Table 1: CO2e Emissions Standards

Building use	Emissions standard (kgCO ₂ e/SF/yr.)					
	Year 1 – Year 5	Year 6- Year 10	Year 11-Year 15	Year 16-Year 20	Year 21-Year 25	Year 26-
Healthcare	15.4	10.0	7.4	4.9	2.4	0

Carbon Dioxide Equivalent (CO₂e) means greenhouse gas emissions, including carbon dioxide, methane and nitrous oxide.

- F. Owners may use the following methods to achieve compliance with the mandatory emission standards:
 - 1) Renewable Energy Certificates means a certificate representing the positive environmental attributes associated with the production of one (1) megawatt hour (MWh) of electricity by a renewable energy facility. Buildings may mitigate CO₂e Emissions from electricity use by purchasing unbundled Renewable Energy Certificates that:
 - i. Are generated by non-CO₂e emitting renewable sources and meet the RPS Class I eligibility criteria outlined in 225 CMR 14.05, as may be amended from time to time;
 - ii. Are tracked by the New England Power Pool Generation Information System;
 - iii. Are generated in the compliance period in which they are used; and
 - iv. Are retired within six (6) months after the end of the compliance period in which they are used.

Owners must report to the City any Renewable Energy Credits used to comply with the emissions standards set forth in this Section __, including proof of

retirement of the Renewable Energy Certificates, with the annual report to the City.

- 2) Buildings may mitigate CO₂e Emissions from electricity use by entering Power Purchase Agreements for Energy generated by renewable non-emitting fuel sources, provided that:
 - i. The Energy purchased pursuant to a Power Purchase Agreement is generated during the compliance period for which a Building is mitigating CO₂e Emissions; and
 - ii. The Energy purchased pursuant to a Power Purchase Agreement is generated during the compliance period for which a Building is mitigating CO₂e Emissions.

Owners must provide the material terms of an executed Power Purchase Agreement that demonstrates (i) the quantity of energy purchased in the relevant calendar year, (ii) the type and generation location of the energy purchased, and (iii) the ownership of any Renewal Energy Credits associated with energy.

G. In the event there are Hospital Buildings on the same site or adjoining sites under common ownership or control as the Hospital Building to be newly constructed or Substantially Remodeled or Renovated, such other Hospital Buildings shall be covered by and subject to the disclosure and emissions reduction obligations in this Section ____.

Application Requirements

When applying for a building permit for a new or Substantially Remodeled or Rehabilitated Building, the applicant must submit documents with the application that identify the heating and cooling systems and hot water appliances that will be installed and used in the building. The submitted documents must include, at a minimum, XXX [*an alternative: such documents as are specified in guidance issued by the Commissioner of Inspectional Services*].

Compliance

The Commissioner of Inspectional Services shall not issue any building permit for the construction of a new or Substantially Remodeled or Rehabilitated Building unless the applicant submits the documentation set forth in Section XXX, Application Requirements. The Commissioner of Inspectional Services shall not issue a certificate of occupancy for any building subject to this article prior to

inspection and confirmation that the heating and cooling systems and hot water appliances installed in the building comply with the applicant's documents submitted pursuant to Section XXX, Application Requirements *[an alternative: such documents as are specified in guidance issued by the Commissioner of Inspectional Services]*.

Waivers

- A. The Commissioner of Inspectional Services may grant a waiver from the provisions of this Ordinance in the event that compliance makes a project financially infeasible or impractical to implement. Compliance with this Chapter may be considered infeasible or impractical to implement if, without limitation, as a result of factors beyond the control of the proponent, the additional cost of the project over the long term, including any available subsidies, would make the project economically unviable.
 - A. Waiver requests shall be supported by a detailed cost comparison, including available rebates and credits.
 - B. Waivers may be subject to reasonable conditions. Where possible, waivers shall be issued for specific portions of a project that are unviable or unsuitable to implement, rather than for entire projects.
 - C. The Commissioner of Inspectional Services shall issue guidance on the granting of waivers and the imposition of conditions.

Penalties

Whoever violates any of the provisions of this ordinance shall be punished by a fine of not more than [RESERVED] for each day during which the violation continues.

Effective Date

The requirements of this Article XXX shall not apply to any building permit, special permit or comprehensive permit issued prior to the effective date of XXX, 2021.

APPENDIX B: Comparison of Electrification Ordinances of Newton, Brookline, Arlington, Lexington, Acton and Concord MA

Sept 10, 2021, Revised Nov 10, 2021

DRAFT

	Newton	Brookline	Arlington	Lexington	Acton	Concord
Population (UMass Donahue Institute Census 2020 Data for Massachusetts)	88,923	63,191	46,308	34,353	24,021	18,491
MassBIO readiness (BioReady Communities - MassBio)	PLATINUM	Bronze	Bronze	Platinum		
Resource of information for electrification ordinance	Draft provided by Ann Berwick dated 8/26/2021, update with draft provided by Ann Berwick dated 11/3/2021	Microsoft Word - WARRANT 2021 ATM.docx (brooklinema.gov)	ARTICLE 5: Arlington Home Rule Petition - Fossil Fuel Infrastructure - Google Docs	HD4209 Massachusetts 2021-2022 An Act authorizing the town of Lexington to adopt and enforce local regulations restricting new fossil fuel infrastructure in certain construction TrackBill	14359 (actonma.gov)	Microsoft Word - 2021ATM Warrant draft v7 march 31 2021 (concordma.gov)
Indoor Cooking appliances	allowed	allowed	Allowed (and related appliances).	allowed	Allowed	cooking stoves and ovens used in restaurants or commercial kitchens exempted from compliance;

	Newton	Brookline	Arlington	Lexington	Acton	Concord
Outdoor Cooking and heating	Allowed if not connected to building piping	portable propane appliances allowed	portable propane appliances.	allowed	Allowed	
Generator	Only Emergency.	Backup allowed	shall not apply to piping required to fuel backup electrical generators.	backup electrical generators allowed	backup electrical generators allowed	backup electrical generators allowed
Heat/hot water in buildings larger than 10,000 SF with Certification that electric could not meet demand for 150% of installed costs	Allowed with architect, engineer, or general contractor certification	Allowed with Engineer of Record certification	Allowed with Engineer of Record certification	Allowed with Engineer of Record certification	Allowed with Engineer of Record certification	Allowed with Engineer of Record certification
Laboratories		allowed, subject to such conditions, as shall be specified from time to time by votes of Town Meeting.	. The requirements of this article shall not apply to research laboratories for scientific or medical research	Does not apply to life science buildings, research laboratories for scientific or medical research		
Medical Facilities	Hospital regulated by Chapter 30 zoning allowed subject to stringent BERDO, emission limits, and penalties. Note: Chapter 30 zoning is currently [UNDEFINED]	allowed, subject to such conditions, as shall be specified from time to time by votes of Town Meeting.	. The requirements of this article shall not ... to medical offices regulated by the Massachusetts Department of Public Health as a healthcare facility.	Does not apply to medical offices regulated by the Massachusetts Department of Public Health as a healthcare facility		

	Newton	Brookline	Arlington	Lexington	Acton	Concord
Repairs to fuel piping system deemed unsafe or dangerous by the plumbing and gas fitting inspector		Allowed	Allowed	Allowed	allowed	
Fossil fuels allowed Via Special permit		yes, but with significant limitations & conditions				
40B / affordable housing) exemption		waiver if financially not feasible	waiver	waiver	waiver	Exempt form compliance
So long as new fossil fuel piping is not installed, the requirements shall not apply to the extension or modification of heating systems			allowed	allowed	allowed	
Remodeling trigger	substantially remodeled or rehabilitated mean renovation of 50% or more of building floor area	75% of existing structures regulated by International Residential Code as amended by Mass Residential Building Code and 50% of existing building areas International Building Code as amended by the Mass Commercial Code	75% of existing structures regulated by International Residential Code as amended by Mass Residential Building Code and 50% of existing building areas International Building Code as amended by the Mass Commercial Code	75% of existing structures regulated by International Residential Code as amended by Mass Residential Building Code and 50% of existing building areas International Building Code as amended by the Mass Commercial Code	75% of existing structures regulated by International Residential Code as amended by Mass Residential Building Code and 50% of existing building areas International Building Code as amended by the Mass Commercial Code	N/A applies to new construction only

	Newton	Brookline	Arlington	Lexington	Acton	Concord
Waivers typically if commercially unviable to technological unsuitable	Commissioner of Inspectional Services	Board of Appeals	Building Inspector with appeal to Town Manager	The Building Commissioner with appeal to the Select Board	The Building Commissioner with appeal to the Select Board	appeal to the board or committee designated by the Town Manager
Appeal process			Town manager	Select Board	Select Board	

APPENDIX C: Electrification related Docket items

- *From January 6, 2020 City Council Docket ([Microsoft Word - 01-06-20 Docket \(newtonma.gov\)](#))*
#61-20 Discussion to limit or prohibit the installation of fossil fuel infrastructure COUNCILORS CROSSLEY, KELLEY, LEARY, NORTON, ALBRIGHT, GREENBERG, AUCHINCLOSS, MARKIEWICZ, NOEL, DANBERG, KALIS, DOWNS & HUMPHREY requesting a discussion with the Sustainability Team to create an ordinance to limit or prohibit the installation of fossil fuel infrastructure in new construction and substantially renovated buildings, as well as to clarify the Council's authority to prohibit the extension of gas.
- *From June 22, 2020 City Council Docket ([06-22-20 Docket.pdf \(newtonma.gov\)](#))*
#294-20 Discussion to require or encourage the use of efficient electric technology COUNCILORS CROSSLEY, KELLEY, LEARY, NORTON, ALBRIGHT, GREENBERG, AUCHINCLOSS, MARKIEWICZ, NOEL, DANBERG, KALIS, DOWNS, LAREDO & HUMPHREY requesting a discussion with the Sustainability Team to consider creating an ordinance that may require and/or encourage the use of efficient electric technology for heating, cooling, hot water, cooking and other appliances in new and substantially renovated
- From: July 12, 2021 City Council Docket ([637614424933630000 \(newtonma.gov\)](#))
Pursuant to the Council Rules, requests for Home Rule Petitions are referred to the Programs and Services Committee. Upon the objection of the referral of new business to a Committee, the Council may choose to refer new business to an alternate Committee or Committees. Councilor Leary has objected to the referral of item #275-21 to the Programs and Services Committee as the Public Facilities Committee has been engaged in discussions relative to electrification since 2020. With the Council vote to accept new items to the Docket, the following item will be referred to the Public Facilities Committee for discussion.

#275-21 Request for Home Rule Petition to require electricity in new or rehabilitated buildings CHAIR OF THE PUBLIC FACILITIES COMMITTEE requesting a Home Rule Petition for special legislation to allow the City of Newton to enact an ordinance that requires new and substantially remodeled or rehabilitated buildings to use electricity instead of fossil fuels for heating and cooling systems and hot water appliances and for hot water by electricity or thermal solar.