MEMORANDUM

DATE: June 20, 2011

TO: Board of Aldermen
Mayor Setti D. Warren

FROM: Candace Havens, Director of Planning and Development
Eve Tapper, Chief Planner for Current Planning

SUBJECT: Potential Reuse of Austin Street Parking Lot

Cc: Robert R. Rooney, Chief Operating Officer
Maureen Lemieux, Chief Financial Officer
Dave Turocy, Commissioner of Public Works
Members of the Joint Advisory Planning Group

EXECUTIVE SUMMARY

In March, the Real Property Reuse Committee recommended and the Board of Aldermen approved the appointment of a 14-member Joint Advisory Planning Group (JAPG) to recommend reuse options for the City-owned parking lot on Austin Street in Newtonville. After meeting for 3 months, the JAPG produced a report recommending a project that is compatible with the scale of the existing village; provides at least 85 parking spaces for public use; includes affordable housing units to be added to the State’s Subsidized Housing Inventory (SHI); and, most importantly, enlivens the village center with activities and uses that bring people to Newtonville at different times of the day – especially in the evening when the existing commercial village center now shuts down.
For the most part, the Planning Department agrees with the JAPG report. However, the JAPG is less concerned than Planning staff about the potential revenue to the City in return for the right to reuse the site; the subject parcel is a valuable asset for the City and the Planning Department believes that any disposition of it should result in significant revenue to the City. That said, revenue does not need to come from a lump sum at the outset; long-term economic benefits to the City should also be taken into account, e.g., through infrastructure improvements or increased tax revenue, if they can be convincingly shown.

In addition, both the JAPG and the Planning Department hope that an appropriate development on the City-owned parcel will encourage private property owners in the village to redevelop their own sites to complement the Austin Street project. The Planning Department supports the consideration of mechanisms, such as an overlay zone and/or district improvement financing (DIF), to allow for additional improvements to the village, which will further enliven the area and contribute to the City’s tax base, and the issuance of an RFP to elicit proposals for the site from the development community.

I. SIGNIFICANT ISSUES FOR CONSIDERATION

When deciding whether to issue a Request for Proposals (RFP) for the disposition of the Austin Street parking lot, the Board should consider whether the reuse of this site would:

- act as a catalyst for the enlivenment of the Newtonville village center;
- add significant revenues to the City, either in the short- or long-term or, preferably, both;
- assist the City in meeting its goal for affordable housing as stated in the 2007 Comprehensive Plan; and
- provide adequate parking spaces to satisfy both the current demand, as well as the increased parking demand expected with a new development.

II. CHARACTERISTICS OF THE SITE AND NEIGHBORHOOD

A. Neighborhood and Zoning

The property is located on the south side of Austin Street within the Public Use zone and reuse of the property for other-than-public uses would require a rezoning. In the immediate area, the lots to the east of the site are zoned BU1, as are the properties along Walnut Street. Most of these properties are improved with single-story structures (with the notable exception of the Masonic Hall along the east side of Walnut Street, which stands four-stories tall, but is considerably taller than a modern four-story building would be). To the west of the site, the lots are zoned BU5, a little-used zoning district that allows primarily professional offices and banks and little else (retail stores and restaurants are not allowed either by-right or by special permit). These sites are currently
occupied by a bank and an office building. Farther west on Austin Street, the area is zoned and used for residences. The Star Market, a small liquor store under the market and associated parking lot are located directly across from the site on the north side of Austin Street.

The JAPG recommends that the site be rezoned to BU4 prior to the City issuing an RFP. The Planning Department agrees that the site should be pre-zoned to eliminate one area of uncertainty for a potential developer and perhaps attract more interested parties. However, we are not sure whether BU4 is the appropriate zone. The BU4 zone is the City’s densest zone and allows up to an eight-story and 96-foot building with a special permit from the Board of Aldermen. The JAPG also recommends that a new development be compatible with its context, including but not limited to compatibility in visual scale. While we doubt that a developer and/or the Board of Aldermen would find an eight-story building in keeping with the context of the existing village center, rezoning to BU4 would not preclude this option and could set a precedent for future rezoning of private property in Newtonville that would far exceed what the City has envisioned for its village centers.

Unfortunately, there is no more appropriate zone for the type of development. The BU1 zone allows appropriate village center uses, but only permits buildings up to a maximum of three stories and 36 feet. As part of its process, the JAPG questioned two developers who responded to the original Request for Interest (RFI) about their ideas for the site. Both stated unequivocally that the building must be higher than three stories to include all of the uses the City wants on-site (parking spaces, affordable housing, open space, etc.) as well as accommodate a private development that is financially feasible.

The other zone in the area, BU5, allows for a four-story, 48-foot building with a special permit, but allows very limited uses, essentially only banks and professional offices that do little to enliven the streetscape. The BU2 zone also allows for a four-story, 48-foot structure and allows for the same uses appropriate for a village center as the BU1 zone. However, other uses that are less appropriate for our village centers, such as wholesale or storage businesses, and contractors’ offices and associated storage facilities, are allowed by right in the BU2 zone. In addition, with a special permit from the Board of Aldermen,
gas stations, auto-repair shops, car dealerships and drive-in fast food restaurants are permitted in the BU2 zone – hardly the vision we see for Newtonville.

Keeping all these things in mind, the BU4 zone most closely resembles what we envision for this site and the limits are just that ~ limits that may not be exceeded and to which development is not required to achieve. As the property owner, the City could limit the height and uses allowed on the site to only those believed to meet its goals for the area.

B. Site

The subject site totals approximately 1.7 acres and has its frontage on the south side Austin Street in Newtonville. The primary use of the property is as a public parking area with 159 spaces. The City acquired the site in 1947 through eminent domain for use as a parking lot. Previously, there were residences in this location. A Goodwill trailer, used to receive donated clothing and other goods, is located in the southwest corner of the site. The property also includes the area marked as “Philip Bram Way,” which is not a City street, but is currently used for vehicular access to the parking lot as well as to the rear of several businesses fronting on Walnut Street. It is anticipated that “Philip Bram Way” will continue to be used in this manner in the future.

III. PROJECT DESCRIPTION AND ANALYSIS

A. Land Use

The JAPG’s vision for the property calls for a building that is predominantly housing, but also contains nonresidential space at street level that will enliven Newtonville during the day and night. In addition, the JAPG recognizes the need to provide 85 public parking spaces on-site in addition to the parking needed for the proposed development. The JAPG believes that a parking waiver may be appropriate to reduce the total number of parking spaces on-site after taking into account shared-parking practices. In general, the Planning Department agrees with these concepts.

However, the JAPG did not specify particular use(s) for the nonresidential space only that it function to add vitality to the area. The Planning Department believes that in order to enliven the area and make the project financially beneficial for the City, a minimum of 5,000 square feet of first floor commercial space is necessary. In addition, the Department strongly recommends that the first floor uses be ones that activate the streetscape with transparent windows, outdoor displays and/or sidewalk cafes.
B. **Open Space**

The JAPG recommends that 5% of the site be devoted to open space. This requirement may be met by small pocket parks or pedestrian ways in and around the site and need not be in one contiguous portion of the site. The Planning Department agrees with this recommendation.

C. **Affordable Housing**

The JAPG is also extremely interested in having a development on this site that will help the City meet its goals for housing that is affordable to low- and moderate-income residents, with at least 25% of the housing units restricted to residents with income at or below 80% of the Area Median Income. This would ensure that all of those units would be eligible for inclusion on the State’s Subsidized Housing Inventory (SHI). The group would encourage further units to be targeted to households earning up to 120% of the Area Median Income.

While this 1.7-acre lot may be larger than those in the immediate area, much is being requested of a potential developer in terms of public amenities or uses on-site (public parking, affordable housing, open space and infrastructure improvements discussed later in this report) in return for the development rights. While the City is committed to providing housing for a diverse resident population including low- and moderate-income households, the requirement that 25% of the units be eligible for the SHI may be a challenge to achieve; the City's own Inclusionary Zoning Ordinance only requires that 15% of new housing units be “affordable.”

The City must prioritize these requests and balance them to ensure a financially feasible project. Alternatively, the City could commit to working with the developer to secure outside funding in the form of CPA grants for affordable housing and open space or federal funding through the HOME program for community housing. This may shift some of the financial responsibility for these City priorities off of the developer and allow for a better project all around.

D. **Building and Site Design**

The JAPG rated the site and building design as one of its most important issues. Chief among the JAPG’s concerns is that any building on the site respect the scale of the surrounding neighborhood and be compatible with its context. In addition, the group recommended locating at least a portion of the building up to the front setback line in order to ensure a connection between the structure and pedestrians on the sidewalk. The Planning Department agrees with these design principles. In addition, the Department recommends that parking be prohibited between the building and the sidewalk to further ensure that the
pedestrian experience is not interrupted by vehicular traffic and to sustain the rhythm of a continuous storefront.

E. Infrastructure

The site is currently accessed exclusively by Austin Street and a narrow connection (informally designated “Philip Bram Way,” but not deeded or laid out as such) to Highland Avenue. The City should conduct baseline traffic counts at intersections in the area that are likely to be affected by a new development (in particular Austin St./Walnut St./Newtonville Ave. and Austin St./Lowell Ave).

Likewise, a baseline study of the site’s water and sewer capacity is necessary and soil tests to determine whether there is contamination should be done. While these studies may cost the City money in the short-term, the long-term benefits of conducting these studies in advance of issuing an RFP will be measurable as we will be giving a potential developer important information necessary to accurately assess the site for the best future development and so long as they don’t unduly delay to development and release of an RFP.

In addition, it has been assumed that any project on this site will require a special permit from the Board of Aldermen, whether it be for parking waivers, the size of the building or possible uses. With these infrastructure capacity baselines established, the Board will be able to appropriately require an applicant to make infrastructure improvements that will mitigate a project’s impacts in these areas.

IV. DEVELOPER SELECTION

The JAPG spent a considerable amount of time discussing their interest in choosing a development team based on how their proposed project meets the JAPG’s preferred goals and objectives for the site. While the selection of a developer is at the discretion of the Mayor, the Planning Department agrees that some criteria should be established in order to objectively compare competing projects in an effort to determine which will best for the site, the neighborhood and the City.

The group ranked “attracting people to and enlivening the area” as its top criteria for a project, followed closely by “meets the City’s goals for affordable housing,” “architectural design” (both appealing and compatible in scale), and “a physically, financially and politically feasible project.” Interestingly the factors that were not considered priorities by the group included “open space,” “environmental sensitively and energy efficiency,” “net fiscal benefits to the City,” and the “track record and credentials of the development team.”
The Planning Department agrees with the JAPG’s top priorities and also finds the other factors important. As an urban space, it may not be appropriate to include a large park, though modest usable open space could be created. In addition, the City’s Zoning Ordinance already requires a substantial contribution to energy efficiency for projects of a certain size, which any development on this site is likely to exceed, so environmental concerns will be addressed through the special permit process as well as by the Stretch Code. The Department strongly believes that the net fiscal benefits to the City of a project on our land, whether short-term, long-term, must be taken into consideration. Finally, it is hard to imagine judging a project to be financially and politically feasible without closely examining the resources of the development team.

V. RECOMMENDATION

The Planning Department recommends that the Board of Aldermen direct the Department to develop and issue an RFP for reuse of the Austin Street parking lot consistent with the recommendations of the JAPG and Planning Department.