



TOWN of NEEDHAM
MASSACHUSETTS

PLANNING & ECONOMIC DEVELOPMENT DEPARTMENT
Economic Development
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MEETING OF THE COUNCIL OF ECONOMIC ADVISORS
WEDNESDAY, March 4, 2015 7:30 AM
Charles River Room PSAB

Present: Matt Talcoff, Chair; Marty Jacobs; Rick Putprush; Tom Jacob; Moe Handel; Michael Wilcox; Bob Hentschel; Elizabeth Grimes; and Lee Newman and Devra Bailin, staff
Not Present: Glen Cammarano; Janet O'Connor; Brian Nadler; Peter Atallah; Bill Day; Bruce Herman; and Matt Borrelli
Also Present: John Connery (Connery Associates) and Susan Connelly (Mass Housing Partnership)

I. Approval of Minutes

The members approved the minutes for the meeting of February 4, 2015.

II. Reminder of Next Meeting Dates

Our next meeting will be on April 1st. Future meetings have been scheduled for the first Wednesday of the month (unless a holiday) in the Charles River Room at PSAB.

III. Update on Infrastructure Improvements in Needham Crossing

After the discussion on the Mixed Use-128 Residential Overlay, Devra briefly explained the measures that have been and will be effectuated by the Town with the input of MassDOT and its traffic engineer, Gary McNaughton from McMann Associates. The Town sent out a press release about the situation and provided information about getting notified of the status of the Add-A-Lane project and any anticipated traffic impacts. Members were reminded that information is posted on the Town website under Needham Crossing.

IV. Update on Mixed Use-128 Residential Overlay

Devra introduced John Connery from Connery Associates, who discussed his preliminary fiscal analysis for the residential overlay with us last month, to speak about the actual zoning initiative. Devra noted that Susan Connelly from Mass. Housing Partnership, which agreed to fund John's work on this project, had again joined us.

Fiscal profile: John reminded members that he had chosen a 12.5% affordable component but that could be reduced to 10% and keep the Town at its 10% mandate. Moe noted that he is not sure there

would be support for affordable units over the 10% (on the assumption that we had reached the requisite 10% level and just want to sustain it). John noted that mixed use development with a residential component provides other economic advantages beyond those demonstrated by the fiscal impacts analysis—disposable income spent in the local economy, provision of housing near work, fiscally beneficial especially in Needham where rents are high, providing catalyst for more commercial development, etc. Matt noted that the fiscal analysis doesn't take into account these secondary benefits of residential development. Marty asked, assuming the CEA recommends a fiscally neutral or beneficial model, what are the next steps. Devra said that the CEA would make its recommendations to the BOS and, assuming that BOS was favorably inclined, refer the matter to the Planning Board for public hearing. Moe concurred. Marty asked Moe if the BOS was inclined to support this overlay, as he doesn't want to waste planning board time discussing something that is not going anywhere. Moe noted that he reports periodically to the BOS and will certainly let Marty know if the BOS are unsupportive. Devra noted that the Planning Board was welcome to come to these meetings to participate and it was noted that the Planning Board should be kept up to date by members participating here so that any issues, concerns or questions it has are dealt with as part of the process here.

Marty raised the issue of whether this is the right area for this proposal. John commented that economically it is; politically is another issue. He noted that this area in the 1950s was an industrial park which provided 12% of the tax base; it's slipped to 6%. The Town revisited this zoning in order to get development and residential is a component of new models for economic development.

With that John began the discussion of dimensional regulations for the potential zoning overly. He began with the concept we discussed last month based on the fiscal analysis—a residential development cap. John said that the fiscal scenario examined was for a cap of 250 units, which is a moderate number. Given the size of the area, we could go as high as 350 units, which would allow a smaller development along with a large one. Again there is no guarantee that all (or any) would be developed. Rick asked: what is the pivot point where it doesn't make sense to develop? John explained that for rental, given the value of the land in this area, that's probably around 200 units, which Devra said is what the residential developers she spoke to told her. Lee pointed out that with respect to the Mews project it was determined by the ZBA to be 108. Devra noted that, if the development were condos, a developer could successfully provide a significantly smaller number of units. John noted that with 350 at Charles River Landing and an additional 350-400 in the General Dynamics development, politically we might be bumping up against tolerance if we propose too large a cap. We need to be comfortable with the number and the scale of the project targeted. Bob noted that he is not comfortable creating a cap on the number of units; zoning should not be restrictive. Devra commented that we are trying to encourage mixed use development—using the residential to incent the commercial. Creating an entire area of housing shouldn't be the goal. John noted that what the CEA proposes must not only be economically viable, it should be politically doable. It was noted that traffic and increasing school age enrollments will be an issue at Town Meeting and CEA needs to show the numbers work in a positive fashion for the Town. Susan noted that some communities require impact fees to support increased enrollment and that if infrastructure improvements are needed (like new roadways) then you can't make the ask too high or the project won't happen at all. John noted that mixed use development is the highest and best use of land in the area. The sense of the majority is that a cap is needed and perhaps we start at 250, recognizing that we may need to reevaluate this in the future.

John moved the discussion on to minimum lot size. He provided examples in his February 25th memorandum circulated for discussion today. Looking at the underlying dimensional requirements for the zone, it is possible to build a 100 unit building in one acre. Two acre minimum lot size would encourage consolidation and larger projects. Matt noted that we want to encourage top rate development and he is concerned with smaller lot areas come the likelihood of small developments which he would prefer not to see. Devra noted a condo project could be smaller but more valuable in terms of tax receipts. John agreed that one acre may encourage condos, but in his opinion, this area, which will be in transition for some time, does not lend itself to condos. It is much more likely that it will remain rental for some time. For that reason he would recommend going with a minimum lot size of 2 acres. He would also like to see provisions which encourage use of the Highland Commercial 128 corridor as retail/service/restaurant. The consensus appears to be using the two acre minimum lot size in the overlay.

John discussed the unit mix and expressed his conclusion that we want to have a minimum percentage of one bedrooms (to keep the fiscal model positive) but that we should leave it to the market to decide if it wants a greater percentage of one bedrooms, so long as 10% three bedrooms is maintained (as long as the State requires that in order to count any of the units). Members concur.

The commercial component was also discussed. As previously noted, John pointed out that we want to incent mixed use development, especially along Highland Avenue. Devra noted that the best way to insure that is to create density bonuses to do a true mixed use development. John noted that he sees it most likely that someone will build commercial along Highland Avenue and tuck the residential behind it, especially along the River. John suggests approving podium parking to render it easier and less expensive to build structured parking. There was discussion of the need for consolidation to occur in most areas except those portions under the control of Winhall. Lee thought the overlay should be restricted to areas along and certain distances from the River; Devra expressed the view that it is a narrow zoning district and that restrictions along any arbitrary line make the consolidation of lots less likely (especially those that could improve the roadway within the district); John agreed and was concerned about imposing the overlay over only a portion of such a small district. Rick noted there is a similar discussion taking place in Dedham and explained what was being proposed there. (John noted that the two 40B projects near Legacy Place have performed well near the train station.)

John will use Devra's draft zoning which provides good procedure for the zoning and will adjust it for those concepts the CEA discussed today.

V. Update on Industrial District Subcommittee

Devra explained that she is going with Lee to the Fin Com tonight to try to get the requisite funding for the rezones out of the reserve fund. If that is not successful (which it wasn't), she will have to wait for Town Meeting to approve a fund in May.

VI. Discussion of N² and Needham Crossing Branding

Devra noted that commercial real estate brokers are now using Needham Crossing in their advertising.

VII. Update on N² Innovation Corridor

We are still awaiting the decision on funding of the grant application.

VIII. Update on Babson MCFE Downtown Marketing Plan

The Babson MCFE student presentation and documents are available online. Devra handed out copies of the report and asked members to read it so we can discuss it soon.

IX. Update on Needham Crossing (Signage at Entrances)

There was no time to discuss this item.

X. Update on Downtown Subcommittee (Streamlining Suggestions)

Devra asked the Planning Board members present to please expedite work on these. Nothing has happened since the joint meeting with the BOS.

XII. Other Business

Devra quickly mentioned the Suburban Office Marketing report by Boston Realty Advisors, which was sent out to members and shows a very low vacancy rate in Needham Crossing. She also noted that Celldex, which has R &D facilities in Needham, is doing very well. She mentioned that she has heard rumors that Euro-Pro, which has facilities in both Newton and Needham, is looking to bring its operations together into a 150,000 sq. ft. facility and that Needham Crossing is where is going.

XIII. Adjourn

The meeting was adjourned at approximately 9:30 a.m.