



BOSTON
REDEVELOPMENT
AUTHORITY

PLAN: DUDLEY SQUARE

SEPTEMBER 19, 2016

TOPICS FOR PRESENTATION AND FEEDBACK

- > Introduction and recap of prior session

- > Scenarios and feasibility analysis
 - Methodology and approach
 - Scenarios: Financial feasibility
 - Scenarios: Community benefits

- > Breakout exercise: Parcel-specific scenarios and tradeoffs

- > RFP tools and incentives for community benefits

ECONOMIC & WORKFORCE DEVELOPMENT PLANNING

Process & Outcomes



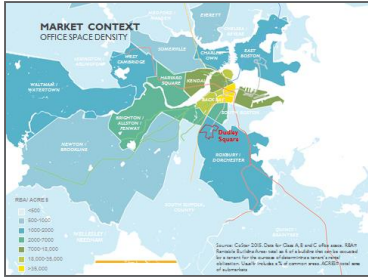
KEY MESSAGES FROM JULY 18 DISCUSSION

MARKET ANALYSIS AND JOBS

MARKET CONTEXT

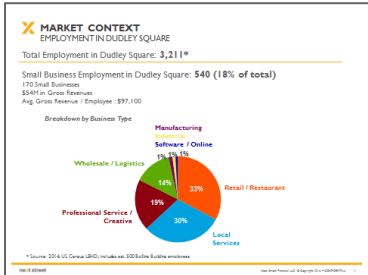
STRATEGIES

Office / Employment



- > Roxbury / Dudley is not a well defined office submarket, but may be poised to benefit from tenants seeking an alternative to Seaport/Financial District/Cambridge
- > Some momentum based on strength of recent investments

Small Business



- > ~20% of current Dudley Square jobs are in 'small business'
- > Lack of small and affordable spaces
- > Bolling building has a catalytic impact, but more business incubator/accelerator activity is needed

Residential

ROXBURY FOR-SALE RESIDENTIAL MARKET

Sales trended up substantially in 2015 and continue the trajectory in 2016

	Year to Date		
	2014	2015	% Change
Single-Family Properties			
Closed Sales	153	264	+72.6%
Median Sales Price*	\$445,000	\$465,000	+4.4%
Inventory of Homes for Sale	--	--	--
Months Supply of Inventory	--	--	--
Days on Market (List to Sale)	40	47	+17.1%
Percent of Original List Price Received*	99.3%	99.8%	+0.5%
New Listings	242	208	-9.9%
Condominium Properties			
Closed Sales	64	80	+25.0%
Median Sales Price*	\$303,000	\$309,000	+2.0%
Inventory of Homes for Sale	--	--	--
Months Supply of Inventory	--	--	--
Days on Market (List to Sale)	46	41	-11.2%
Percent of Original List Price Received*	99.9%	99.8%	-0.1%
New Listings	91	114	+25.2%

- > Demand for residential is 'spilling over' from higher cost neighborhoods (e.g. JP)
- > Price increases have been substantial over the last several years
- > Developers likely to pursue housing developments on vacant sites given strength of the asset class

- **Potential Financing Gap:** Strategies can *target both the revenue* (increase real estate value) *and cost* (lower development costs) side of the development equation
- **Bringing Jobs:** Along with housing, the next wave of development can begin to *focus on the mix of commercial uses and affordability* that can *bring jobs* that offer paths to *career development* and *wealth creation* (e.g., retail/restaurants, office, industrial)

X KEY MESSAGES FROM JULY 18 DISCUSSION

SMALL GROUP FEEDBACK

BRINGING JOBS TO DUDLEY

- > **Attractive environment:** Create a 'family feel' and draw people after 5pm; build additional housing
- > **Partnerships:** Connect with local schools, partner with CDCs, develop agreement with future employers
- > **Linkages:** Create jobs that support surrounding industries and tie to anchor institutions
- > **Workforce Investment:** Potential to develop paid 'training on the job'

DISTRICT CHARACTERISTICS

- > Desire to **emphasize place-making branding and messaging** across audiences – residents, visitors, prospective talent and others
- > Opportunity to leverage **historic and cultural elements** of the neighborhood

JOB INDUSTRIES

- > **Varied perspectives** on preferred job industries – ranging from light manufacturing to service retail and professional services
- > Broad acknowledgement that **locally owned small businesses** are critical
- > Regardless of industry, need for mobility opportunities and job training for the trades

Need trades to invest in Madison Park

Future employers require a commitment to mentor residents and % of workforce need to be Roxbury residents

Provide training alongside job opportunities (could be a community benefit provided)

Dudley should be a cultural, artistic, historic district – 'The Heart of Boston'

Create touch points with historic houses

Promote our location as a tremendous asset – very international

Establish job training as an industry in Dudley Square

Bring tech/innovation and construction jobs to Dudley

Revive small retail on Washington & Warren streets

INTRODUCTION TO SCENARIOS

- > We can develop scenarios for the use of each parcel by combining different mixes of building types and purposes
- > Each scenario has a financial profile – what is required to invest, and what is the potential revenue – and some uses can be used to “subsidize” other uses
- > There are many ways that these projects and uses can create jobs and build wealth in the community:
 - Direct jobs
 - Pathways to jobs and careers
 - Increased demand that “pulls” new businesses and jobs over time
- > Our feasibility analysis shows that multiple combinations of uses can work – but each offers different combinations of benefits and reflects tradeoffs

SEVERAL WAYS TO CREATE JOBS AND BUILD WEALTH

Direct jobs

- Attract employers
- Provide affordable space for locally owned businesses
- Employ people from the community
- Provide career paths to advancement

Pathways

- Offer skills and job training
- Provide access to equipment and facilities to develop products and start businesses

Demand “pull”

- Increase numbers of residents and workers who create demand “pull” for goods and services in the neighborhood

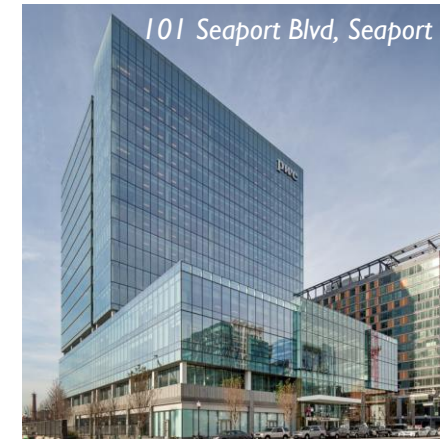
X METHODOLOGY: FIVE BUILDING BLOCKS

Assumes:

- Single use project types
- New construction
- Market rate



Mixed Income Housing



Office (corporate)



Office (incubator)



Light / Flex Industrial /
Makerspace



Retail

X EXAMPLES OF USES



Maker Space



Maker Space



Retail/Restaurant



Incubator Office

X GAP BY BUILDING BLOCK

For some uses, there is a financial gap that would have to be closed to make the use feasible.

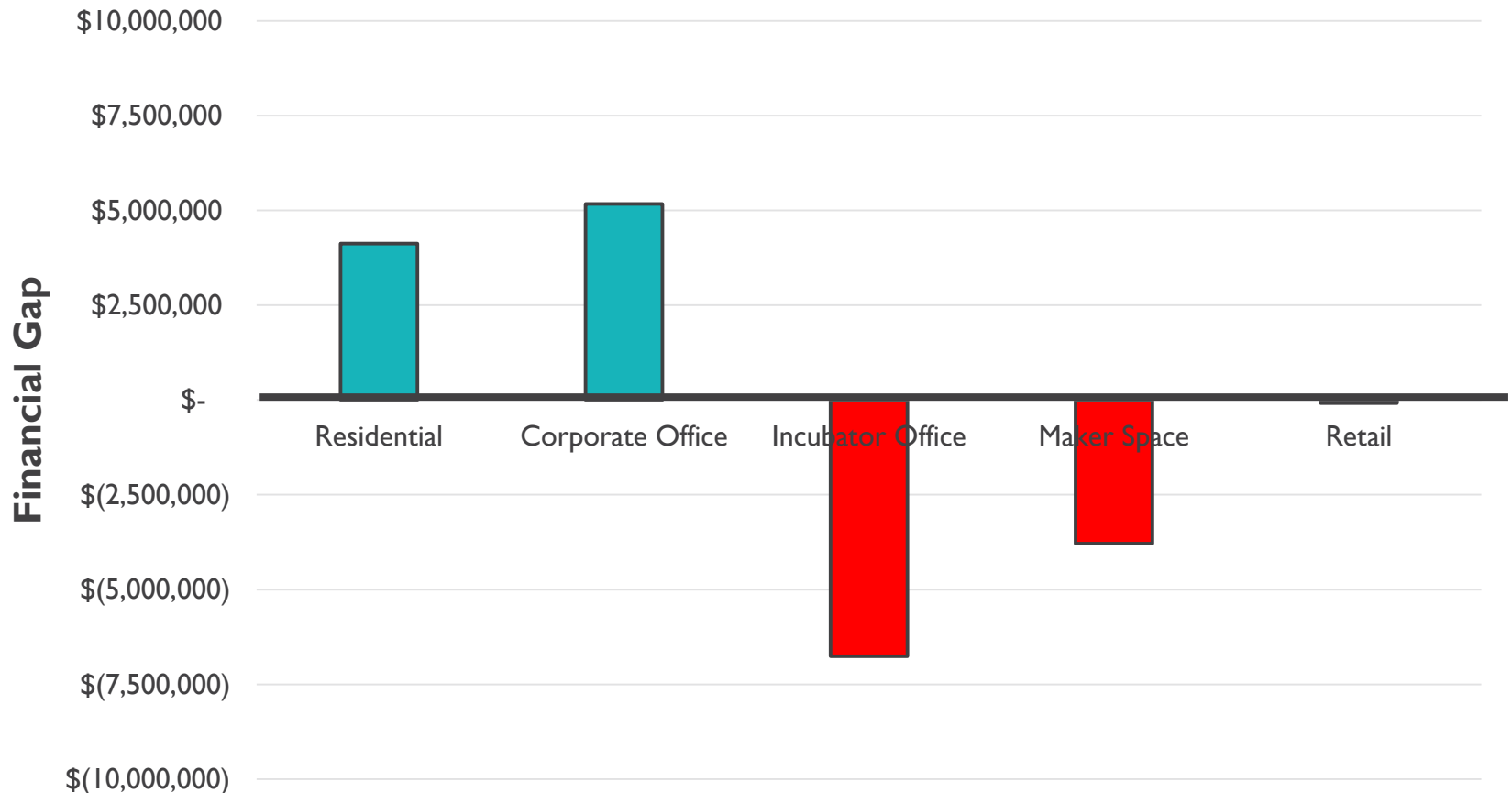
Scenario I – No Subsidies



X GAP BY BUILDING BLOCK

Subsidies can help to reduce the financial gap; as an example, offering public land at no cost allows the project to pay for some uses through the returns on others.

Scenario 2 – Example Subsidy: Land



X SCENARIOS: MIX OF USES

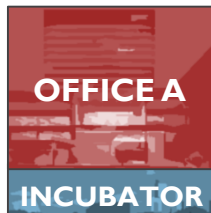
We can combine uses, based on the community feedback and market analysis, to show how parts of the project can help to subsidize the others.



1. Housing & Retail



2. Housing & Makerspace (or non-profit space)






3. Office Space & Incubator

Trade-offs to consider:

- Jobs
- Scale/Density
- Land Cost
- Affordable Housing
- Open Space
- Parking

X SCENARIOS: FINANCIAL FEASIBILITY OF MIXED USES


In each scenario, a “driver use” (where revenues exceed costs) is able to subsidize another use that is challenged with a rent gap that would otherwise not be feasible.

	Driver	Subsidized Use	Jobs
	140 units of Mixed-Income Housing	15,000 SF of ground-level retail	30-50 jobs
	140 units of Mixed-Income Housing	10,000 SF of ground-level makerspace	20-25 jobs
	175,000 SF of Corporate Office	25,000 SF of incubator office	100 incubator jobs (+ 700 corporate jobs)

Trade-offs:

- **Requires land subsidy for feasibility**
- Housing includes 13% affordable (IDP) units

X SCENARIOS: COMMUNITY BENEFITS

	Direct jobs	Pathways	Demand “pull”
 <p>HOUSING RETAIL</p>	<ul style="list-style-type: none"> Locally-owned retail/restaurant Employees of those businesses 		<ul style="list-style-type: none"> Housing will attract mix of residents and increase day/night foot traffic
 <p>HOUSING MAKERSPACE</p>	<ul style="list-style-type: none"> Makerspace will employ residents 	<ul style="list-style-type: none"> Makerspace will provide skills training, access to subsidized equipment 	<ul style="list-style-type: none"> Housing will attract mix of residents and increase day/night foot traffic
 <p>OFFICE A INCUBATOR</p>	<ul style="list-style-type: none"> Attract employers with good-paying jobs and career paths 	<ul style="list-style-type: none"> Allocate office space for organizations that provide: <ul style="list-style-type: none"> Job/skills training Operating businesses that provide on-ramps 	<ul style="list-style-type: none"> Offices will attract workers and increase daytime foot traffic

X PARTNERSHIPS AND BENEFITS

One Bringham Circle

2003, cost \$48.5 million



Building Total 200,000 sf

- 80,000 sf retail
- 120,000 sf office

Incentives and Funding

- Community Planning Process
- Zoning and Design Review
- \$38,000 MA Brownfields Funding

Partners: Mission Hill Neighborhood Housing Services, Northland Development Corporation, New Boston Fund, City, residents, businesses

Community Benefits:

- > Needed neighborhood retail
- > Opportunities for new businesses
- > Permanent employment: 200+ jobs
- > Construction employment: 120 jobs
- > 5.5 acre park and Village Square
- > Jobs and Housing Linkage payments
- > Increased real estate taxes
- > Shared parking

Source: www.dimeo.com, <http://www.newbostonfund.com/Real-Estate-Services/Development-Construction-Management/Case-Studies/One-Bringham-Circle-MA.asp>; <https://missionhillnhs.org/our-programs/>; BRA Approved Development Plan, May 8, 2001

X PARTNERSHIPS AND BENEFITS

Ashmont TOD (The Carruth)

2008, cost \$48 million



Building Total 178,000 sf

- 116 units residential
- 10,000 sf retail

Now developing Phase 2

Partners: Trinity Ashmont Inc.; MBTA; Ashmont Design Committee, community groups, residents

Community Benefits:

- > Mixed income housing: 64% low/moderate rental; 36% market rate home ownership
- > Construction employment

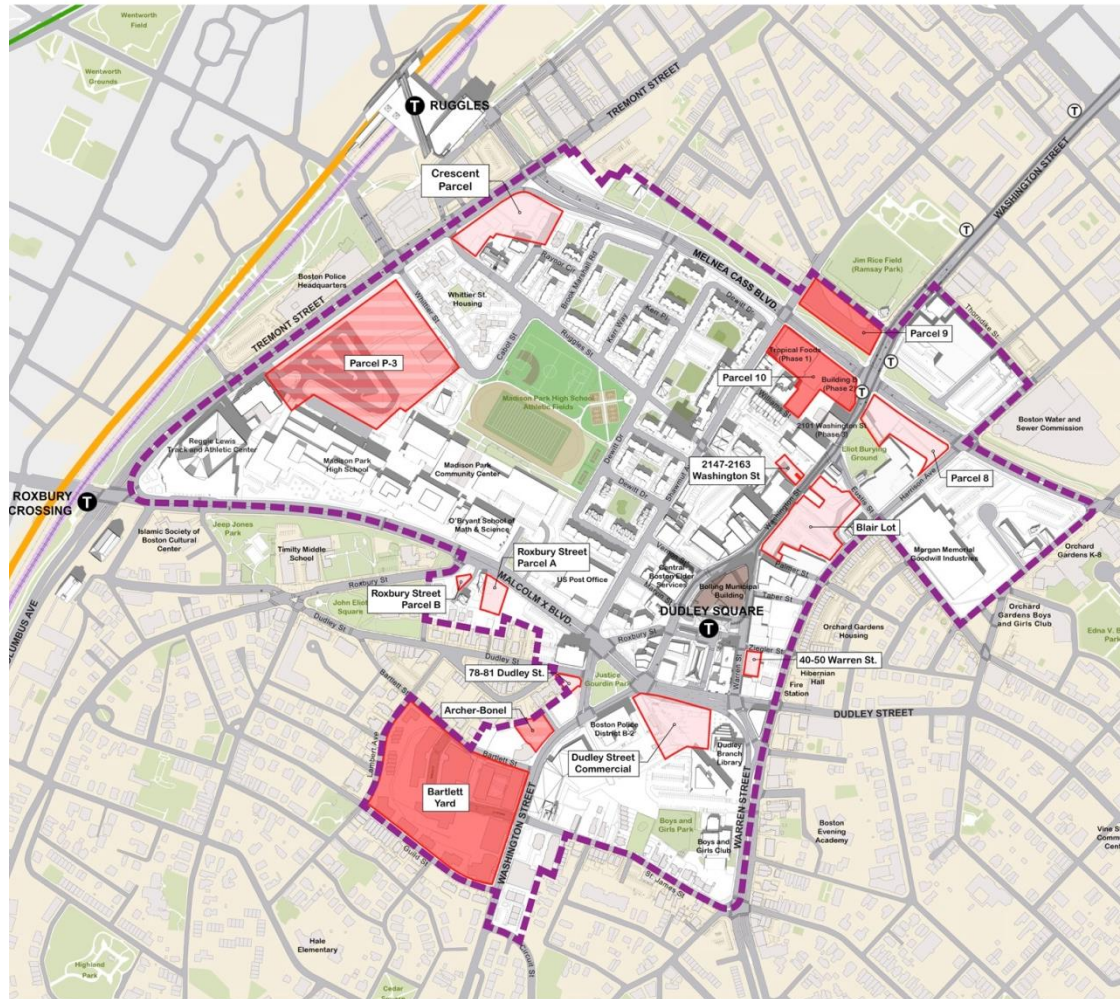
Incentives and Funding

- Publicly owned land (RFP 2002)
- MassHousing, State HOME Funds, State TOD funds, Neighborhood Housing Trust, and other
- Low Income Housing Tax Credits
- Zoning relief, zoning and design review

Source: BRA Memo, November 14, 2005; City of Boston Press Release, March 28, 2007

X QUESTIONS AND BREAKOUT DISCUSSION

- What reactions do you have on the information shared so far tonight?
- What questions do you have that we should address?
- For the breakouts:
 - *What combinations of uses make most sense for each parcel? What are the tradeoffs?*
 - *What community benefits do we want to prioritize for each project, and why?*



X ELEMENTS OF THE RFP

<i>Typical RFP Evaluation Categories</i>	<i>RFP Possible Tool and Incentives</i>
1. Project Understanding: <i>Set Community Vision</i>	<ul style="list-style-type: none">> Publicly Owned Land> Roxbury Master Plan> Roxbury Oversight Committee> Ongoing Community Participation
2. Design Concept: <i>Set Guidelines for Use and Density</i>	<ul style="list-style-type: none">> Roxbury Master Plan & Community Participation> Zoning Article 80 Development Review (PNF/DPIR)> Zoning Article 37, Green Buildings> Boston Civic Design Review> MA Environmental Policy Act (MEPA)

X ELEMENTS OF THE RFP

Typical RFP Evaluation Categories	RFP Possible Tools and Incentives
3. Community Benefits: Set Community Priorities	
Businesses: incubator, live/work, co-working spaces	<ul style="list-style-type: none"> > Cross subsidize affordable rents > US EDA Regional Innovations
Jobs: livable wages, training, school programs	<ul style="list-style-type: none"> > Boston Resident Jobs Policy > Boston Linkage Program
Culture: retail, restaurants, entertainment	<ul style="list-style-type: none"> > Cross-subsidize affordable rents
Housing: mix of types, incomes, ownership	<ul style="list-style-type: none"> > Inclusionary Development Program > Potential for greater density
Infrastructure: open space, bikes, transit, streets	<ul style="list-style-type: none"> > I-Cubed Bonds (A&F) > MassWorks Grants (EOHED) > MassDevelopment Bonds > US EDA Grants

ELEMENTS OF THE RFP

Typical RFP Evaluation Categories

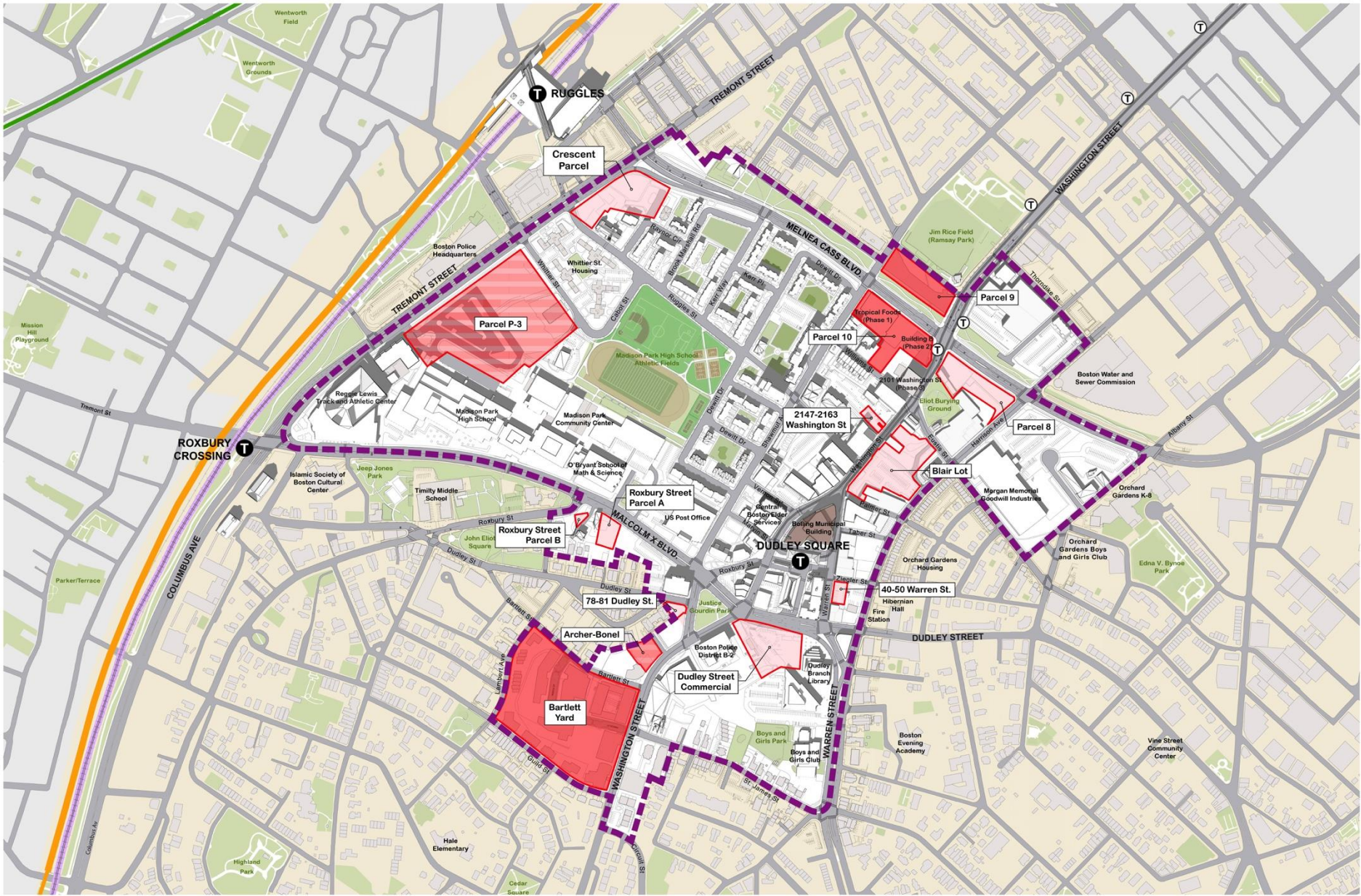
4. Financial Feasibility & Developer Capacity

Build public private partnership

RFP Possible Tools and Incentives

- > Cost of land
- > MassDevelopment R.E. Loans
- > District Improvement Financing
- > Chapter 121A Tax Agreement Program
- > Tax Credits: New Market, Community Investment EDIPC

* See next slide for potential community benefits



PLAN: DUDLEY SQUARE CALENDAR

FEBRUARY 22, 2016

Open House

MARCH 16, 2016

Walking Tour

MARCH 21, 2016

Visioning Workshop

APRIL 19, 2016

Transportation & Public Realm Workshop

MAY 16, 2016

*Assessing What We Heard & Next Steps
Workshop*

JUNE 20, 2016

*Economic & Workforce Development
Workshop*

JULY 18, 2016

*Economic & Workforce Development
Workshop Part II*

SEPTEMBER 19, 2016

*Development Scenarios & Tools for
Development Workshop*

OCTOBER 24, 2016 *(Tentative)*

*Review Draft Urban Design & Development
Guidelines & Implementation Strategies
Workshop*

November 2016 *(Tentative)*

*Review Urban Design & Development
Guidelines & Implementation Strategies
Workshop*