

Development Feasibility and Benefits 101

December 9, 2019

AGENDA

1 Review of Feedback and Updated Subareas Framework

- Start to translate feedback into zoning goals

2 Review of Feedback on Western Avenue Redesign

- Priorities to inform conceptual design options

3 A [Very Basic] Introduction to Real Estate Economics

- How can zoning yield the development and benefits we want?

4 Exercise: Prioritizing Added Value

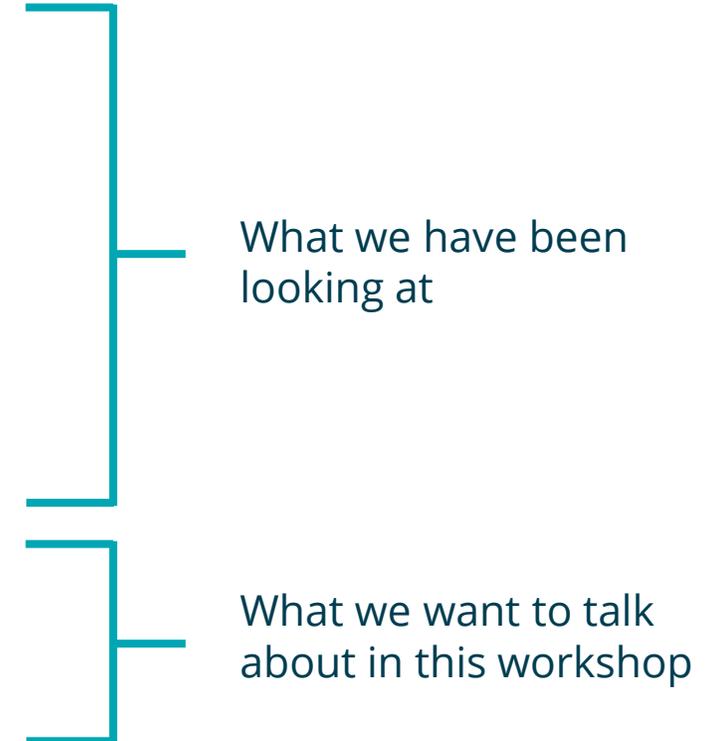
- How do we make choices about what to require from development?

5 Next Steps

BREAKING DOWN THE STUDY AREA INTO SUBAREAS

Proposed Criteria

- **Parcel size**
- **Adjacencies**
 - For example, Western Avenue frontage, existing residential fabric
- **Opportunities**
 - For public realm improvements, open space, placemaking, key connections
- **Performance**
 - Desired future character, uses, role, i.e. what do we want this subarea to do?



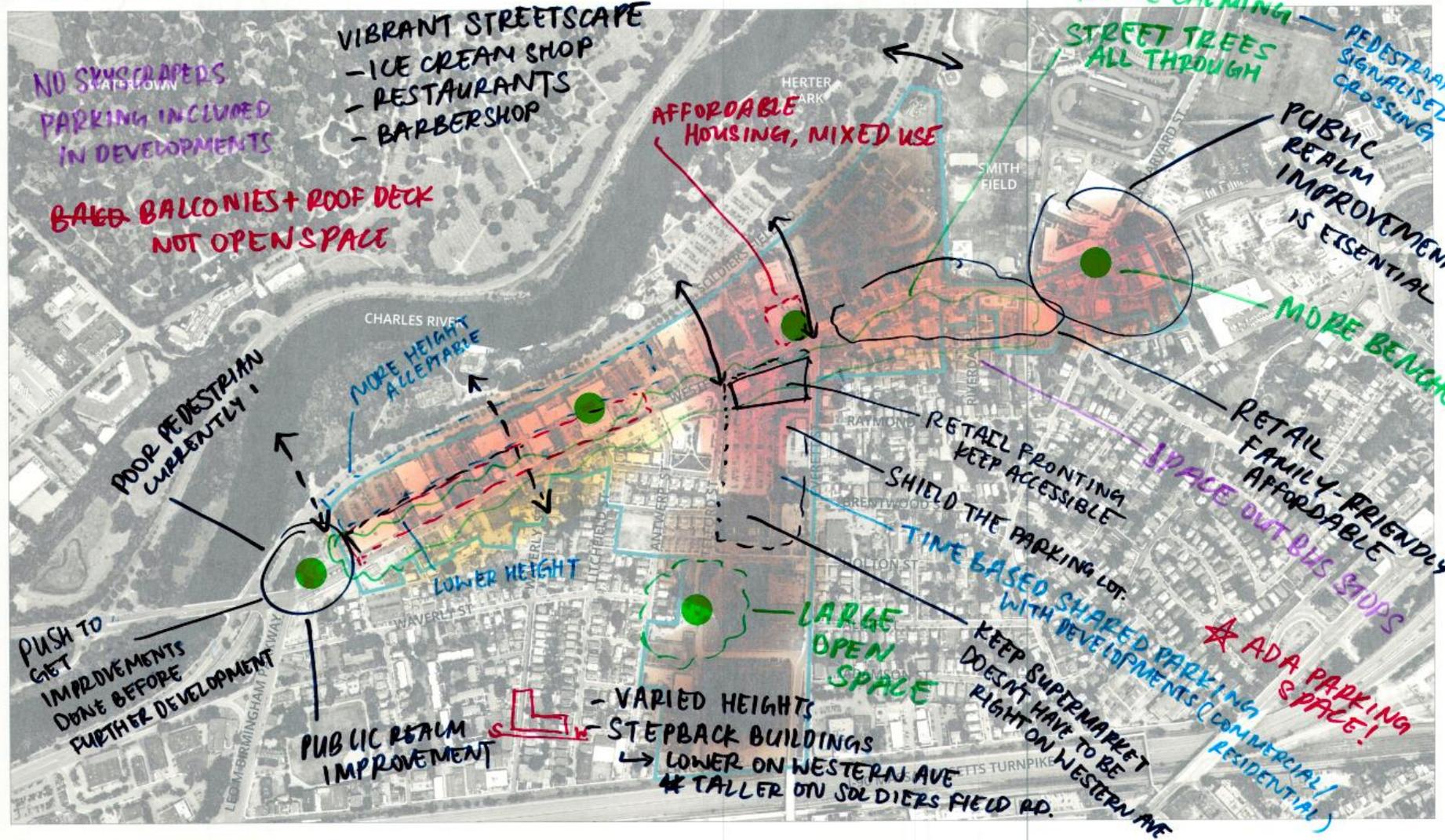
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Western Avenue Corridor Study & Rezoning Neighborhood Goals: Subareas Exercise

Neighborhood Goals & Street Design Workshop
Table ____



WESTERN AVENUE MAIN STREET

- **What We Heard:**

- “Western Avenue needs a destination.”
- “More housing and retail along the corridor generally.”
- “More neighborhood, local services.
- “Balance of commercial office, residential and retail.”
- “Vibrant streetscape along the entire Western Ave corridor.”
- Neighborhood-serving commercial uses, family-friendly retail, affordable retail (e.g. ice cream shops, restaurants, barber shops, hardware store)

Improve the pedestrian experience with neighborhood retail, active streetscape throughout Western Avenue corridor.

WESTERN AVENUE MAIN STREET

- **Zoning [and Implementation] Goals:**

- Encourage a **mix of land uses** and **enough density** to support an **active streetscape**.
- Create **affordable retail** spaces that serve the neighborhood.
- Leverage development to create an **improved public realm**.

- **Possible Precedents:**

- Allston Village, Brighton Center, Coolidge Corner, Central Square, Jamaica Plain.



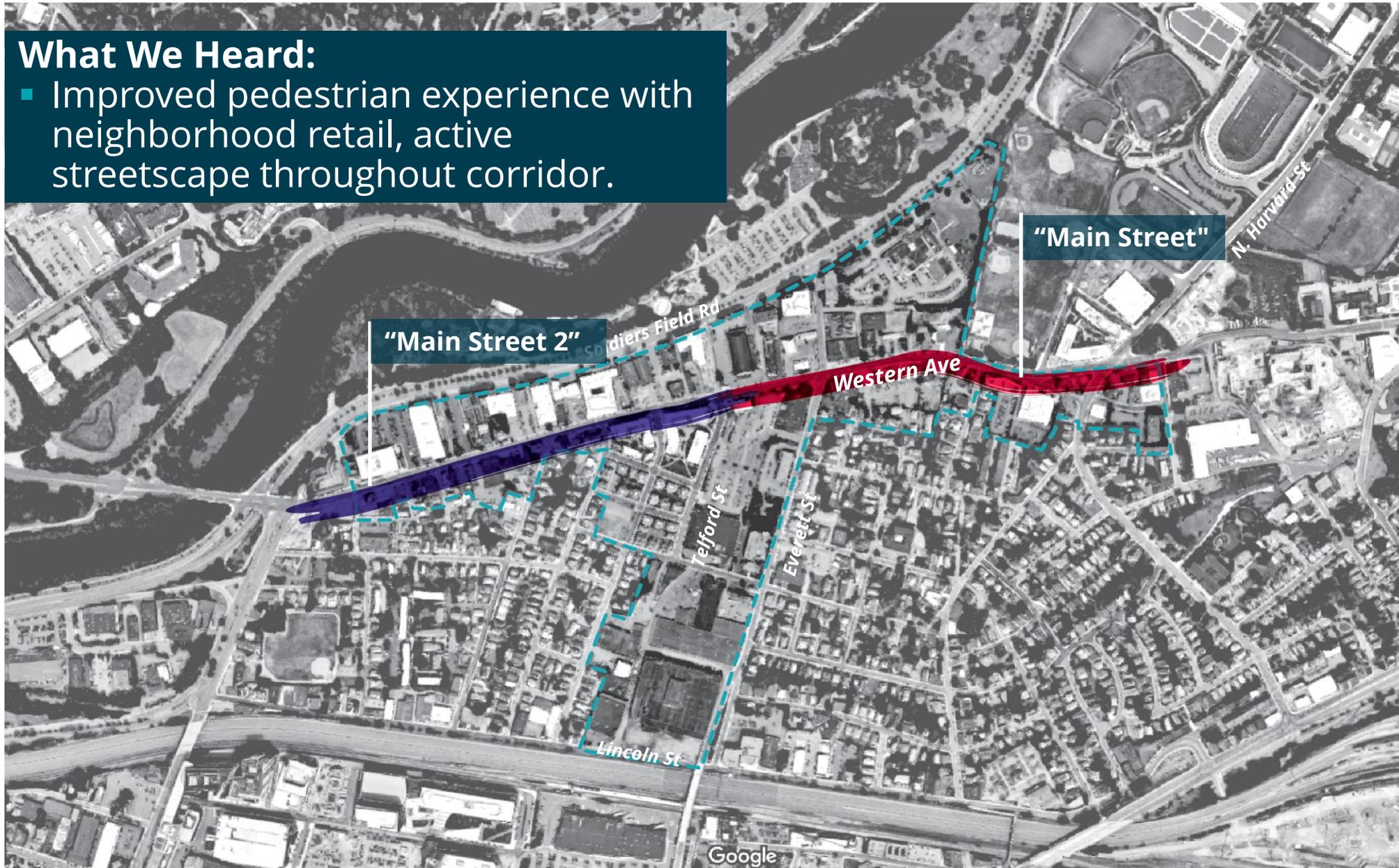
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What We Heard:

- Improved pedestrian experience with neighborhood retail, active streetscape throughout corridor.



LAND USE

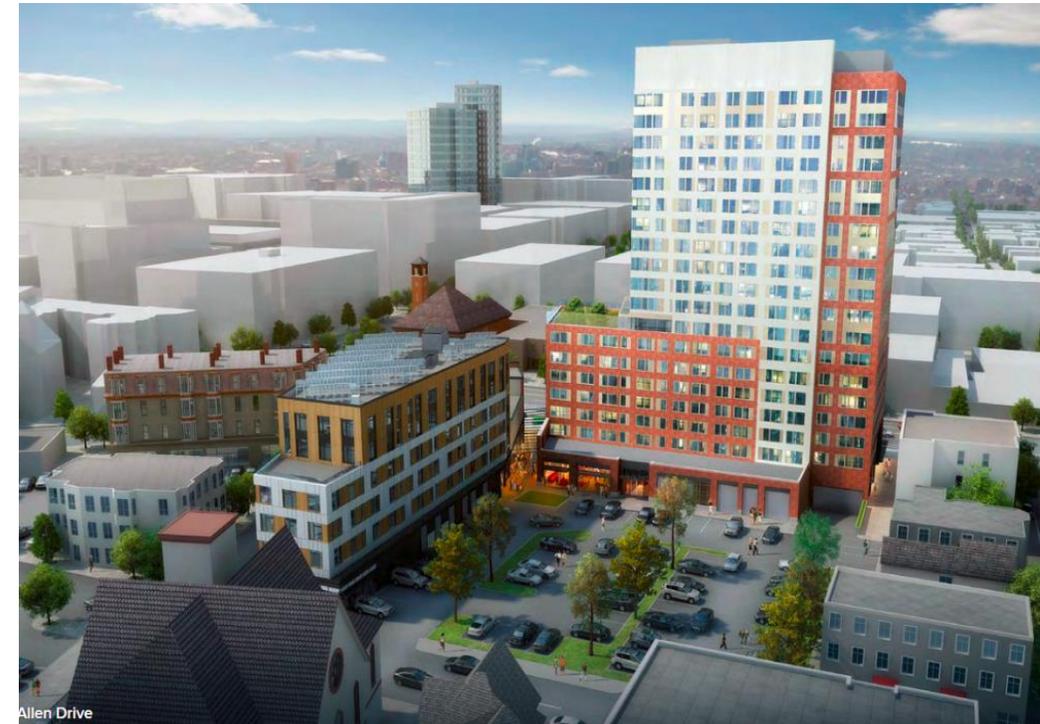
- **What We Heard:**

- “Mix of land uses: housing and commercial.”
- “Create affordable housing.”
- “Retail and activity node with supermarket at Brighton Mills”
- “Housing and park use north of 176 Lincoln Street.”
- “Relocate the Public Works yard for a new user.”

Encourage long-term redevelopment of available properties around Telford and Everett Streets.

LAND USE

- **Zoning [and Implementation] Goals:**
 - **Encourage long-term redevelopment** of available properties around Telford and Everett Streets.
 - **Attract a mix of land uses.**
 - Create housing with a **significant affordable component.**
 - Attract diverse, **neighborhood-serving retail uses.**
- **Possible Precedents:**
 - Market Central, Cambridge
 - 20% affordable units
 - Unit types include micro-units, “roommate units,” to 3-bedroom affordable family units
 - 17,000 sf retail, mostly smaller spaces geared towards independent retailers



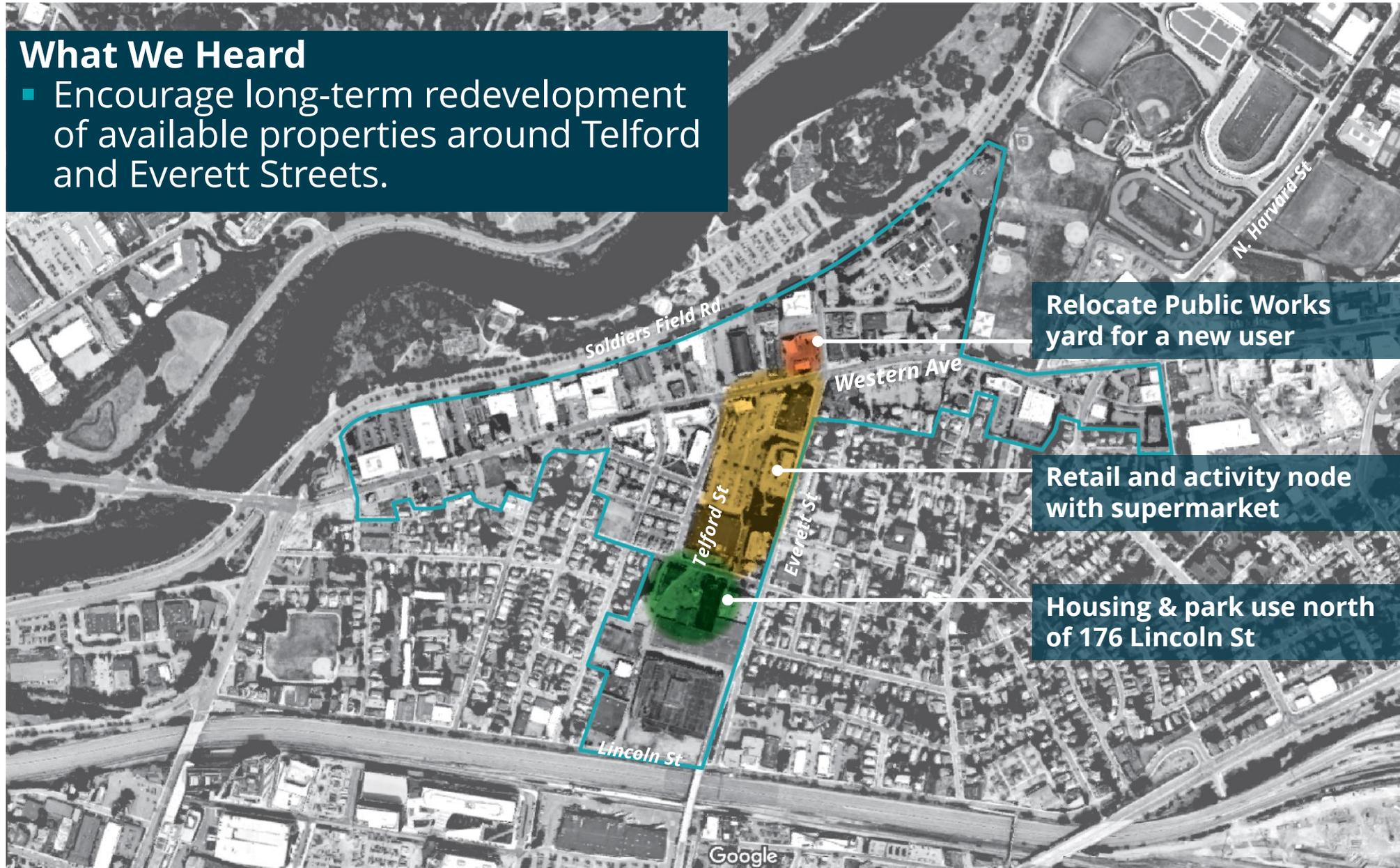
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What We Heard

- Encourage long-term redevelopment of available properties around Telford and Everett Streets.

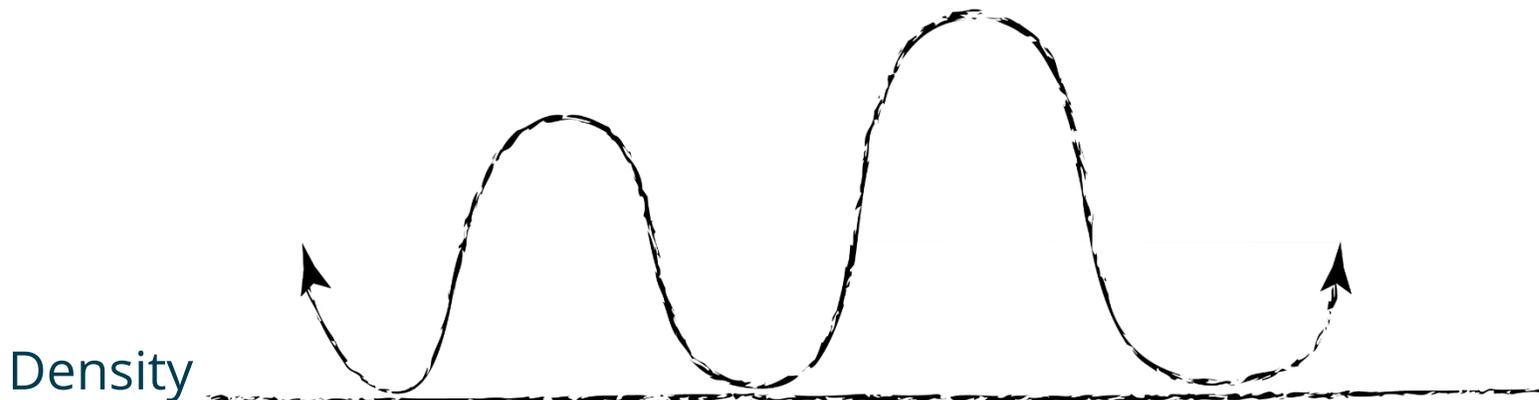


BUILDING DIMENSIONS AND CHARACTER

- **What we heard:**

- No “canyon”: there should be variations in heights, setbacks, massing.
- Height and density should be concentrated on north side of Western Avenue.
- Within that zone, buildings lower along Western and higher along Soldiers Field Road.
- Frontage along Soldiers Field Road should address river: no back side to buildings.

Vary building heights and massing, concentrate height and density closer to river.



BUILDING DIMENSIONS AND CHARACTER

- **Zoning [and Implementation] Goals:**
 - Generally, place **more height on north side of Western Ave** vs. south
 - **Step back buildings on north side of Western Ave** so that height is massed closer to SFR
 - Within these zones, **determine where greater height is appropriate and where not**
 - Ensure buildings do not turn their backs to Soldiers Field Road.
 - Encourage **appropriate massing of buildings** to widen public realm and ensure variety of character.
- **Possible Precedents:**
 - South End



345 Harrison Avenue



Ink Block



Girard, Harrison Avenue

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What We Heard:

- Vary building heights and massing, concentrate height and density closer to river.

More height facing Soldiers Field Road

Some height north of Western Ave

Less height south of Western Ave



OPEN SPACE, PUBLIC REALM, AND PLACEMAKING

- **What we heard:**

- Good opportunities at:
 - Skating Club
 - Public Works yard
 - Speedway (across from Radius Apartments)
 - Barry's Corner
 - Western Avenue around Waverly or Litchfield
- There should be a large open space around Holton Street

Create a variety of new open spaces and parks in appropriate locations.

OPEN SPACE, PUBLIC REALM, AND PLACEMAKING

- **Zoning [and Implementation] Goals:**
 - Work with property owners to create **appropriate public realm improvements**, including urban plazas.
 - Carefully craft requirements for open space as part of new development.
 - Plan for **significant new open space** in Holton Street area.
- **Possible Precedents:**
 - Large open space:
 - Lawn on D (2.7 acres), Knyvet Square (3 acres), Griggs Park (3.3 acres), Portsmouth Playground (4.2 acres), LoPresti Park (3.25 acres), Peters Park (3.5 acres)
 - Smaller urban plaza:
 - Smith Campus Center, 40 Erie Street, Zone 3

OPEN SPACE, PUBLIC REALM, AND PLACEMAKING



Griggs Park, Brookline



Lawn on D, South Boston



LoPresti Park, East Boston



Knyvet Square, Brookline

OPEN SPACE, PUBLIC REALM, AND PLACEMAKING



40 Erie Street, Cambridge



Smith Campus Center, Cambridge



Zone 3, Allston

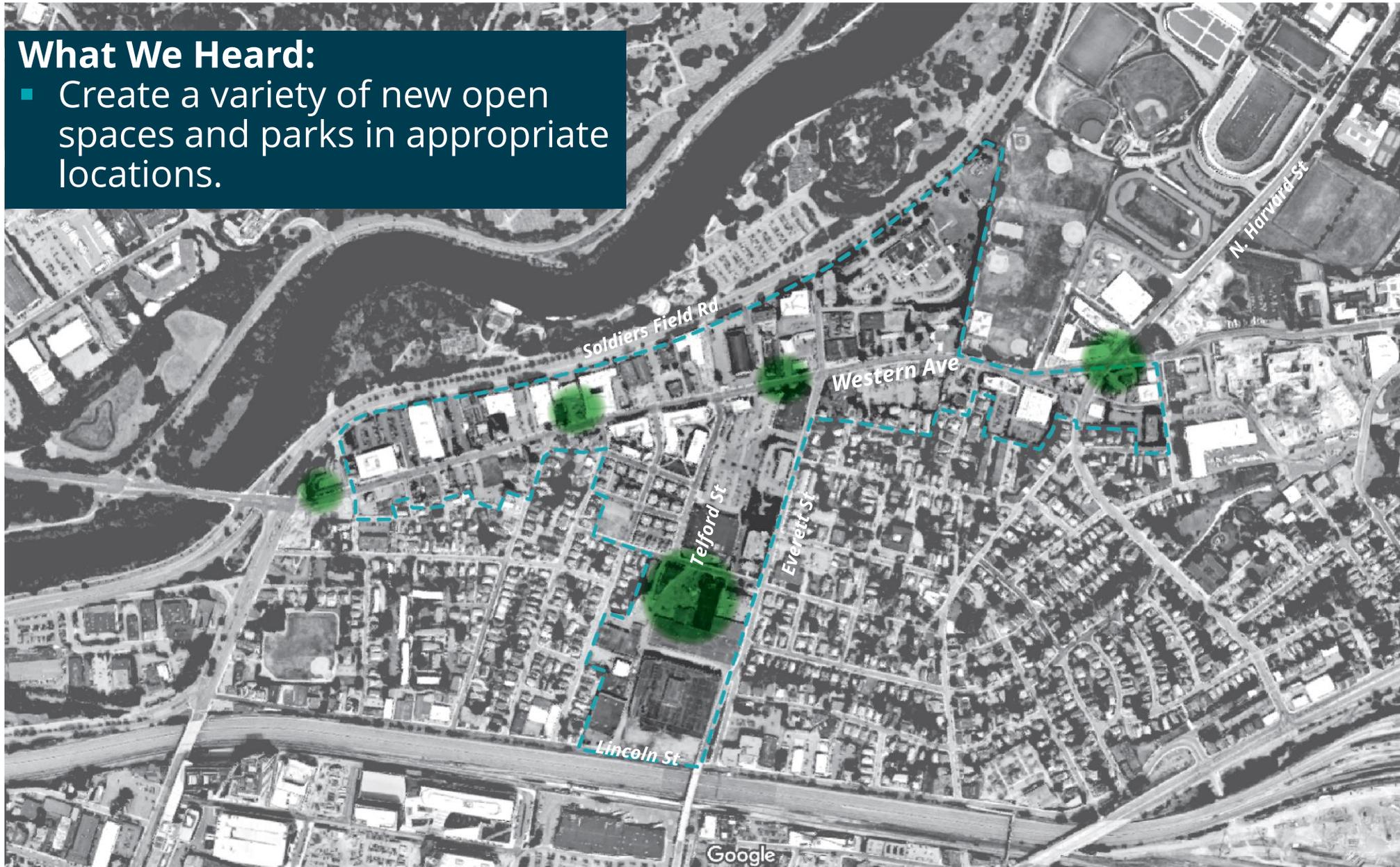
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What We Heard:

- Create a variety of new open spaces and parks in appropriate locations.



CONNECTIONS

- **What we heard:**

- “Create wider corridors to the river.
- “More signalized pedestrian crossings along Western Avenue.
- “New pedestrian bridge across Mass Pike at Telford Street.
- “Pedestrian connection through Holton Street to reconnect disconnected residential areas.”
- “New bridge across the Charles River.”
- “From Western Avenue across Leo Birmingham Parkway.”
- “Better pedestrian connection to train station.”

Better connections across Western Avenue, to SFR and the river, and across I-90.

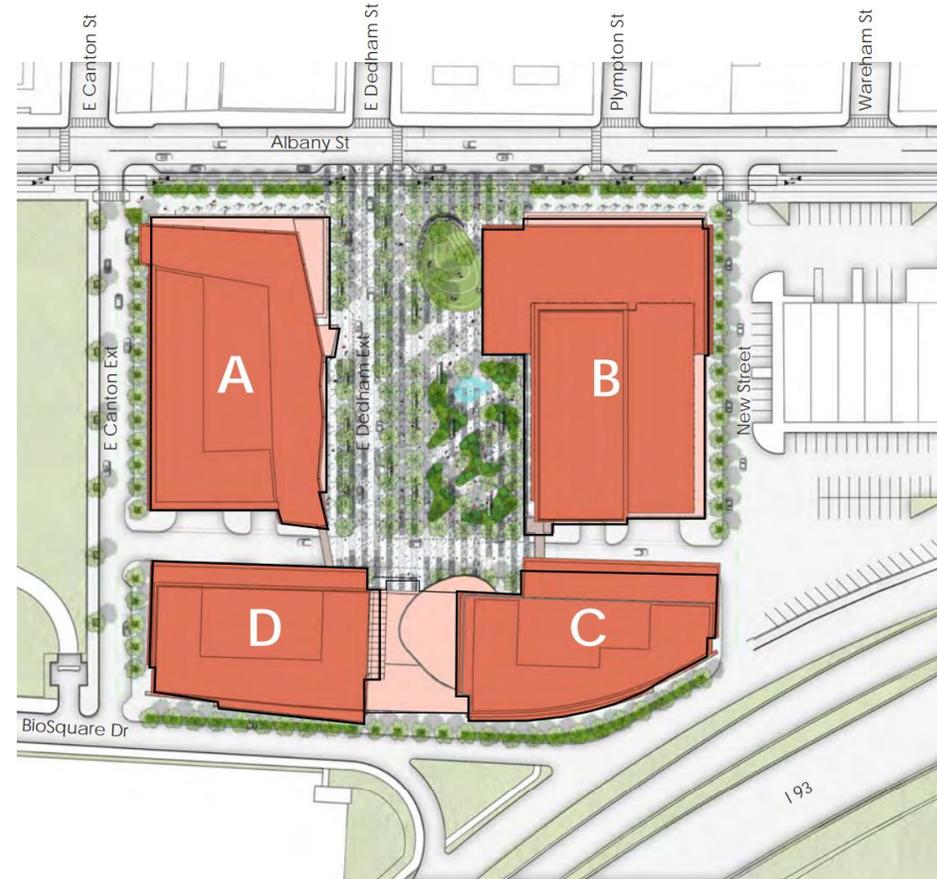
CONNECTIONS

- **Zoning [and Implementation] Goals:**
 - Use zoning and development review to **create more connections.**
 - Work with public and private partners to create **more connections from Western Avenue to Soldiers Field Road/River:**
 - Everett, Telford
 - To west: Waverly or Litchfield, Birmingham Parkway
 - Smith Field and/or TV studio
 - **Improve Telford and Everett** across I-90 and from Lincoln Street north for all modes.
- **Possible Precedents:**
 - Continuum
 - Exchange South End

CONNECTIONS



South Campus Drive, Smith Field, Allston



Exchange South End

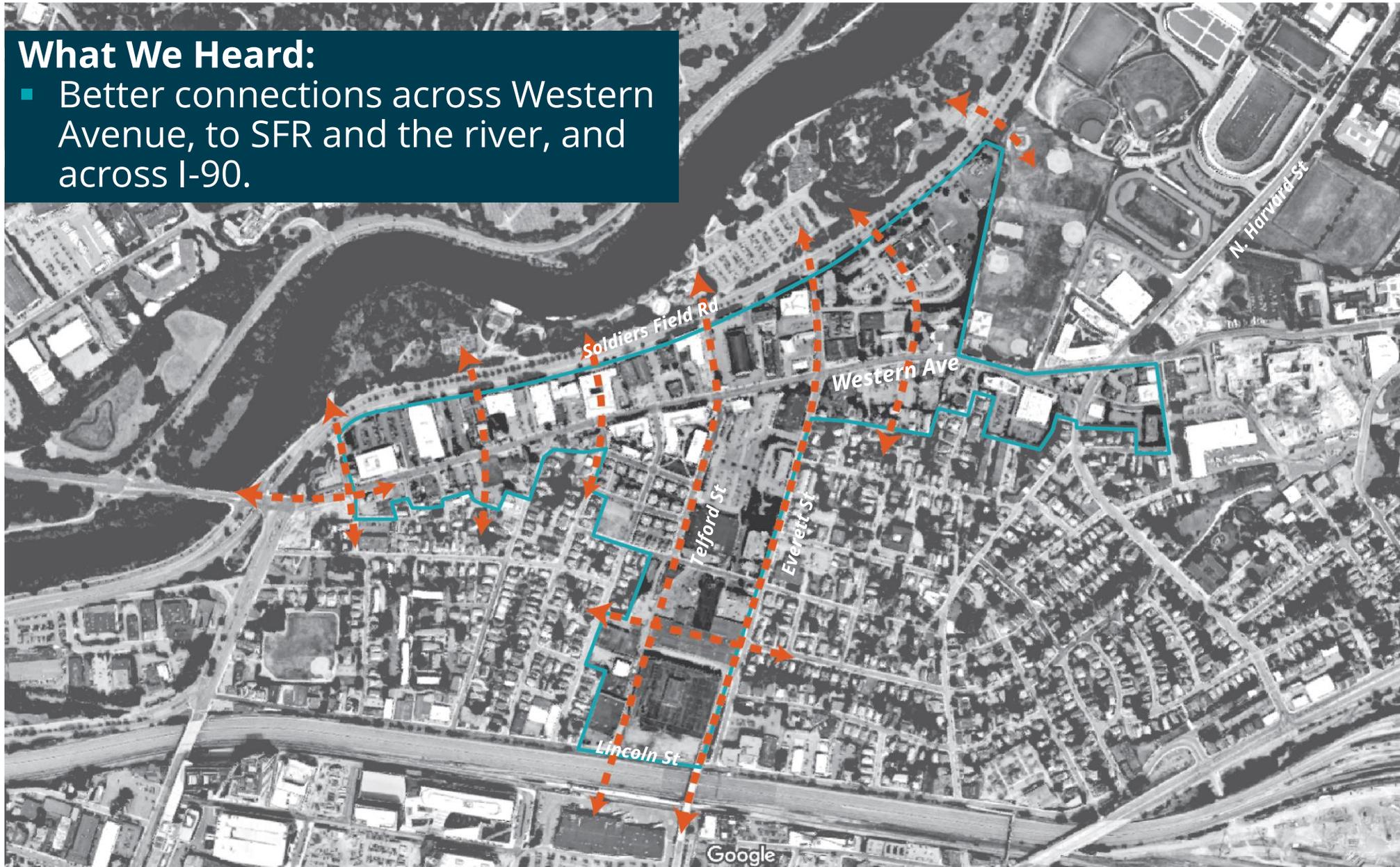
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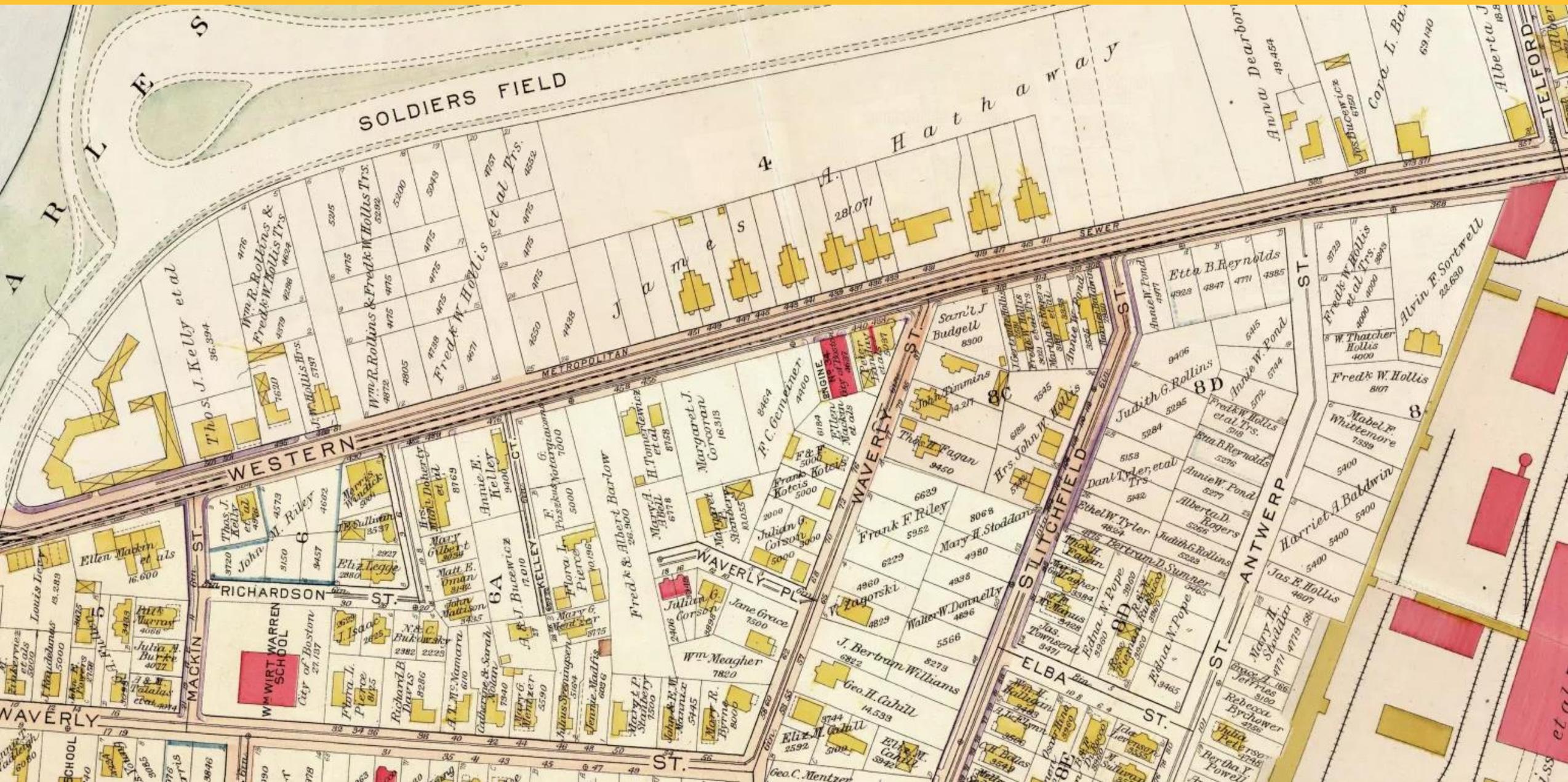
What We Heard:

- Better connections across Western Avenue, to SFR and the river, and across I-90.



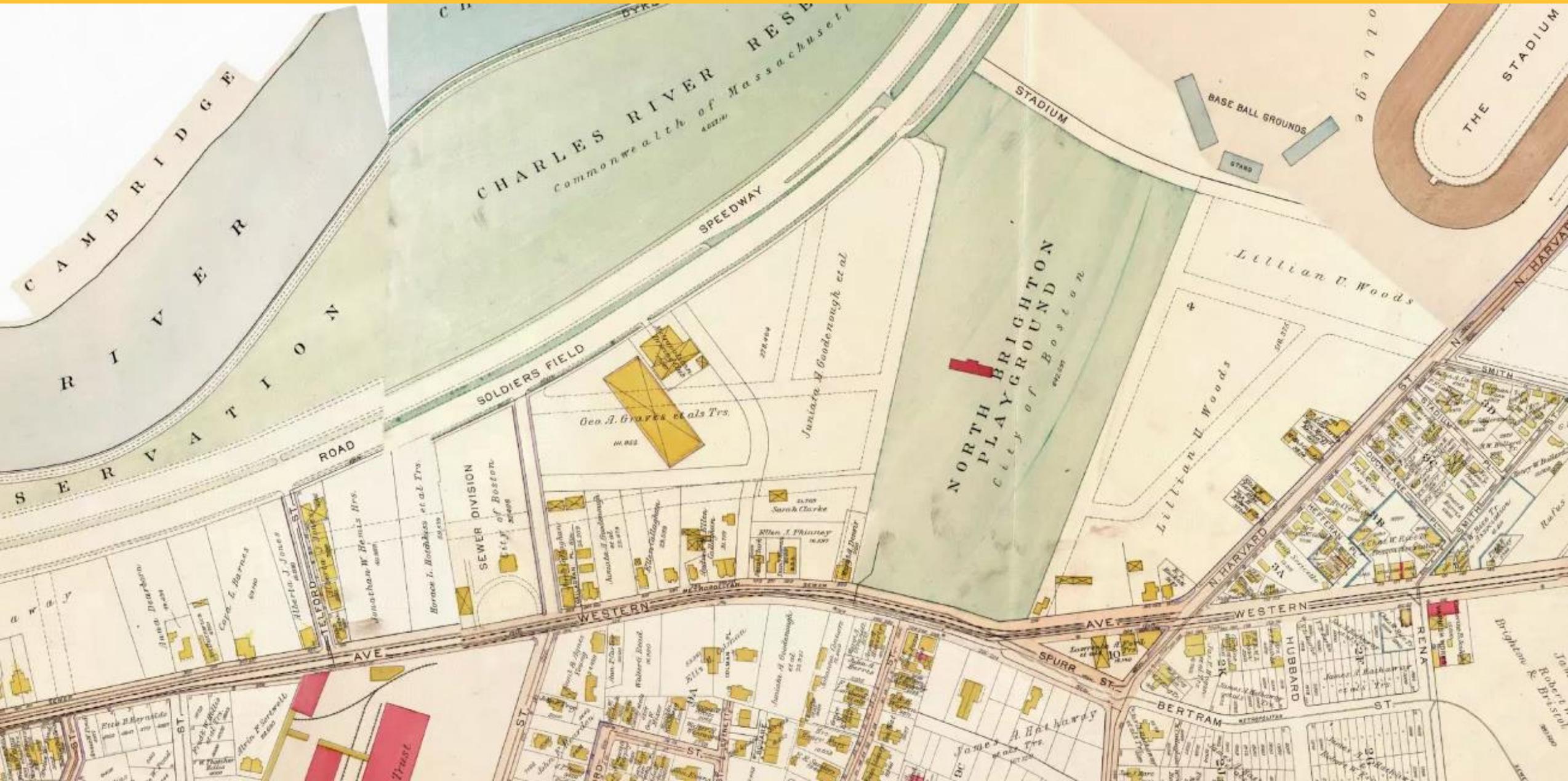
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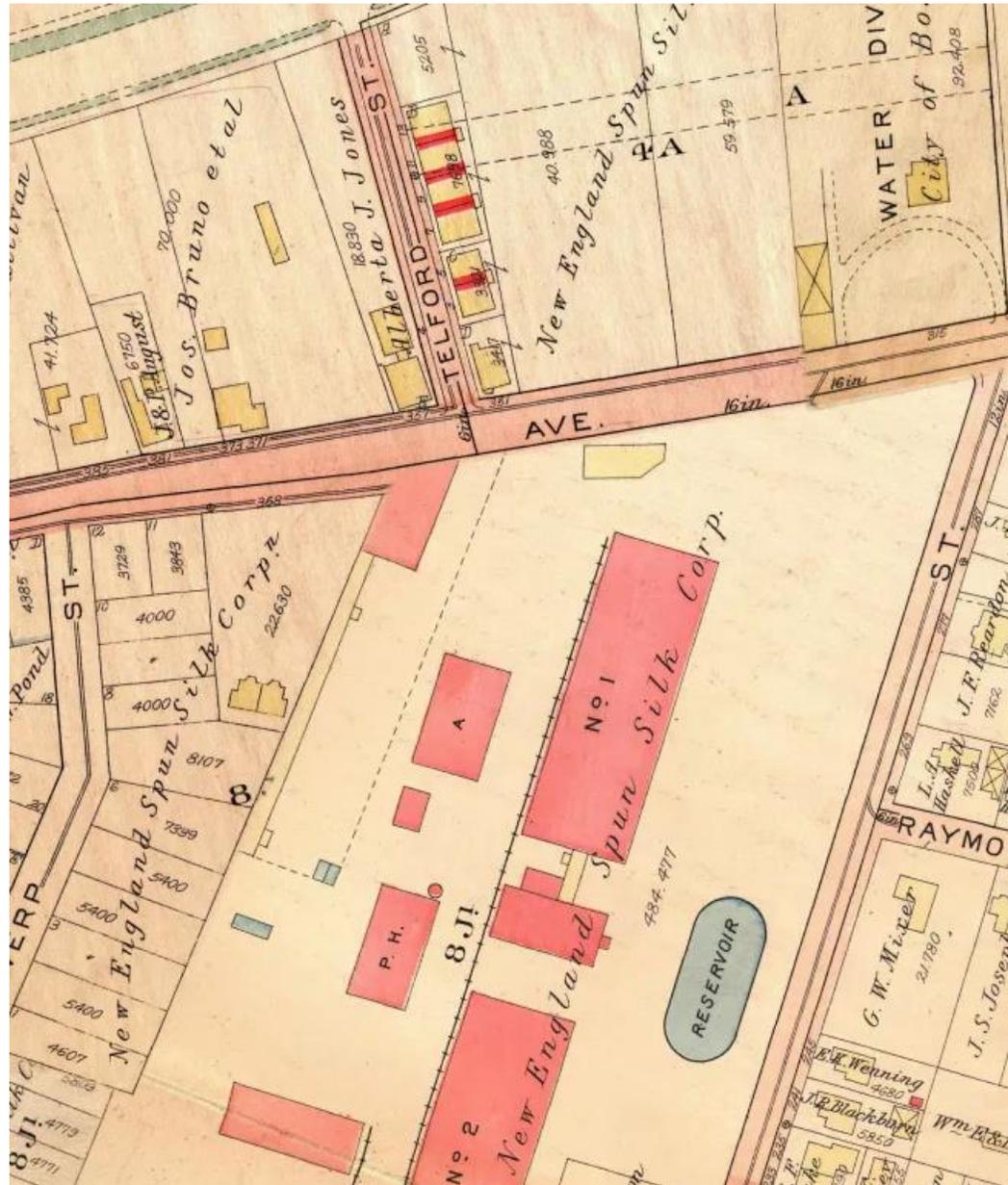
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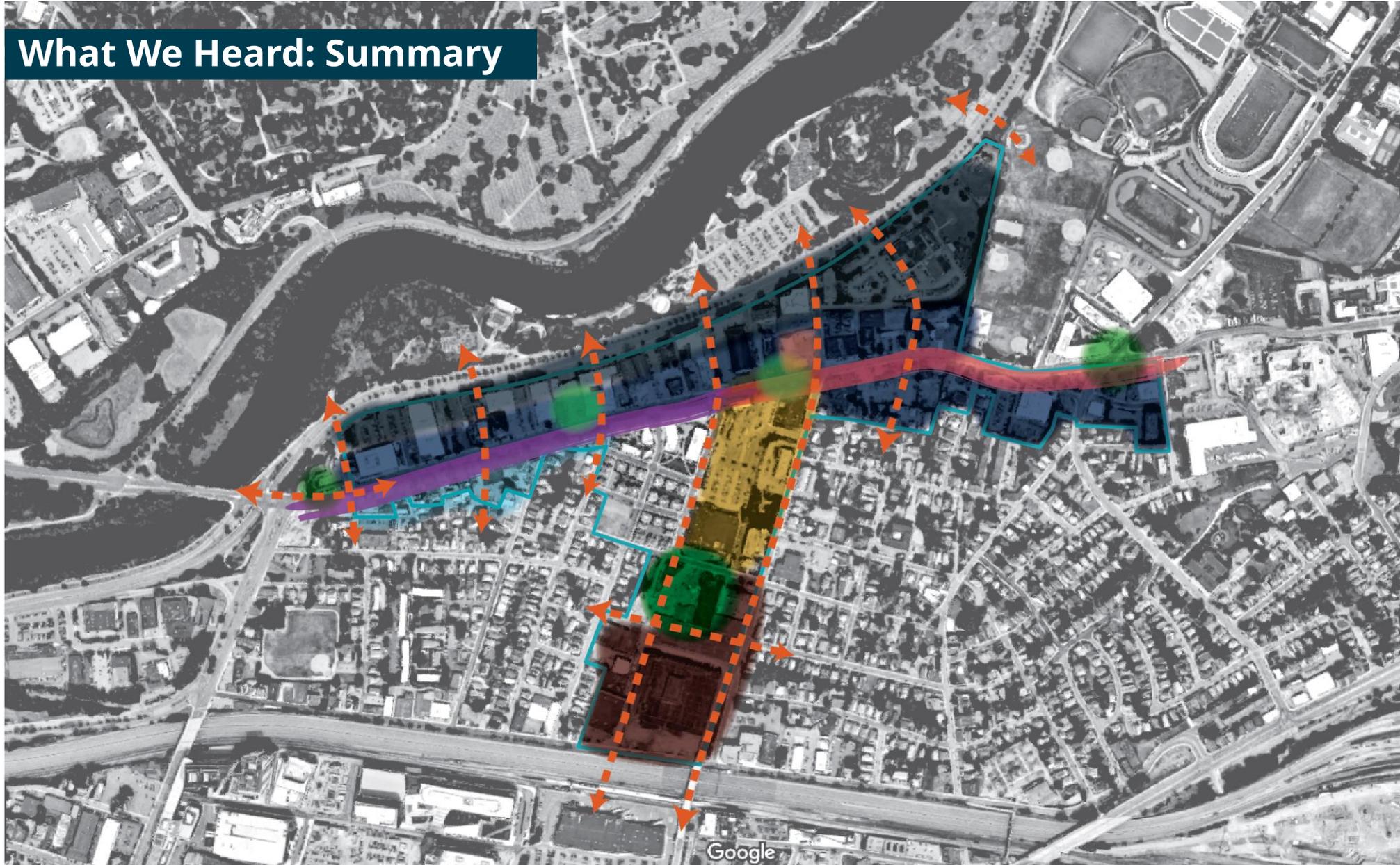


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What We Heard: Summary



NEXT STEPS

- Calibration of how much height and density is:
 - Necessary to make development feasible
 - Desirable from a planning and urban design perspective
 - Necessary to achieve neighborhood goals, e.g. greater affordability
- More analysis and discussion of north side of Western Avenue to determine where greater height might be acceptable.

2

Feedback on Western Avenue Redesign



WESTERN AVENUE REDESIGN: CHALLENGE 1 (EXISTING ROW)

1. Buffered/Protected bike lane

2. Bus lane

2. Bike lane

Highest Priorities

4. Planting zone

5. On-street parking

6. Bus/Bike lane

7. *Street furnishing zone*

8. *Cafe seating zone*

- *Not a lot of interest in street furnishing or café seating zone*
- *Priority clearly given to improving bicycle and bus accommodations*

WESTERN AVENUE REDESIGN: CHALLENGE 2 (EXPANDED R.O.W)

1. Buffered/Protected bike lane

1. Planting zone

3. Café seating zone

Highest Priorities

4. Bus/Bike lane

5. Bus lane

6. On-street parking

7. *Street furnishing zone*

8. *On-street bike lane*

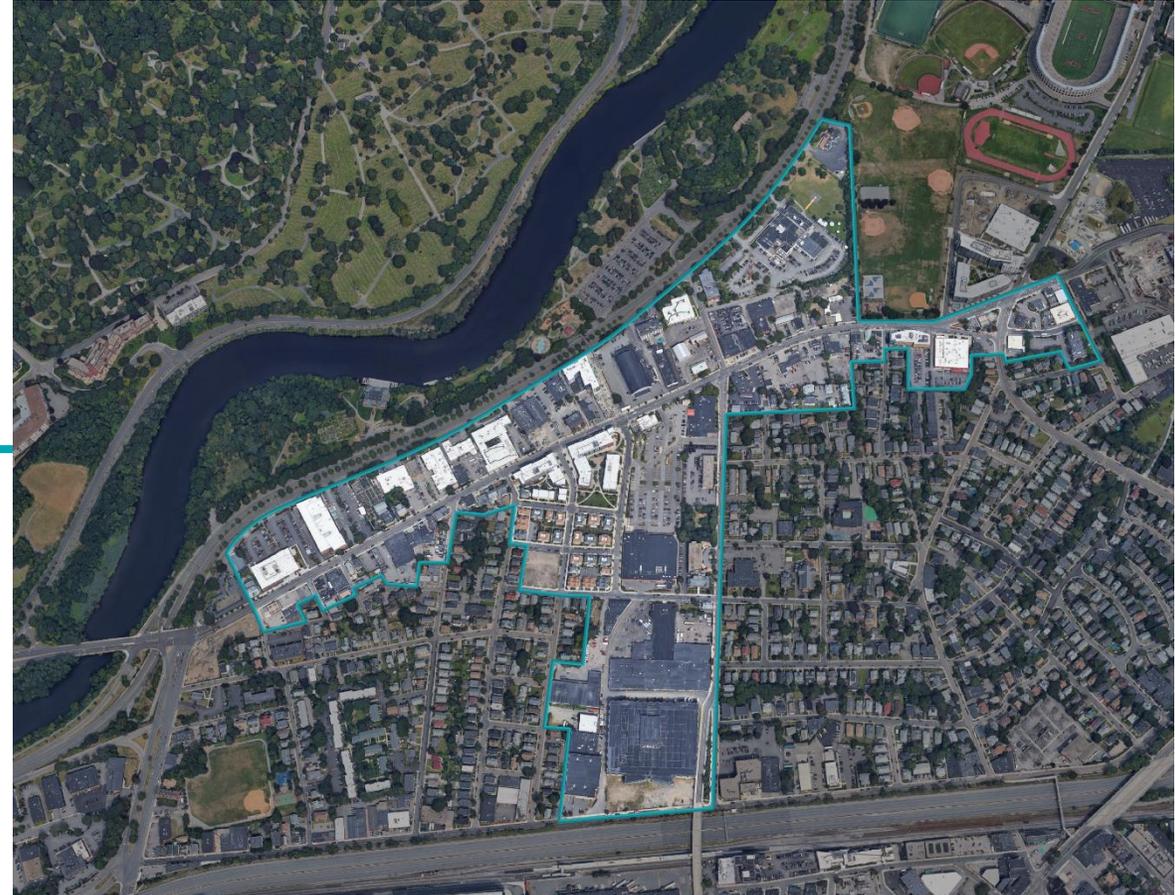
- *More interest in planting and café in this one*
- *Bike lane scores low because buffered/protected bike facility is the clear preference*
- *Bus lane?*

NEXT STEPS

- Present conceptual design options that balance priorities within existing constraints.
- Develop long-term options that inform zoning setbacks.

3

Framing the Transformation



WHAT ARE THE TOOLS TO GET FROM HERE TO THERE?

1. Public Investments

- Most straightforward for some things, e.g. parks, transit. BUT:
- Resources are constrained.
- Many changes depend on how we regulate what property owners do with their property.

2. Development

- These tools allow us to leverage development to achieve desired outcomes.
 - IDP
 - Linkage
 - Article 80 Review/Design Review
 - Negotiated Community Benefits
 - Zoning
 - Density Bonus

KEY QUESTION

¿How can we leverage development to create additional value for the city and community?

First, let's remind ourselves of the fundamentals of real estate economics...

4

A [VERY BASIC] INTRODUCTION TO REAL ESTATE ECONOMICS



COSTS AND REVENUES (VALUE)

As with any other business, real estate development only works if the revenue (value) generated by the project covers the costs of building and operating the project.

Base costs include:

- Land
- Soft costs (architecture, engineering, permitting, legal fees)
- Return for lenders or equity investors
- Overhead costs of running a development firm: salaries, etc.
- Construction
- Parking
- Building operations (taxes, maintenance, etc.)

City-imposed costs could include:

- Defined contributions like IDP, linkage
- Mitigation, e.g. basic transportation or streetscape improvements
- Other community benefits in return for value created through zoning (e.g., types of benefits that came out of earlier feedback such as open space, affordable retail, etc.)

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VALUE

In general,

more density

=

more value

=

**more value to be captured for
community priorities.**

- Fixed costs (like land) can be spread out over more revenue-generating development.
- Some costs are kind of complicated:
 - Parking (how much, type)
 - Construction type

COST

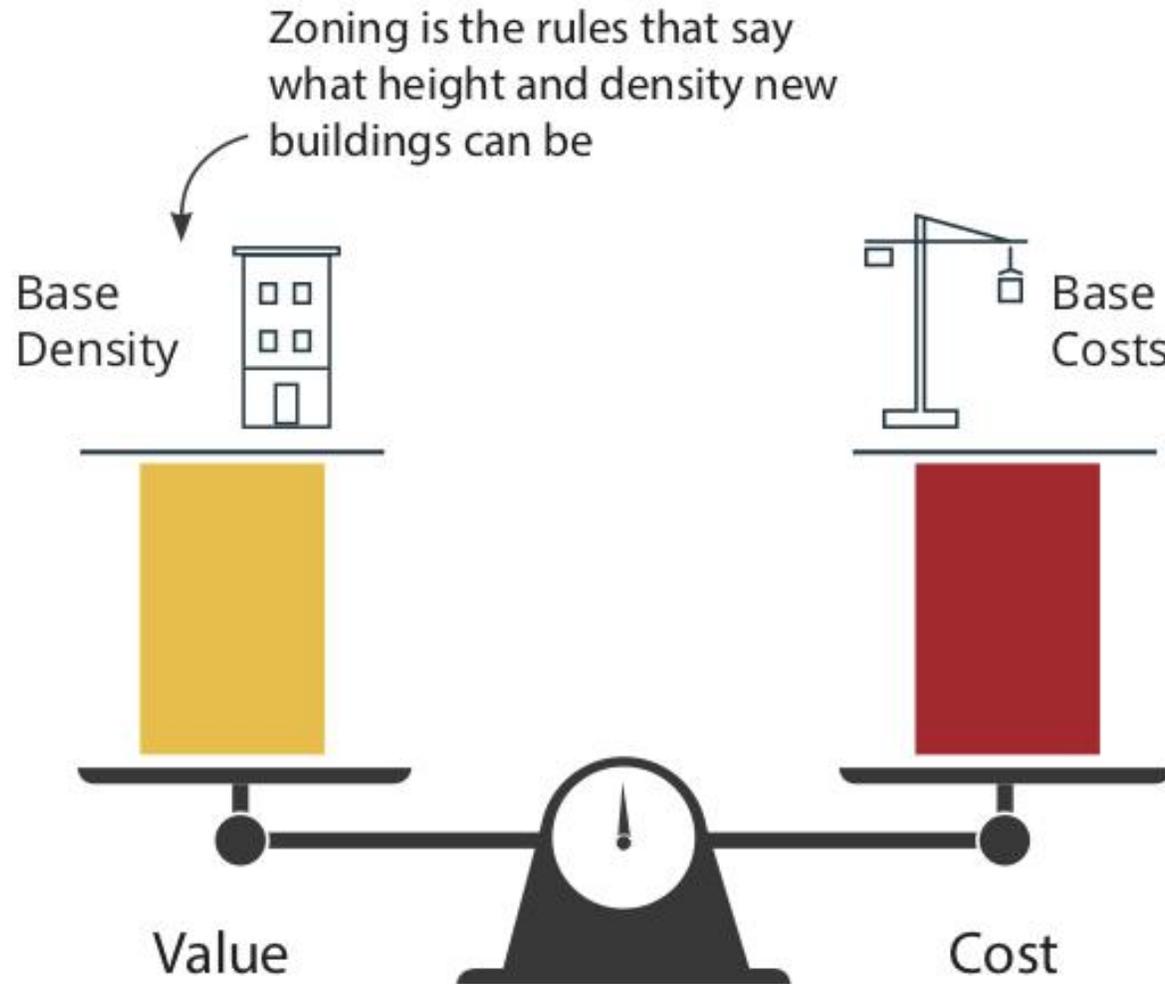
Other community benefits

+

Base costs

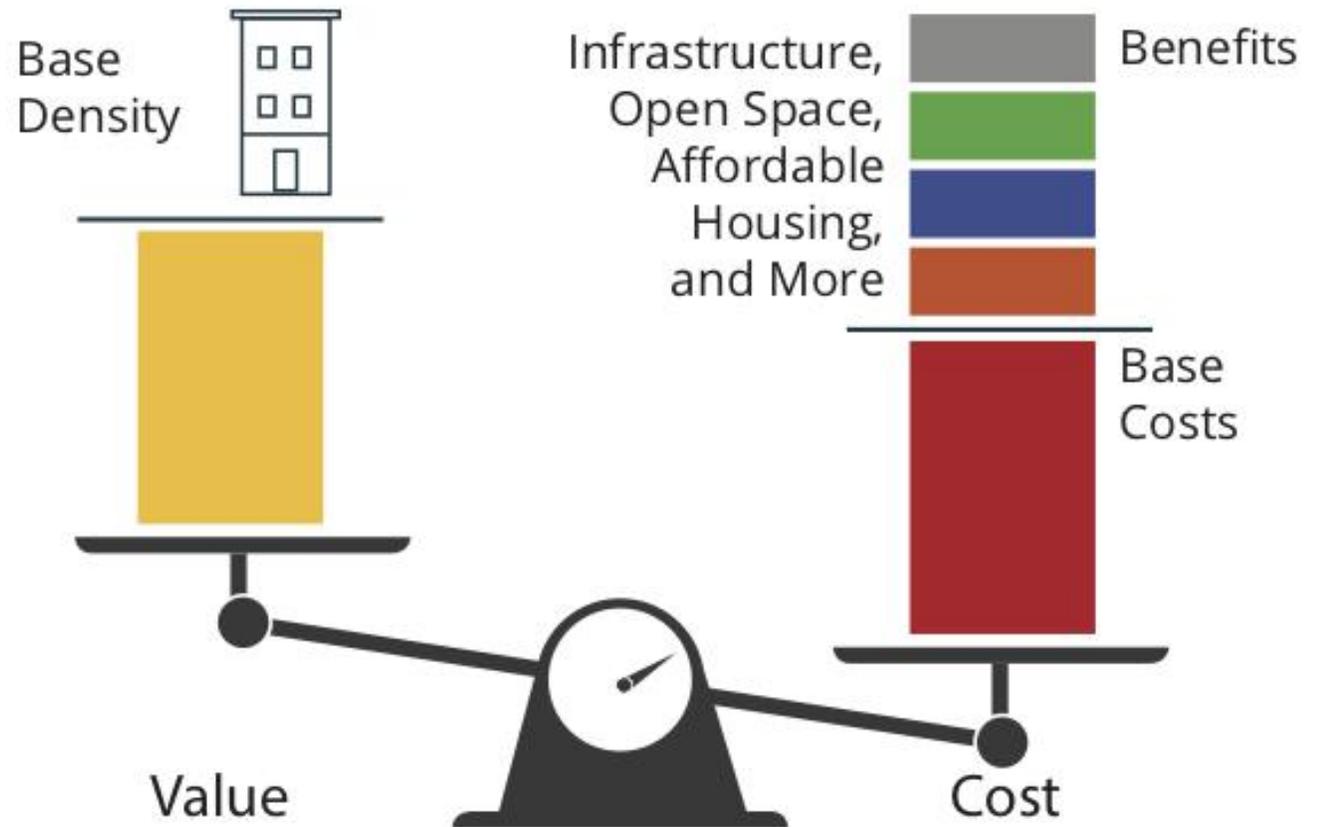
BALANCING VALUE AND COST

There are a few basic, **base costs** to creating new buildings.



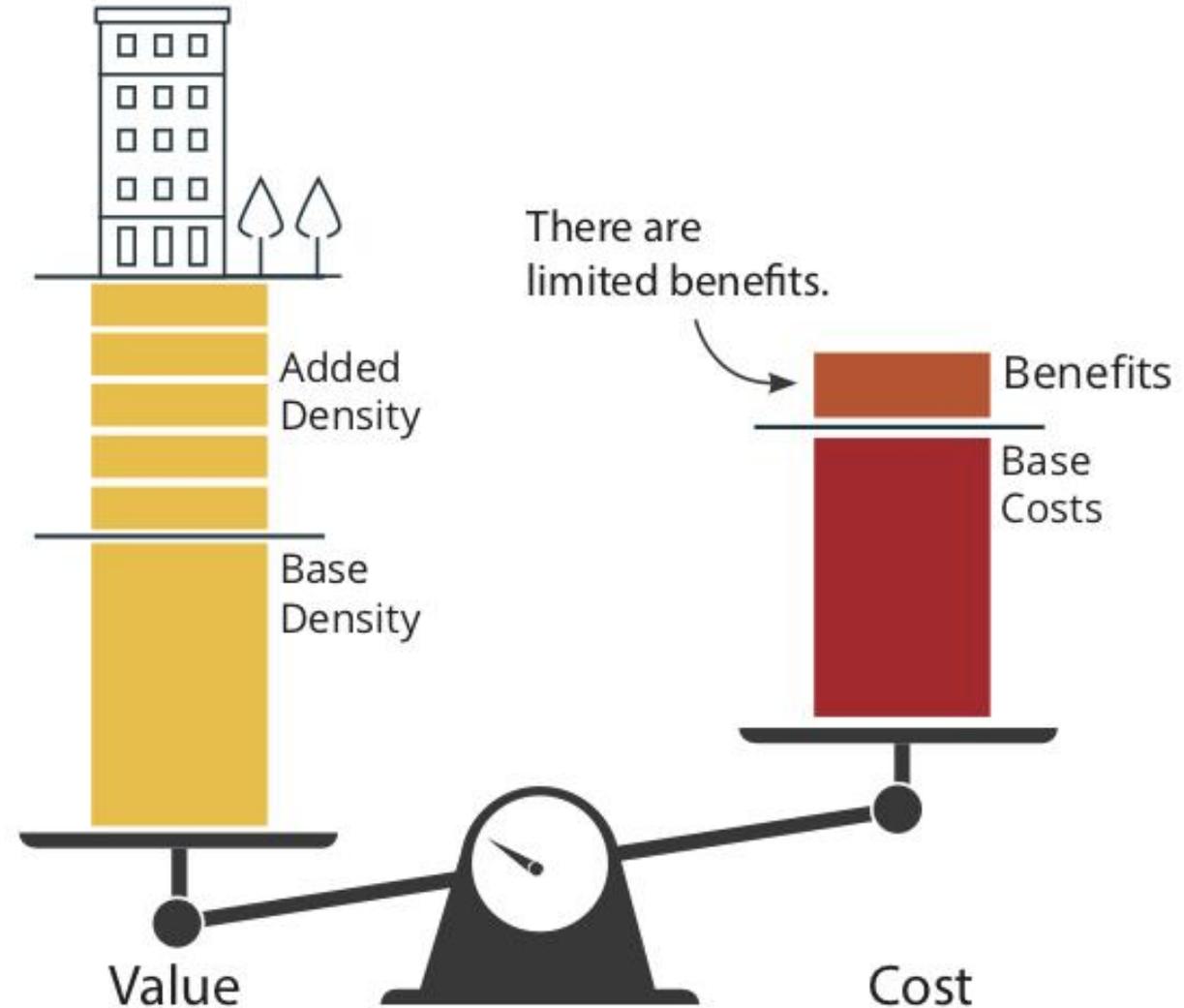
BALANCING VALUE AND COST

The scale is **imbalanced** and future buildings and potential benefits are unlikely to be created.



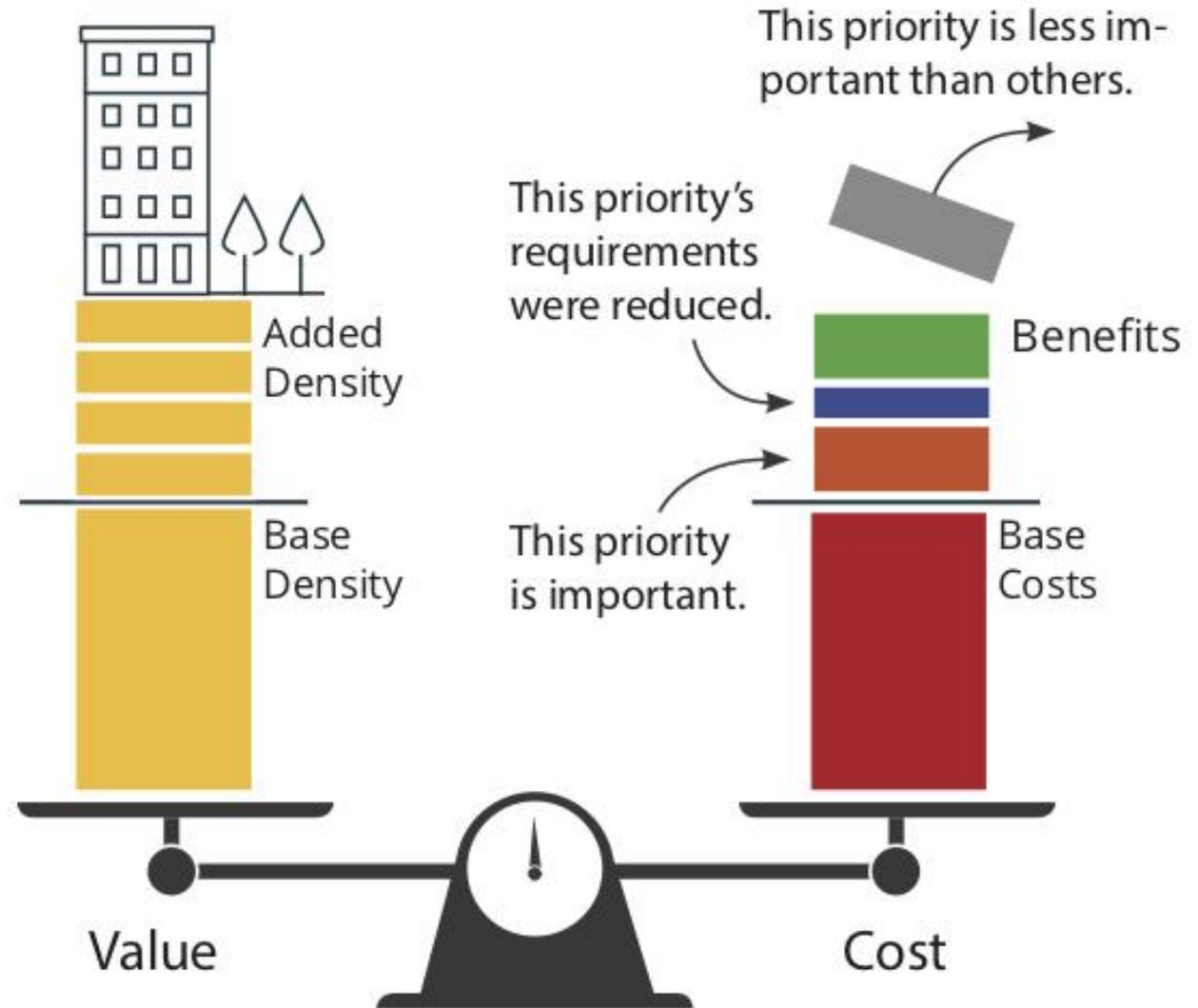
BALANCING VALUE AND COST

Added density without a community conversation about the desired added benefits is **not an optimal outcome** either.



BALANCING VALUE AND COST

Added density increases the potential value to help cover costs of added benefits. A community conversation about the trade-offs of added density and what benefits to prioritize is necessary.



KEY QUESTION

¿How can we leverage development to create additional value for the city and community?

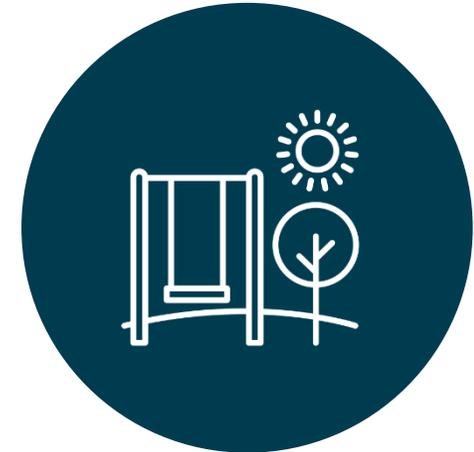
With the help of an expert consultant, we will answer the following:

- Given current market conditions (construction costs, sales or rental prices in this neighborhood), **what is the minimum density** needed to encourage and facilitate high-quality new development?
 - This may be less than, more than, or equal to existing base zoning.
- If more density is allowed, how can we **capture our fair share** of that additional value and how should we **prioritize how it's used**?

We will use this information to evaluate current development proposals and write zoning to guide future development.

5

Exercise: Prioritizing Added Value



PRIORITIZING ADDED VALUE

Options for benefits that can stem from added density:

- Affordable housing (more units, deeper affordability)
- Artist housing
- Major open space
- Public realm improvements/placemaking (e.g. streetscape, plaza, public art)
- Affordable retail
- Civic/cultural space
- Parking
- Major transportation improvements
- Other?

PRIORITIZING ADDED VALUE

You have **(5)** stickers. Place your stickers in the boxes representing the different benefits. You can place one in each box, all of them in one box, or distribute them according to your preferences. We'll tally up the totals to rank the different options.

You can confer with others as you do this.

This is just the start. We will revisit this exercise as we benchmark the economics of development and have a better sense of how much density is necessary to support all these benefits. But we'll start with a better understanding of the neighborhood's overall priorities.

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6

Next Steps



NEXT STEPS

- **TENTATIVE January 6: Community meeting/workshop**
 - Introduce consultant
 - Continue refining subarea goals, perhaps with precedents
 - e.g. along north side of Western Avenue, where should greater heights be allowed and where not?
 - Conceptual Western Avenue redesign
- **Ongoing conversations with development teams:**
 - DPIR, LOI, community conversations
- **Other relevant meetings:**
 - [Allston Brighton Mobility Study Public Meeting](#)
Monday, December 16

6:00pm – 8:00pm
Jackson-Mann Community Center
 - [NEXUS IAG Meeting](#)
Tuesday, December 17

6:00pm – 8:00pm
Charles River Waterfront Health, 495 Western Avenue, Brighton