



Planning Board  
2nd Meeting  
2/10/2020

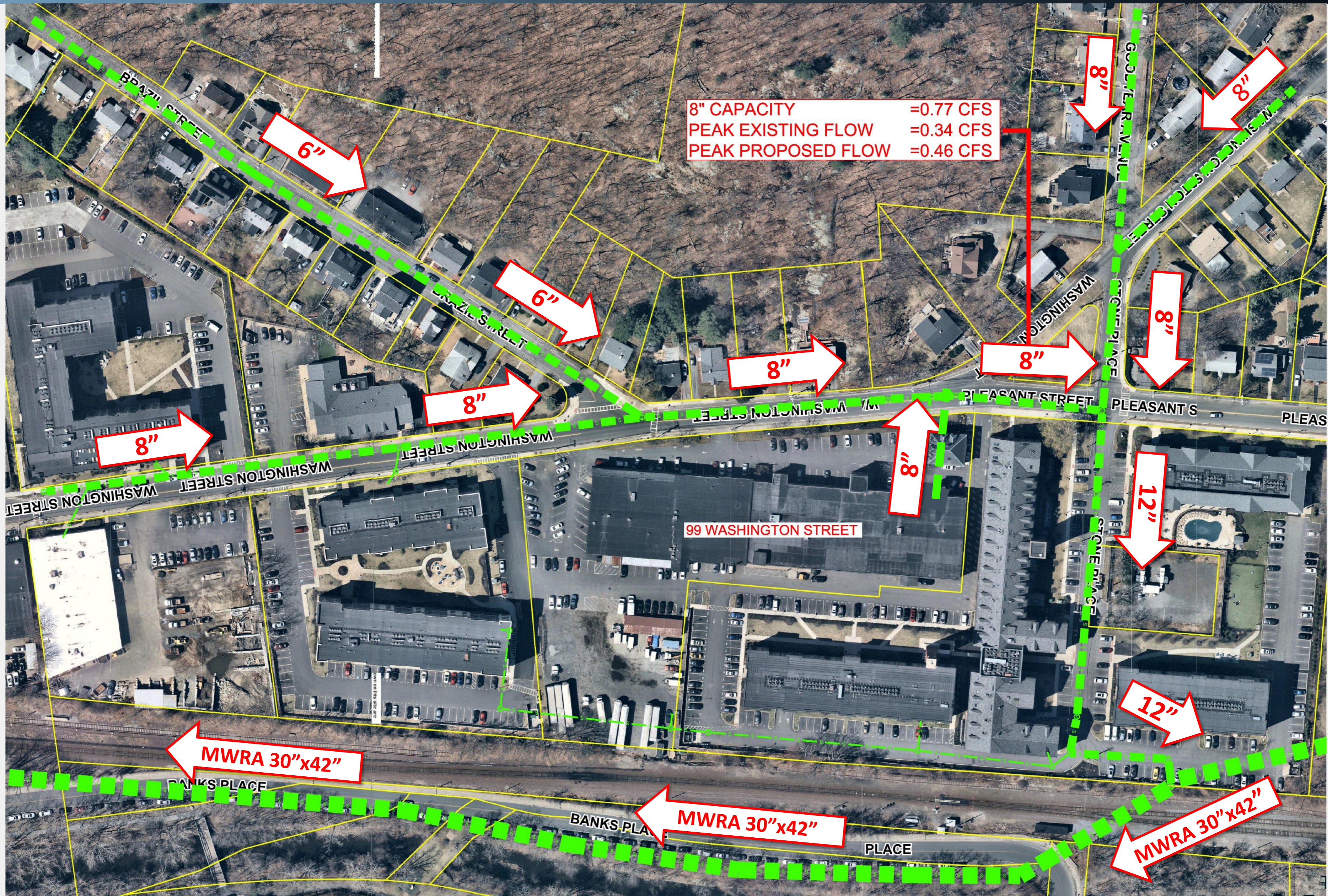
# Issues Raised at January 27<sup>th</sup> Planning Board Meeting

Tonight the development team hopes to address the issues raised at the initial Planning Board hearing on January 27<sup>th</sup>. The key topics are:

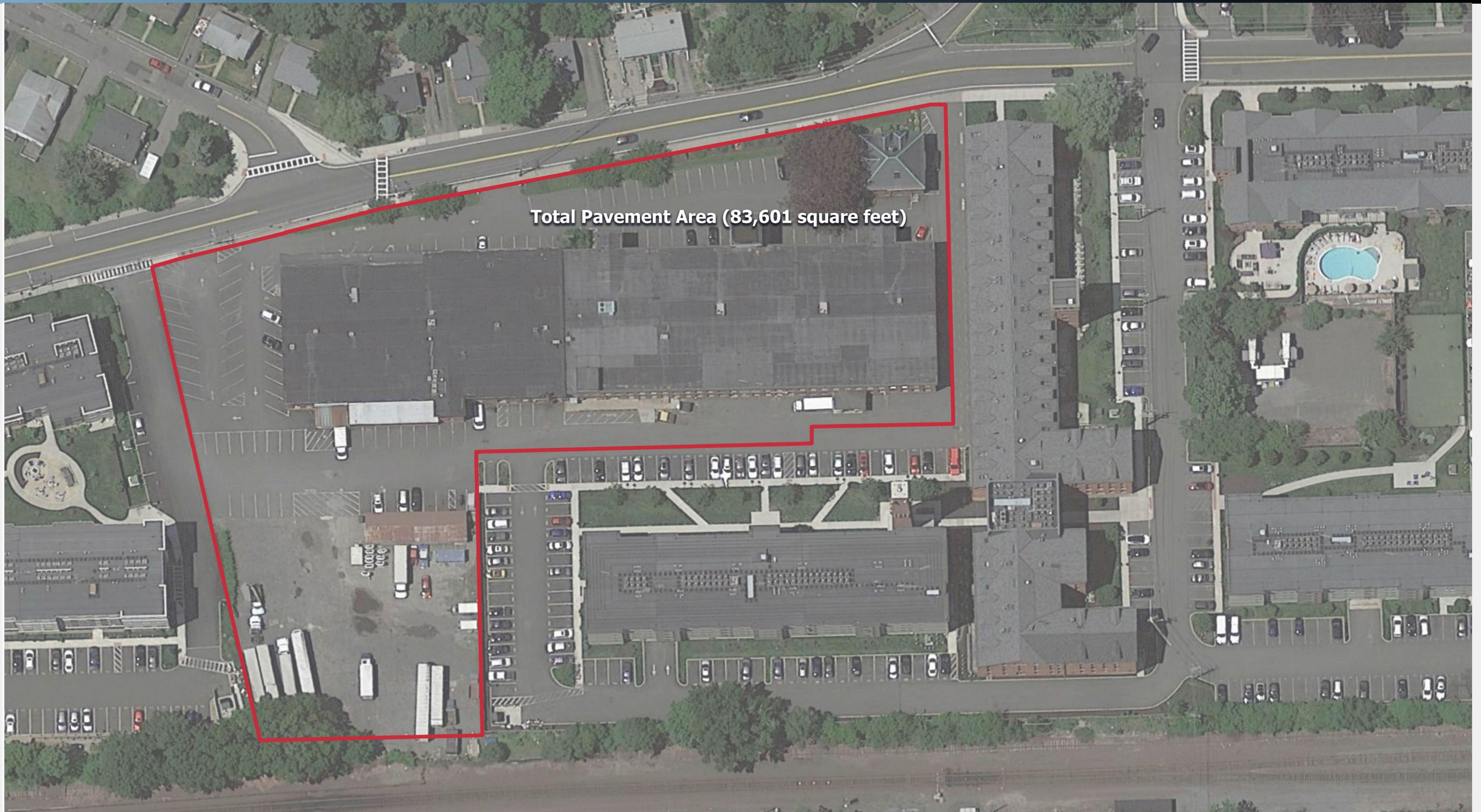
- 1 Sewer Capacity
- 2 Environmental Sustainability
- 3 Traffic & Parking
- 4 Fiscal Impact Analysis
- 5 Retail Study



# Detailed Sewer Analysis

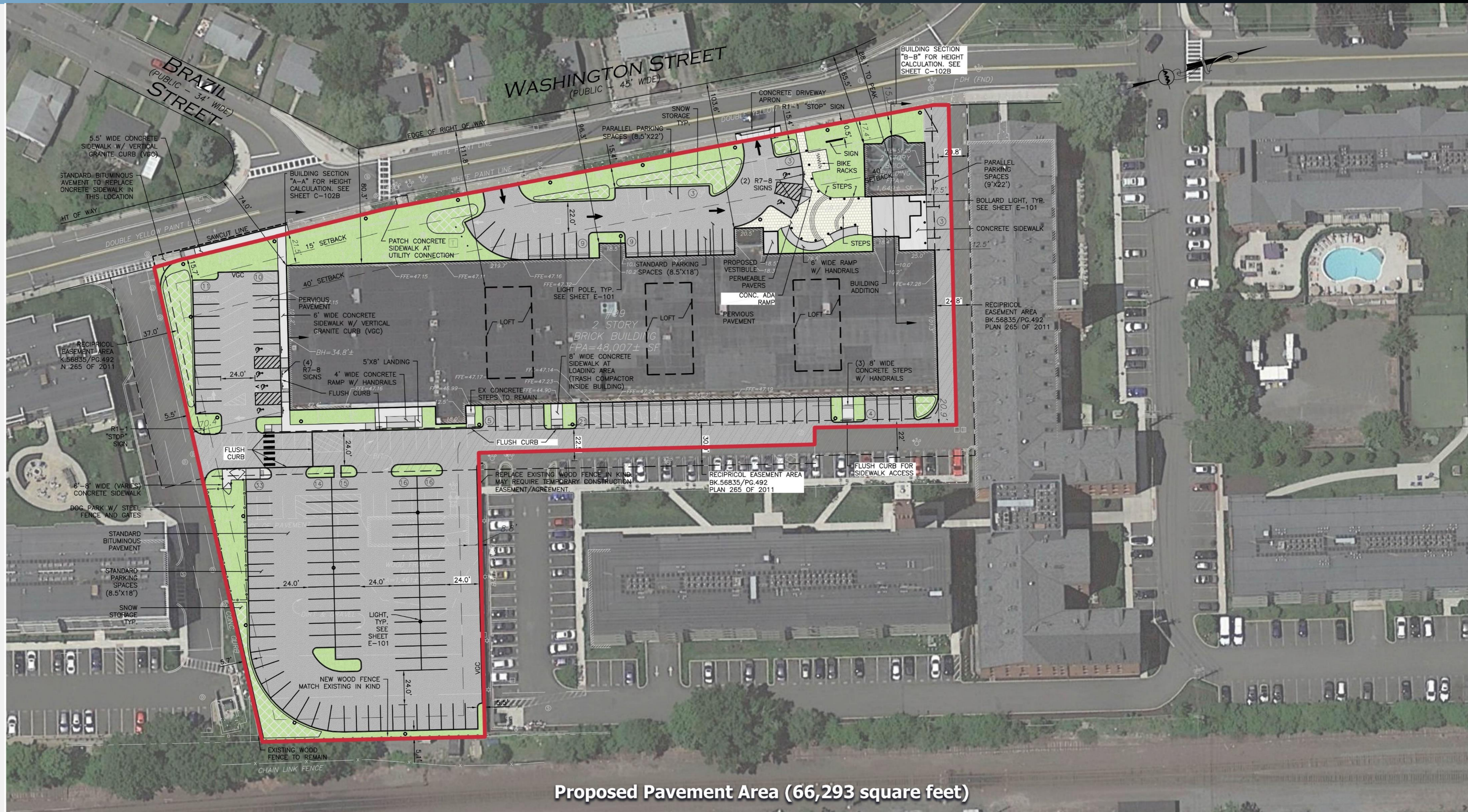


Existing Pavement Area: 83,601 SF (>60% of entire site)

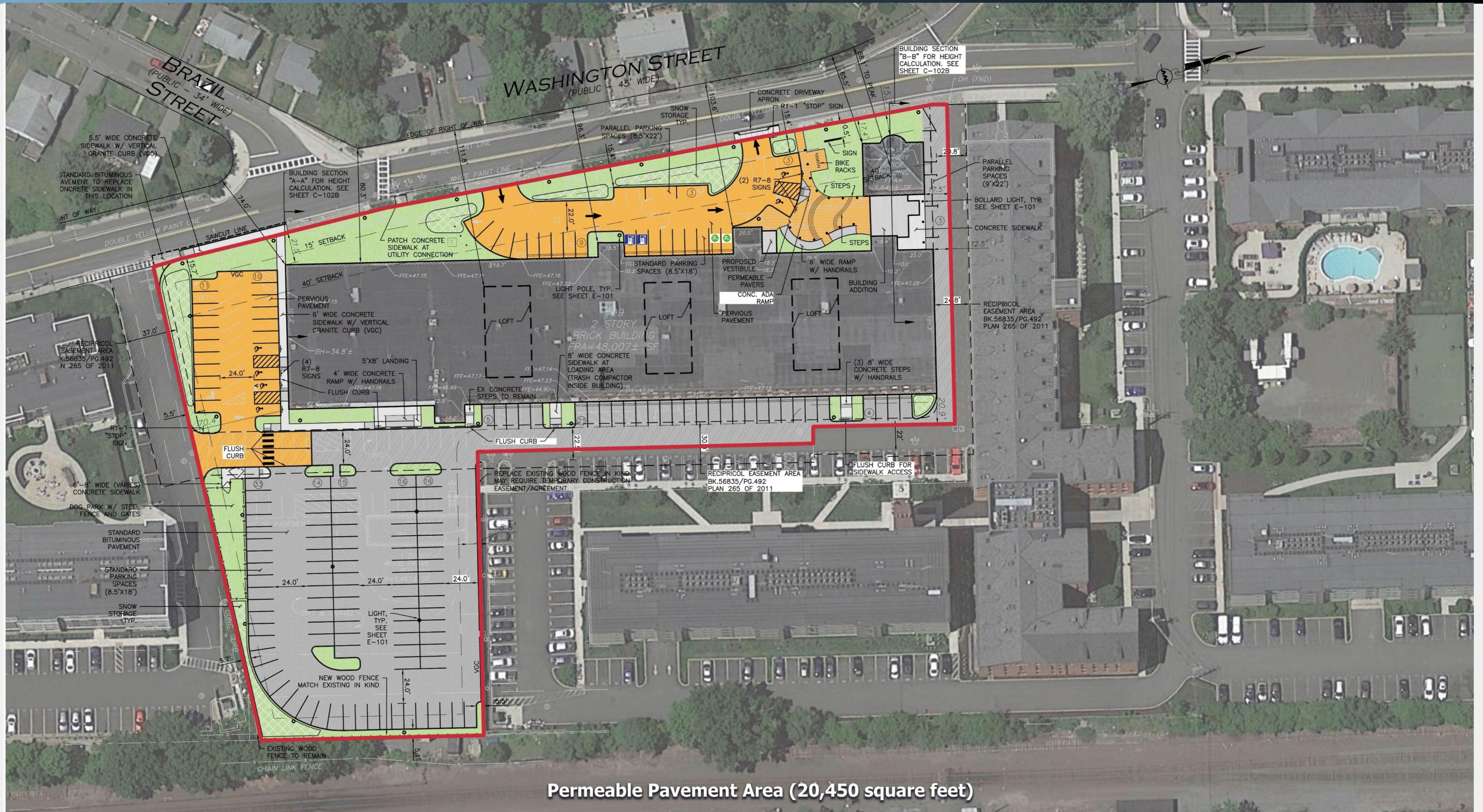


Total Pavement Area (83,601 square feet)

# Proposed Pavement Area: 66,293 SF (>20% reduction)



# Permeable Pavement Area: 20,450 SF (45% reduction from existing site)



Permeable Pavement Area (20,450 square feet)

## Green Building Highlights – Adaptive Reuse of an Existing Building

### Enhanced Site

- ❖ 45% reduction in water run off due to additional landscape and porous pavement
- ❖ Native plantings
- ❖ Expanded Infiltration

### All Electric HVAC for All Apartments

### Bicycle Use Encouraged

- ❖ 50 Indoor Bicycle Spaces + Public Bike Racks (\$20,000)
- ❖ Bike Share Program provided & managed by owner (\$12,000)
- ❖ Provide tenant bike storage in unit

### Encourage Alternative Transportation:

- ❖ Multiple EV Charging Stations at Front Doors (\$15,000)
- ❖ One-month MBTA pass for new Residents at move-in (\$17,000)
- ❖ Multiple Zipcar Parking on site (\$TBD)
- ❖ Parking spaces “unbundled” from unit rent payment
- ❖ Promote shared car services like Uber, Lyft and GetAround

### High Performance Building Envelope

- ❖ High Performance Windows
- ❖ Low VOC building materials and finishes
- ❖ Highly reflective roof surfaces

### Energy Efficient Building Systems

- ❖ Water saving domestic plumbing fixtures
- ❖ LED light fixtures
- ❖ Programmable thermostats
- ❖ Building and Unit Water & Electrical Metering
- ❖ Building systems commissioning

### High Indoor Air Quality

- ❖ No CFC refrigerants
- ❖ Fresh air & kitchen exhaust for improved interior air
- ❖ MERV-rated air filters
- ❖ Recycled construction & demolition waste

# Sustainability – Promoting Bike Usage

OGM intends to do all within its capabilities to encourage bike usage. With only 158 dedicated vehicle spaces for resident's use, OGM needs to ensure that its community members have easy access to bikes. The following efforts will promote that usage and ensure that ALL residents at OGM will have access to bikes.

## ❑ 50 Space Secure Bike Room with Fix-it Station & Pump

- ✓ Just inside the rear entrance (SW corner) OGM will create a secure bike room with up to 50 racks and a Fix-it station. Note that the Smart Growth ordinance only requires 7 bike storage spaces.

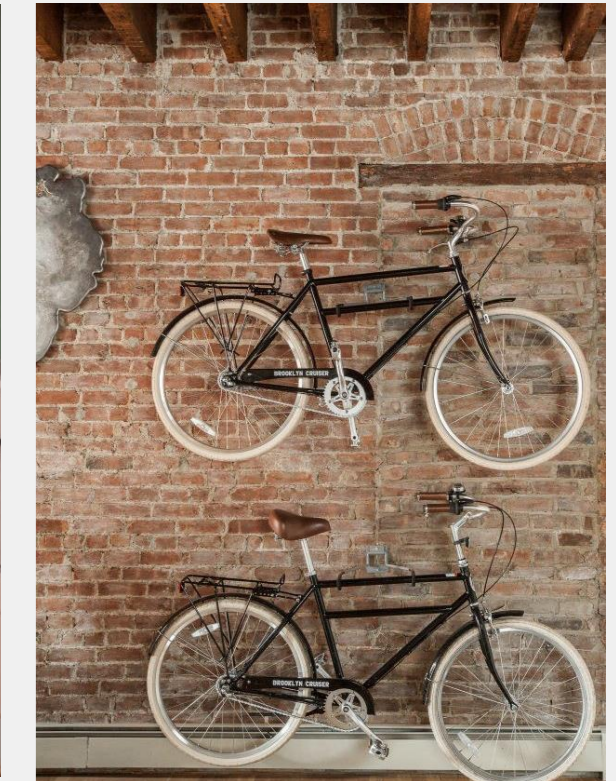
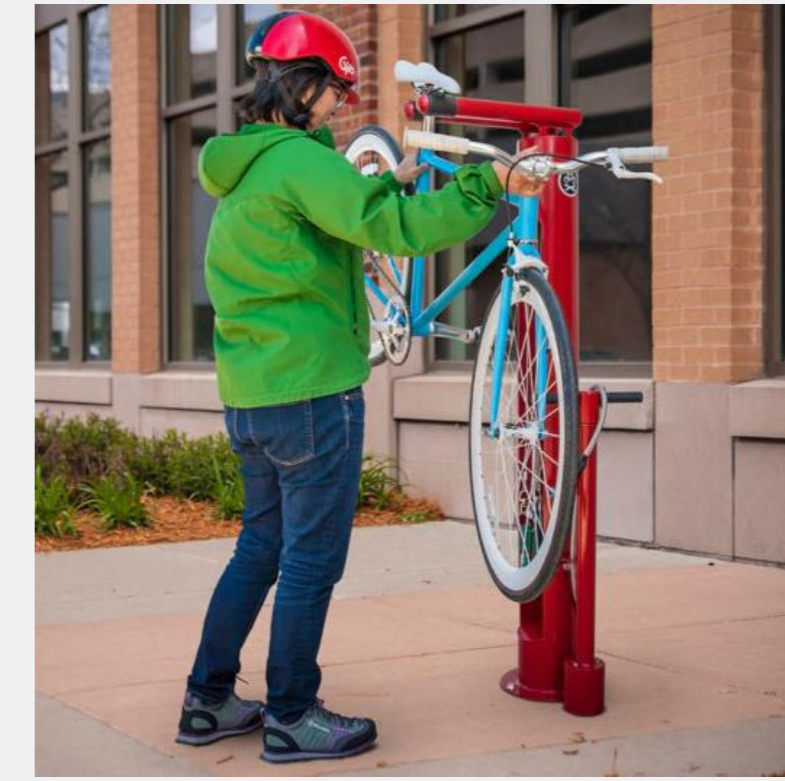


## ❑ On Demand Shared Bike Service

- ✓ OGM will install a shared bike rental service. This will facilitate bike access for even those without their own bikes.

## ❑ Public Bike Racks near the Property's Entrance

- ✓ OGM will install public bike racks near the community's entrance for residents, visitors and the neighborhood



## ❑ Elevated Bike Storage within Units

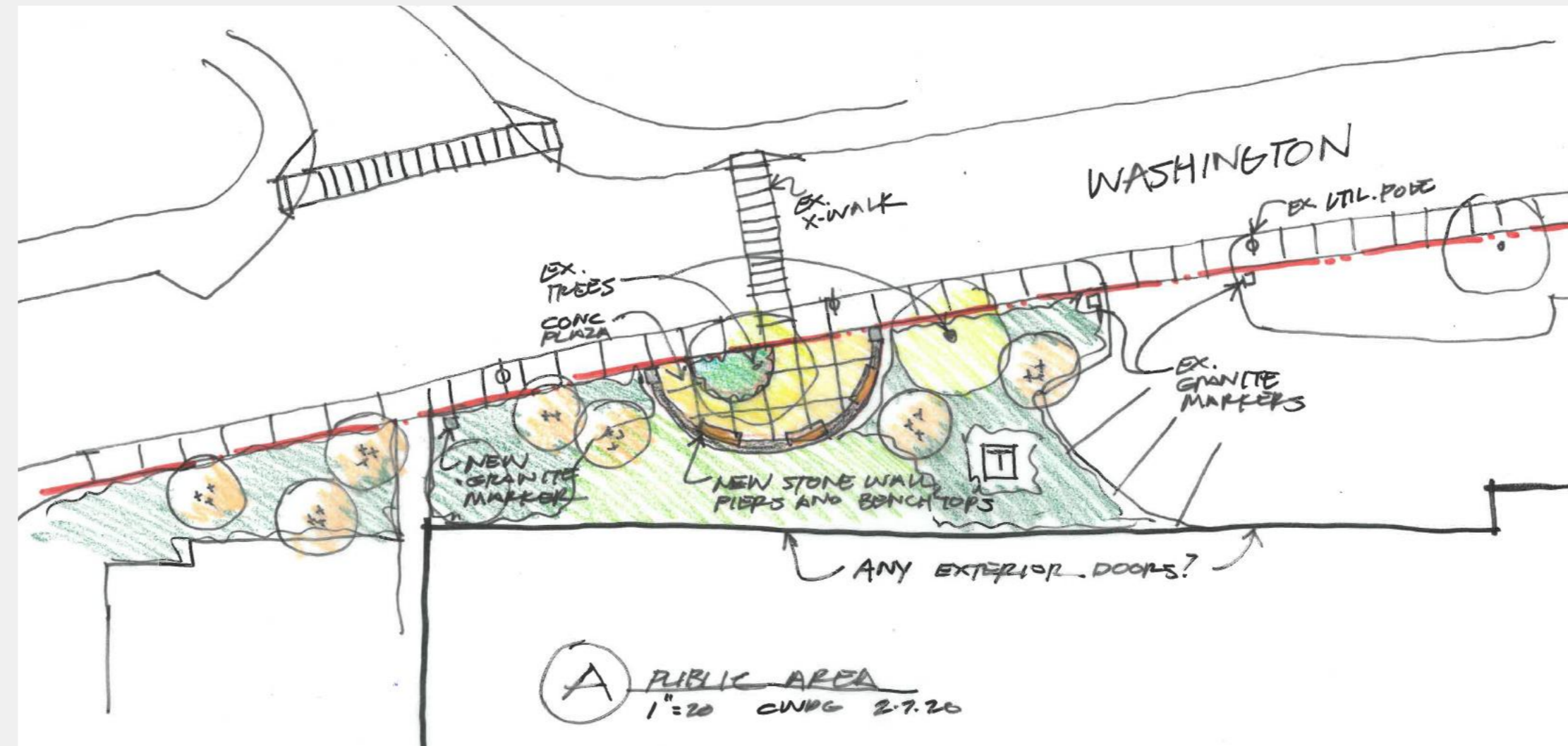
- ✓ OGM will assist residents with installing bike racks within units to allow the residents to take advantage of the ceiling height and store their bikes overhead.





# Public Space Improvements

- The proposed project will significantly upgrade the pedestrian experience on Washington Street:
  - ✓ Length of curb cut openings along Washington Street will be reduced by 80 feet
  - ✓ Raised sidewalks across the driveways at the main entrance and in the rear parking lot
  - ✓ Crosswalk connecting between parking area and rear building entrance
  - ✓ New lighting will be installed throughout the site and along Washington Street
  - ✓ Signs will be posted at vehicle driveways to alert drivers of pedestrian activity
  - ✓ Public seating area with benches at the southern crosswalk (intersection of Washington and Brazil Streets)



# Project Renderings



# Project Renderings



- Review of key transportation elements
- Key Comments from Planning Board and Commenters

# Net New Vehicle Trip Generation

- ❑ The Project will only produce a net increase of 22 vehicle trips per hour (1 car every 2.75 minutes) in the morning peak hour and 27 cars per hour (1 car every 2.25 minutes) in the afternoon peak hour.
- ❑ Over a single weekday, the Project will add up to 310 new vehicle trips on Washington Street, an increase of 1-2% of total vehicular traffic.
- ❑ The change in use from Industrial to Residential will also almost entirely eliminate the large truck trips in the area.

Time Period/ Direction		New Project Generated Vehicle Trips	Existing Vehicle Trips (REMOVED)	Net New Vehicle Trips
a.m. Peak Hour	In	+12	-20	-8
	Out	+35	-5	+30
	<b>Total</b>	<b>+47</b>	<b>-25</b>	<b>+22</b>
p.m. Peak Hour	In	+35	-8	+27
	Out	+22	-22	+0
	<b>Total</b>	<b>+57</b>	<b>-30</b>	<b>+27</b>

# Existing Travel Analysis

- ❑ In this immediate area, nearly 70% of the residents use vehicles to get to/from work
- ❑ OGM intends to encourage bike usage as well as attempt to increase its AVO through promotion of ride sharing.
- ❑ During the peak travel hours approximately 62-63 people pass by the property daily.
- ❑ The total count throughout the day is 427 trips (nearly half of which are return trips of the same individual)
- ❑ The pedestrian traffic insufficient to support retail at this location

## Travel Modes Shares

Land Use	Travel Mode Share			Average Vehicle Occupancy (AVO)
	Vehicle	Transit	Walk/Bicycle	
Residential	68%	27%	5%	1.18

## Pedestrian Counts

Time Period	East Sidewalk		West Sidewalk		Total Trips
	Northbound	Southbound	Northbound	Southbound	
<b>AM Peak Hour</b> 7:30 – 8:30 AM	<b>3</b>	<b>54</b>	<b>1</b>	<b>4</b>	<b>62</b>
<b>Midday Peak Hour</b> 12:00 – 1:00 PM	9	9	0	1	19
<b>PM Peak Hour</b> 5:00 – 6:00 PM	<b>46</b>	<b>12</b>	<b>3</b>	<b>2</b>	<b>63</b>
<b>Rest of 14 Hours</b>	136	128	12	7	283
<b>Total for 14 Hours</b> 6:00 AM – 8:00 PM	<b>194</b>	<b>203</b>	<b>16</b>	<b>14</b>	<b>427</b>

# Parking & Traffic Management Plan

## Parking

- ❑ 172 parking spaces (including 14 visitors) = 1.22/unit
- ❑ Competitive Properties:

Apartment Community	# of Spaces	# of Units	Spaces/Unit
Windsor at Oak Grove	931	550	1.69/unit
Jack Flats	292	212	1.38/unit
The Washingtons	242	182	1.33/unit
<b>Total / Average</b>	<b>1,465</b>	<b>944</b>	<b>1.55/unit</b>
Oak Grove Mill	172	141	1.22/unit

*\*Note that OGM per unit parking count is 27% below the market average.*

## Traffic Management Plan

- ❑ Parking spaces will be rented separately from units, or “unbundled”
- ❑ One-month MBTA pass (monthly link) to be provided to new residents upon move in
- ❑ Multiple Zipcar parking space will be provided onsite
- ❑ Multiple Electric Vehicle Charging stations will be provided onsite
- ❑ Approximately 50 secure and covered residential bicycle spaces will be provided in addition to public bike racks
- ❑ Bike Share program will be provided and managed by owner
- ❑ Promoting other shared car services like GetAround.com



# Key Comments from Planning Board and Commenters

- Pleasant Street/West Wyoming Avenue intersection
  - ❖ Intersection list was reviewed with Planning Department
  - ❖ About  $\frac{3}{4}$  mile from site
  - ❖ Project will add 5 to 9 net new vehicle trips per hour to this intersection
  - ❖ Count data West Wyoming/Berwick Street = 1,100 – 1,200 vehicles per hour
  - ❖ Increase related to the Project = 0.8%
- Reduction in early morning truck traffic
- Desire to review level of service and delay in more detail



# Intersection Level of Service Summary

Intersection	Existing (2019)		No-Build (2026)		Build (2026)	
	AM	PM	AM	PM	AM	PM
<b>1. Washington St/ Goodyear Ave/ Stone Place</b>						
EB Goodyear Ave left/thru/right	C	C	C	C	C	C
WB Stone Pl left/thru/right	A	B	A	B	A	B
SB Washington St left/thru/right	A	A	A	A	A	A
<b>2. Pleasant St/ Stone Place</b>						
EB Stone Pl left/thru/right	D	E	D	F	D	F
WB Stone Pl left/thru/right	D	E	D	E	D	E
NB Pleasant St left/thru/right	A	A	A	A	A	A
SB Pleasant St left/thru/right	A	A	A	A	A	A
<b>3. Washington St/ Pleasant St/ Site Driveway</b>						
EB Washington St left/thru/right	C	B	C	B	C	B
WB Site Driveway left/right	B	C	B	C	B	B
NB Washington St thru/right	A	A	A	A	A	A
SB Pleasant St left/thru	A	A	A	A	A	A
<b>4. Washington St/ Site Driveway (exit only under Build)</b>						
WB Site Driveway left/right	A	C	A	C	B	C
NB Washington St thru/right	A	A	A	A	A	A
SB Washington St left/thru	A	A	A	A	A	A
<b>5. Washington St/ Brazil St</b>						
EB Brazil St left/thru/right	D	C	D	D	C	C
NB Washington St left/thru/right	A	A	A	A	A	A
SB Washington St left/thru/right	A	A	A	A	A	A

# Intersection Level of Service Summary (cont'd.)

Intersection	Existing (2019)		No-Build (2026)		Build (2026)	
	AM	PM	AM	PM	AM	PM
<b>6. Washington St/ Site Driveway</b> WB Site Driveway left/right NB Washington St thru/right SB Washington St left/thru	B A A	C A A	B A A	C A A	REMOVED	
<b>7. Washington St/ 37 Washington St Driveway</b> WB Site Driveway left/right NB Washington St thru/right SB Washington St left/thru	C A A	C A A	C A A	C A A	C A A	C A A
<b>8. Washington St/ Glenwood St/ Winter St/ Grove St</b> EB Glenwood St left/thru/right WB Winter St left/thru   thru/right NB Washington St left/thru NB Washington St right SB Washington St left/thru SB Washington St right/hard right	F C F B B F C	E F C C B E B	F C F B B F C	E F C C B F B	F C F B B F C	E F C C B F B

Below are the key takeaways from the Fiscal Impact Analysis performed by RKG Associates

## 1) Annual Property Tax Increases

- ❖ The project (buildings only) will pay significantly more in annual property taxes
- ❖ Conservatively estimating the project would yield an additional 13 new students
- ❖ 2020 property taxes (building only) are \$7,038
- ❖ Added City Service Costs estimated to total \$135,360
- ❖ Added Education Costs estimated to total \$93,587
- ❖ **Projected property taxes (building only) = \$95,515 (an increase of 13.5 times)**

## 2) Vehicle Excise Taxes

- ❖ Individual taxes that are paid on registered vehicles
- ❖ Assumes 1 vehicle per apartment at the proposed project
- ❖ **Total = \$26,072**

## 3) One Time Fees & Permitting Costs

- ❖ In conjunction with the project, the developer will have to pay fees to the City for Building Permits, Zoning & Review Fees, and make contributions to Open Space and I&I funds.
- ❖ **Total = \$868,703**

## 4) Other, non-monetary benefits include:

- ❖ Restoration, repurposing and preservation of a historically significant mill property
- ❖ Creation of 19 deed-restricted affordable housing units
- ❖ Inclusion of landscaping and open space treatments to complement neighborhood
- ❖ Reduction in the amount of water runoff on site by nearly 45%
- ❖ Short-term increased in consumer spending from construction workers
- ❖ Long-term increase in consumer spending from new households

Melrose, MA - Proposed Development Oak Grove Mill - Summary Impacts	Melrose, MA
<b>Fiscal Impacts</b>	
Estimated taxes (FY 2020 - building only)	\$ 331,500
<i>less associated costs:</i>	
residential	\$ (135,360)
less education costs	\$ (93,587)
less existing "as is" taxes (FY 2020 - building only)	\$ (7,038)
<b>NET (annual and ongoing)</b>	<b>\$ 95,515</b>
<b>ESTIMATED Excise Tax Receipts</b>	<b>\$ 26,072</b>

One-Time Fees and Permitting Costs - Oak Grove Mill (preliminary)	\$
	868,703
<b>Construction Related</b>	<b>\$ 548,330</b>
Building Permit(s)	\$ 484,050
Electrical	\$ 21,315
Plumbing	\$ 42,965
<b>Selected Other</b>	<b>\$ 304,273</b>
Open Space Fund	\$ 155,100
Infiltration and Inflow (per BR)	\$ 148,548
Other	\$ 625
<b>Zoning Reviews and Fees</b>	<b>\$ 16,100</b>

## MELROSE RETAIL MARKET FUNDAMENTALS

- ❑ Retail has been a very difficult sector over the last 5+ years.
- ❑ Vacancy rates across the country, state and Greater Boston have increased significantly.
- ❑ Rents have dropped significantly as retailers' sales volumes have been on the decline for years
- ❑ The Melrose retail market is concentrated along Main Street between Essex and Grove Streets. These retail properties are generally older stock located on the first floor of mixed-use buildings.
- ❑ There are approximately 56 storefronts along the Main Street corridor, of which 7 are currently vacant.
- ❑ There are two new mixed-use buildings currently under construction with a total of 4 new retail spaces (6,500 SF) currently being marketed for lease.
- ❑ Asking rents are reportedly in the range of \$40/sf NNN.
- ❑ Other retail concentrations in Melrose are clustered immediately around the three Commuter Rail stations
- ❑ The closest retail location to 99 Washington is 0.5 miles away at the intersection of Winter & Washington Street, across from Oak Grove Station. These are the only storefronts within a 10-minute walk.

## TENANT VIABILITY MATH

The chart below examines the economics required for a retailer to survive at 99 Washington Street given the location, demographics, density, pedestrian counts and limited parking.

### RETAILER ECONOMICS

Retail Tenant SF	1,500 SF
Base Rent (NNN)	\$15.00/sf
Operating Expense Reimbursements	\$9.00/sf
<b>Total Rent per SF</b>	<b>\$24.00/sf</b>
Total Annual Rent	\$36,000
Tenant Breakeven Ratio *	9.0%
Required Annual Sales	\$400,000
Required Weekly Sales	\$7,692
Required Daily Sales (assumes 6-day week)	\$1,279
Average Ticket Price (per Customer)	\$7.00
<b># of Daily Purchases Required</b>	<b>183</b>
% of Passerby's that Make a Purchase	10.0%
<b>Required Pedestrian Counts</b>	<b>1,826</b>
<b>Avg. Daily Pedestrian Count **</b>	<b>427</b>
<b>Delta to Required Volumes of Foot-traffic</b>	<b>(1,399)</b>

\*Operating Margin of required sales for tenant's survival

\*\* Nearly half of the Pedestrian Counts would be the same individual

### LANDLORD'S COST BURDEN

Per SF Landlord Cost to Build Retail Space	\$250/sf
Total Landlord Costs	\$375,000
Total Net Rent from Tenant	\$22,500
<b>Years to Amortize Landlord Costs***</b>	<b>16.7 years</b>

\*\*\* Time required for Landlord to recuperate its initial investment.

After an extensive review of the immediate location and demand generators in the area, Atlantic has determined that a retail use as sought after by the developer and neighborhood would not be viable at this location. The main reasons are as follows:

## 1) Desirability of location

- ❖ While the Property is close to the Oak Grove “T” station and sits in an area with over 400 apartments and homes, this location is outside of the established shopping patterns and the long-standing commercial corridors.
- ❖ This site is viewed as inferior to the core retailing locations found along Main Street, West Wyoming and Franklin Street.

## 2) Lack of any co-tenancies

- ❖ Not nearly enough retail co-tenancy (other retailers that would draw consumers) in the area

## 3) Lack of Foot Traffic

- ❖ With pedestrian counts of only 427 per day (most of which are the same individual passing twice) there is no where near enough foot traffic to support a retail operation.

## 4) Parking Demands and Increased Vehicular Traffic

- ❖ As a result of the limited pedestrian traffic, a potential tenant in this location would rely heavily on vehicular visits. In fact most coffee shops and cafes with whom Atlantic Retail discussed the opportunity insisted on 30 dedicated parking spaces in addition to a drive through lane.

## 5) Direct Feedback from Tenants in the Market

- ❖ Atlantic showed the potential leasing opportunity to many of its tenant clients and the feedback confirmed the difficulties in a successful retail operation at the site. Almost all cafe, restaurant, service and fitness tenants, rejected the location, even if the lease terms were extremely tenant favorable.



## **What we have discovered through our studies in Melrose and 99 Washington specifically:**

- ❑ Retailers are hurting in Melrose just like everywhere else
- ❑ High level of competition for cafés in Melrose that all fall into three key location characteristics:
  - ❖ On Main Street – Starbucks, Dunkin Donuts, Jitters, Caffe Nero (pending)
  - ❖ Have Drive Through – Dunkin Donuts
  - ❖ Within 1 block (500 feet) of a Commuter Rail stop – Bohemian Coffee, La Qchara
- ❑ Retail use at OGM would require 10-20 dedicated parking spaces and create additional traffic, especially at peak hours
- ❑ Economics of retail operations are very challenging given startup costs, construction costs and increased competition locally
- ❑ Retail at The Washingtons sat vacant for years until they settled for a physical therapy use. Not ideal for owner or community.
- ❑ Retail at Windsor sat vacant for year and is struggling. Sales are down and vacancies are pending. Its reported that over 95% of patrons arrive via car rather than on foot or on bikes.

## **What we know:**

- ❑ Retail is evolving at a rapid pace.
- ❑ The days of 10-year lease with credit tenant are no more.
- ❑ Tenants want shorter term, smaller spaces, flexible rent structures and the landlord to pay for all the improvements

## What we propose:

- ❑ In lieu of a fixed retail space, OGM will have a flexible retail program that incorporates food trucks on weekends and a pop-up coffee kiosk near the entrance to the property. Both will be available to the community.



THANK YOU!





# APPENDIX – Site Challenges

