Needham Finance Committee
Minutes of Meeting of October 10, 2019

The meeting of the Finance Committee was called to order by Vice Chair Carol Smith-Fachetti at approximately 7:00 pm at the Needham Town Hall.

Present from the Finance Committee:
Carol Smith-Fachetti, Vice Chair
Members: Barry Coffman, Joshua Levy, Richard Lunetta, Richard Reilly

Others present:
David Davison, Assistant Town Manager/Finance Director
Cecelia Simchak, Adminstrative Analyst, Public Works
Barry Dulong, Director of Building Maintenance, Public Works
Martin Jacobs, Chair, Planning Board
Elizabeth Grimes, Vince Chair, Planning Board
Paul Alpert, Member, Planning Board
Lee Newman, Director of Planning and Economic Development
Dan Matthews, Member, Select Board

Citizen Requests to Address Finance Committee

No citizens requested to speak.

Approval of Minutes of Prior Meetings

MOVED: By Mr. Reilly that the minutes of the meeting of September 4, 2019 be approved as distributed, subject to technical correction. Mr. Lunetta seconded the motion. The motion was approved by a vote of 5-0.

October 28, 2019 Town Meeting Warrant Articles: Discussion and/or Vote

Article 8: Appropriate for Pollard School Gym

Mr. Davison stated that the funding for the Pollard gym are funds available after the completion of the Newman School gym improvement project. That project finished under budget because the project included funding for asbestos abatement that was not needed. The Pollard project will need asbestos abatement that was not anticipated, and thus not funded. Ms. Simchak stated that a number of spots in the Pollard gym were tested, but did not reveal any asbestos, though there ended up being asbestos under the cement floor. This article will add $125K to the Pollard project, including a 15% contingency. Mr. Davison stated that this part of the Newman gym project originally had a budget of $275K, through it was part of a larger phased project. Mr. Davison confirmed that the additional $125K will be sufficient for the Pollard project. Mr. Davison stated that the work is being held off until the school is available in June, but waiting until the Annual Town Meeting would not allow the work to start in June.

MOVED: By Mr. Lunetta that the Finance Committee recommend adoption of 2019 Special Town Meeting Warrant Article 8: Appropriate for Pollard School Gym in the amount of $125,000. Mr. Coffman seconded the motion. The motion was approved by a vote of 5-0.

Article 5: Zoning By-law - Highway Commercial 1

Ms. Grimes stated that the area at issue has had substantially the same use for approximately 50 years. While there are no proposed projects, the Planning Board sees an opportunity for economic development if the zoning is changed. The goal is to set up a framework for the maximum economic potential, and maximum commercial values, while taking into consideration traffic safety and the visual issues since the area is considered a gateway to the Town. She noted that it can take years following zoning changes for projects to take advantage of the potential additional uses. She stated that there are a number of new uses shown in the use table, some of which are allowed as-of-right, and others allowed only by special permit.

Ms. Grimes described the rationale for the changes. The Planning Board has gone through years of iterations. They first looked at a larger area, all the way down Gould Street, which would have been a different scale. She stated that the new fiscal impact analysis shows the significant property tax gains expected with the current proposed zoning changes. She stated that typically a fiscal impact analysis is done very late in the process if ever, because a developer rather than the Town would pay for it. She stated that the Town Assessor reviewed the analysis and agrees with the underlying assumptions.

Mr. Reilly noted that the analysis assumes that the area is fully built out, and asked what would be the expected time frame, and whether there would be any associated expenses for the Town before getting there. Ms. Grimes stated that she expected that there were no hurdles to getting there. Mr. Coffman asked what might happen if the zoning were not changed. Ms. Newman stated that the zoning is industrial and the most restrictive, including a 2-story maximum/30-foot height restriction, which is even lower than the residential area across the street. The build-out analysis shows that there is little to no expansion potential of the Muzi property under the existing zoning. The current floor area ratio (FAR) is 0.42, and the zoning allows 0.5.

Ms. Grimes stated that one of the questions that the Finance Committee previously raised was why the Planning Board chose that uses that are proposed to be allowed under the proposed by-law, which uses would not be allowed, and which would be allowed by special permit. She stated that there was much discussion among members of the Board, and that they also spoke with developers and commercial real estate professionals, but that in the end it is a guessing game to some extent. Ms. Newman stated that they also relied on the mixed-use Route 128 district as a model, but some uses allowed there were not included here, such as warehousing, because this is a gateway location. Ms. Grimes stated that the proposed zoning allows a 25,000 square foot grocery store, which, while somewhat arbitrary, is based on the size of the Whole Foods in Wellesley. They are seeking to avoid a large supermarket like Market Basket. Mr. Coffman asked why that decision to exclude larger stores was made prior to the release of the fiscal impact study, rather than allowing them by special permit which limits flexibility. Ms. Grimes stated that that issue was debated by the Board and it was decided that a big box retailer was not wanted in that area no matter what. Mr. Jacobs stated that they are trying to open up the area for developers to come forward with ideas, but with limits. Ms. Newman stated that when the build-out analysis was done in 2015, the best use was deemed to be 60% offices and 40% warehousing. However, the Planning Board decided that warehousing was not appropriate at the Muzi site. She stated that the traffic study was based on those percentages, but updating the use profile would not significantly change the effects on traffic, since retail will likely be busy at the high traffic times.

Mr. Reilly asked why they are not considering re-zoning the area all the way down Gould rather than just the Muzi and Channel 5 properties. He asked whether there will be any additional cost to the Town. He stated that addressing only part of the area could hold up a project later. Mr. Coffman stated that it may make sense to change this area faster. Ms. Grimes stated that it may make sense to consider more residential or different uses at the other end of Gould Street. She stated that the Planning Board did not want an apartment building in the Muzi area since they have gotten a sense from Town Meeting that people don't want more housing because of the related costs, though developers would like mixed uses. Mr. Coffman noted that the School Department saw 40 fewer kindergarteners than expected this year.

Mr. Lunetta asked what the ideal uses for the area would be. Ms. Grimes stated that she would like to see 2-3 buildings with retail and restaurants, and with office space above. Ms. Newman suggested a smaller retail building out front and a larger office building behind it. Mr. Jacobs stated that he has no ideal use in mind, and that he would like to change the zoning to open up the possibilities and to see what ideas developers propose. Mr. Coffman asked how the uses were decided to be as-of-right versus by special permit. Ms. Grimes stated that the as-of-right uses were those that the Board is comfortable are appropriate, but she felt that realistically almost any project will need a special permit. Ms. Newman stated that as-of-right uses are uses that would not have an impact that needs to be controlled.

Mr. Levy asked if the traffic study would be updated before the Finance Committee next meets on October 23. Ms. Newman stated that there would be an update in 7-10 days, but that it would be based on the build-out for the whole corridor, and she expects that the demand will not go beyond what is in the original study. Mr. Reilly stated that the study recommends $1.36 million in improvements, and asked whether that would be needed before the area could be built out. Ms. Grimes stated that such improvements would be required as part of the special permit process and that the developer would need to make the improvements. Ms. Newman stated that some things should be done right away such as installing a traffic light at Gould Street and adding a turning lane. The first three items are recommended under the existing conditions. Mr. Levy stated that there seems to be a lot of traffic in the area, and that if the traffic can't be accommodated, it would seem that the Town would not want more building in that area. Ms. Grimes stated that the Planning Board would work with the Select Board in the permit process to make sure that any project does not have a negative impact.

Article 6: Zoning - Map Change Highway Commercial 1

Ms. Newman stated that this article changes the zoning map so that the Highway Commercial 1 area is as described in the previous article. Ms. Fachetti asked if it made sense to re-zone just that area. Ms. Newman stated that they got pushback from the neighborhood on efforts to expand further. People are more comfortable with these changes, and will see the most economic potential, so it is most important. Mr. Coffman asked whether there have been any developers that were interested and walked away because of the current zoning. Ms. Grimes stated that she had heard that was the case, but did not know firsthand. There was a discussion of the height limits in the article, and the fact that the heights can increase in the area near the highway where the property slopes down. Mr. Lunetta noted that as a Finance Committee member, he supported the changes, but as a resident, he would prefer something different, like a park.

Mr. Matthews stated that the Select Board has been waiting for the final language of the article before voting. He stated that this zoning presents an opportunity, and when changes might happen will depend on the business cycle. More permissive zoning will benefit the Town. The article will address the visual impact. Traffic issues will be managed in the special permit process. Mr. Reilly asked if this is complementary to the changes happening on Needham Street in Newton. Ms. Grimes stated that Newton is considering a huge amount of residential use, in a mixed use area.

Article 7: Zoning - Accessory Dwelling Unit

Mr. Alpert stated that there have been three main substantive changes since this article was presented at the Annual Town Meeting: (1) The Planning Board changed the provisions about temporary absences so that if an owner is away for greater than 9 months, there can be no ADU. The owner must advise the Building Commissioner if going away for less than 9 months. Mr. Reilly asked if this provision was enforceable. Mr. Alpert stated that the Building Commissioner does not have the capacity or budget to enforce the provisions proactively, so the Town will find out only if a neighbor reports the owner, or if the owner informs the Town; (2) They removed the requirement that a second entrance on a house for the ADU could not be in the front of the house; (3) If there is a change of ownership, the new owner cannot simply file and affidavit, but must apply for a new ADU permit. Mr. Reilly asked if that included a change of ownership within a family. Mr. Alpert stated that it did, but the process would likely be easy in that situation. Ms. Fachetti asked if they considered expanding the definition to include nannies/child caregivers. Mr. Alpert stated that was discussed, and the Board decided against it. He stated that most people want a nanny to be part of the family, and not in a separate unit.

Mr. Levy asked if there were any changes as a result of the public hearing. Mr. Alpert stated that they made the definition of ADU in section 1.3 match word-for-word with the definition in the ADU section in 3.15.12 to avoid any inconsistency. The change was not substantive. Mr. Levy stated that he is concerned about the definition of family, and that it is too narrow. For example, if a home has an owner in a domestic partnership, they could not bring in family of the non-owner partner to care for them. Mr. Jacobs stated that the owner could argue that the domestic partner is an owner. Mr. Alpert stated that this would affect few people in Town, and noted that if a couple is not married, then they are not eligible for certain benefits under various laws. Mr. Levy stated that there are some complications in the definitions, and with the provisions on absences from the home. He stated that the substance of the article is good but it could fail because of the remaining issues. He asked why they don't allow the ADU to have a caregiver of any resident. Mr. Jacob stated that the Board was concerned that if the definition of family is too expansive, then the provision could be open to abuse. Mr. Alpert stated that the goal was not to allow de facto two-family housing in the single family district, while allowing a caregiver to live in a separate unit.

Mr. Matthews stated that this article is important to the Select Board, since the idea was called out in studies about changes needed to improve housing for aging people in the community. He stated that the issue should be whether this is reasonable. If it is not successful, then the Town will not have gone too far, and it can be changed. He feels that this is a cautious approach, and that there will be better compliance because some people with existing unknown units will come forward to work with the Town in good faith. Mr. Alpert stated that he knows of one Town Meeting member who intends to come forward with a proposed amendment to the family provision.

The Finance Committee discussed whether the article has a financial impact. The Committee noted that it did not take a position on the ADU article at the Annual Town Meeting because it did not find a discernible financial impact. Mr. Levy supported taking a vote on the article since, although the net effect is likely close to zero, the provision will be beneficial to some and detrimental to others. The Committee planned to vote all zoning articles at the next meeting.

Finance Committee Updates

There were no additional updates.

Adjournment

MOVED: By Mr. Levy that the Finance Committee meeting be adjourned, there being no further business. Mr. Lunetta seconded the motion. The motion was approved by a vote of 5-0 at approximately 8:42 p.m.

Documents: October 28. 2019 Special Town Meeting warrant; Gould Street – Industrial 1 and Reservoir Street – Industrial Districts, December 2015 Traffic Impact Study.

Respectfully submitted,

Louise Mizgerd
Staff Analyst

Approved October 23, 2019