



TOWN of NEEDHAM  
MASSACHUSETTS

PLANNING & ECONOMIC DEVELOPMENT DEPARTMENT  
**Economic Development**  
781-455-7550 x213

**MEETING OF THE COUNCIL OF ECONOMIC ADVISORS**  
**WEDNESDAY, February 4, 2015 7:30 AM**  
**Charles River Room PSAB**

Present: Matt Talcoff, Chair; Bill Day; Marty Jacobs; Peter Atallah; Rick Putprush; Tom Jacob; Moe Handel; Michael Wilcox; Bob Hentschel; Bruce Herman; and Devra Bailin, staff  
Not Present: Glen Cammarano; Janet O'Connor; Brian Nadler; Elizabeth Grimes; 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 January 7, 2015.

**II. Reminder of Next Meeting Dates**

Our next meeting will be on March 4th. 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**

Devra explained that the Town is working with MassDOT and its traffic engineer, Gary McNaughton from McMann Associates, to implement some of the suggestions that the Town has with respect to the recent problems created by Barletta's restriction of the Kendrick Street bridge over 128. Upon notice by owners, the Town immediately contacted and met with MassDOT and Barletta and monitored the situation. Lt. Kraemer proposed various changes to be implemented which are being reviewed by the traffic engineer. The Town was supposed to meet with the owners on Monday but this has been postponed due to the blizzard until probably next Friday. In the interim, the Town has provided police details to lengthen the light at Hunting/Greendale to allow improved flow and a dedicated left-hand turn signal there. Advance notice, which MassDOT assured would accompany this phase of the project, was not provided and communication needs to be improved.

**IV. Update on Mixed Use-128 Residential Overlay**

Devra introduced John Connery from Connery Associates, who has prepared a preliminary fiscal analysis for the residential overlay (which was emailed prior to the meeting and hard copies provided at the meeting), and Susan Connelly from Mass. Housing Partnership, which agreed to fund John's work on this project. John began by explaining his methodology (which is explained in his report) and his

findings. His base analysis was for 250 luxury rental units of which 50% were 1-bedroom, 40% 2-bedroom and 10% 3-bedroom. He chose this configuration because it is large enough to have amenities and be a first class development with onsite administration and maintenance. He has determined that this scenario is revenue neutral and will generate an average of 43 school aged children (the operational range would be between 38-48 students). If the 1- bedroom units are increased to 60%, 2-bedroom reduced to 30%, and 3-bedroom remaining the same, the revenue is slightly positive; changing the 1-bedroom to 70% improves the situation again. Reducing the percentage of affordable units, even while maintaining the original makeup of the units, from 25% to 12.5% is, from a revenue perspective, highly advantageous and more sustainable. Allowing a developer to increase the number of 1-bedroom units will increase the revenue produced to the Town. Going to a Charles River Landing model—70% 1-bedroom and 30% 2-bedroom (and no 3-bedroom)—would cut the number of school children in half. John explained that if the affordability is reduced to 12.5%, this results in considerable savings. Keeping the original scenario with affordability reduced to 12.5% reduces the number of school aged children to 33; increasing the 1-bedroom units to 60% and using 12.5% reduces the number to 25. Market price 2-bedroom units: .15 children per unit; Affordable 2-bedroom: .45 children. Market price 3-bedroom units: .6-.8 children per unit; Affordable 1-1.5.

If the percentage of affordable units is cut below 25%, only the affordable units can be counted. Susan was asked and explained that none of the units, even if affordable, will count if the 10% 3-bedroom requirement is not complied with.

Devra noted that we cannot dictate rental vs. condo via zoning, but asked about the impact on revenue picture if the units were condo rather than rental. John explained that the condo scenario would increase the profitability to the Town dramatically. John noted that, using our assessor's valuation process (which is based on net operating income and includes a 10% vacancy rate), a 2-bedroom rental would be assessed at \$279,000. A 2-bedroom condo would be valued at least \$500,000. Devra also asked about using some portion of the buildings for retail, consumer services and restaurant and maybe office (true mixed use). John stated that this would again increase the value from a revenue perspective.

John wanted to point out that, using the four or so parcels which might be consolidated to create a multi-family residential complex, a new residential development under the base scenario would be assessed at about \$61 million. **All** of the commercial properties along Charles Street in the Mixed Use-128 presently have a combined assessed value of about \$8.8 million. Charles River Landing is assessed at over \$70 million.

A first class residential development may kick-start redevelopment in the area but it is impossible to assess that. Although speculative, it is very likely that such a development will result in money being spent in the local economy. There was discussion of impact zoning requirements—it was noted that Needham has a traffic mitigation fund, drainage requirements and street opening requirements. Needham has never required a fee to be paid or facilities to be provided which are not directly related to the development (e.g., lump sum toward schools or provision of community center or park).

John was asked how we deal with the fact that our schools are over capacity now. John noted that is taken into account in the cost per pupil figure he is using. Where schools have excess capacity, he reduces the operational numbers by 15-20%. For Needham, he kept the higher costs in. The base

scenario produces 43 students at the cost per pupil of \$12,820. It was pointed out that certain capital improvements, Hillside and Mitchell schools, are already on the list. The additional students in five years won't change that. It was also noted that we allow subdivisions basically as of right without any regard to the number of students they are likely to add. Mike asked about the "echo effect" which occurs when empty nesters sell to families. John noted that most people (75%) stay in their single family homes until they die. There really is not echo effect which increases school age children when you create multifamily units.

Susan pointed out that from the State perspective, policies to create multi-family housing are necessary to unlock economic growth. Massachusetts is losing its college educated work force because we don't have adequate housing. She noted they are asking the Legislature to provide financial incentives to municipalities which voluntarily create multi-family housing. We need to stop looking at the issue locally and view housing as a regional issue. The capital cost of providing for students is a different issue and often one which exists whether affordable housing is provided or not. She also observed that even empty nesters are not looking for 1-bedroom units—they want room for family to visit and/or for den or office.

#### **V. Update on Industrial District Subcommittee**

Moe noted that funding is being sought for the work necessary to recommence work on this zoning. He isn't sure of the format but the BOS is very supportive.

#### **VI. Discussion of N<sup>2</sup> and Needham Crossing Branding**

It was noted that Normandy put a small banner on the TripAdvisor building with Go Pats and Needham Crossing. Devra was asked to find out from Mark whether a larger banner will be posted to the effect: Normandy welcomes TripAdvisor to Needham Crossing.

#### **VII. Update on N<sup>2</sup> Innovation Corridor**

Devra explained that the Newton-Needham Chamber of Commerce met the goal of \$50,000, including \$5000 matching funds from Needham and \$7000 from Newton. The grant has been submitted and we are still awaiting the decision on funding.

#### **VIII. Update on Babson Application for Detailed Downtown Marketing Plan**

The Babson MCFE student presentation and documents are available online. Devra noted that she has ordered copies of the report and power point, which she hopes will be available at our next meeting.

#### **IX. Update on Needham Crossing (Signage at Entrances)**

Devra handed out the suggested locations and signage that Jon Feder of FastSigns and Mike are working on, including locations on private land. Members thought that the signage should include something to the effect that Needham Crossing is the gateway to N<sup>2</sup> Innovation Corridor. Mike will have Tina take a stab at revising the signage. He also agreed to reach out to the owners of the private

property about posting the signage. The difficulty is determining where to locate them so they don't have to be moved during the corridor reconstruction. Mike felt it would not be a problem for owners to pay for the four signs, including installation. Devra noted that there is only about \$1100 left in the branding and marketing account.

#### **X. Update on Downtown Subcommittee (Streamlining Suggestions)**

Devra noted that since the members of the Downtown Subcommittee met with members of the Planning Board in November to discuss moving forward with additional streamlining efforts, nothing has happened. A joint meeting with the Planning Board and BOS was held about creating priorities and creating a schedule for moving these along. But as yet there is nothing to report.

#### **XII. Other Business**

Devra provided the members copies of recent newspaper reports on Needham Crossing, including: the sale of TripAdvisor by Normandy to C & W for a purported \$140 million (an article which Rick provided to Devra), BBJ article "Look to Needham aspiring developers", BBJ article "Normandy pays \$55 million for 28-acre General Dynamics property in Needham", BBJ article "Normandy planning \$300 million 41-acre 'superpark' at former General Dynamics site in Needham", BBJ article "TripAdvisor may nearly double its new Needham HQ to accommodate 2,500 employees", and BBJ article advising that Bigbelly is moving to Needham.

Rick noted that, at least after the first snow removal, the merchants who had complained to him before were happy with the Town's efforts.

#### **XIII. Adjourn**

The meeting was adjourned at approximately 9:15 a.m.