



Council of Economic Advisors
Town Hall
1471 Highland Avenue
Needham, MA 02492
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Minutes
Council of Economic Advisors
Wednesday, October 14, 2020 9:00 a.m.
Zoom Meeting ID 840 2622 0888
Approved November 4, 2020

Members Present: Stuart Agler, Adam Block, Tina Burgos, Glen Cammarano, Bill Day, Virginia Fleisher, Maurice Handel, Adam Meixner, David Montgomery, Rick Putprush, Michael Wilcox

Members Absent: Anne Marie Dowd, Robert Hentschel, Ted Owens, Matthew Talcoff

Others Present: Maureen Callahan, Rep. Denise Garlick's office; Lise Elcock, Newton Needham Chamber of Commerce; Amy Haelsen, Economic Development Manager; Lee Newman, Director of Planning and Community Development

1. Adam Block, Chair, opened the meeting at 9:00 a.m. He announced that that this meeting of the Council of Economic Advisors was being held remotely, consistent with current state regulations, and was being recorded.

2. Minutes of September 9, 2020

Mr. Handel moved to adopt the minutes of September 9, 2020. Mr. Putprush seconded the motion. The motion was unanimously approved.

3. COVID19 State of Emergency Update

Ms. Haelsen gave a report on behalf of Tim McDonald, Director of Health and Human Services for the Town, who was unable to attend:

- Cases have been slowly increasing in Needham since the beginning of September. The Town has spent two consecutive weeks in the Yellow category, with approximately 5 daily cases per 100K population, as assessed over a rolling 2-week period. The Town's positive testing rate is fairly low at 0.63% but has increased slightly since mid-September.
- Over last available two-week period (9/20 to 10/03), there have been 21 cases in Needham, spread just about evenly across the age spectrum. There is no one source of cases in the community – cases are coming through regular social interaction which is commonplace when people are contagious before they start to feel ill

(infectious before symptomatic). One observation of some, but not all, of the recent cases is that people appear to no longer be limiting their social activities. They are seeing multiple groups of people and though compliance with distancing and face covering remains high, every social interaction outside of your immediate family pod or living arrangement group carries with it some risk of spreading infection.

- Public Health wants residents and businesses to consider their priorities and recognize that, although it is unappealing to think so, the pandemic means that we should limit some activities and some interactions in addition to observing distance and wearing face coverings.
- Needham has followed state guidelines and the Governor's orders about re-opening businesses and operations. Town has a slightly stricter face covering order than the state order. Public Health Division is available to meet and support businesses, including businesses not normally licensed or permitted by Public Health, by providing feedback and suggestions on how to comply with state COVID safety requirements.
- The Town has provided information to the public about how to have a safe and healthy Halloween which is available on the town's website. Ms. Haelsen will also forward to CEA members by email.

4. Challenges and solutions

- a. **Office** – Mr. Meixner reported that activity has remained relatively the same as last month with things slowing down slightly over the last two weeks regarding tour volume for new space. Clients of his who don't have leases expiring anytime soon are still interested in bringing employees back to the office rather than give up any of their leased space. There exists three groups of office employees: the sub-30 group that wants to get back to the office because they want to be with their colleagues; the 30-plus group that is less excited about going back to the office because it's more efficient for them to be at home, especially with kids and home-schooling; and the C-level executives that are realizing that having people absent from the office is negatively impacting their creativity and are eager to get employees back, but are not pushing their employees to come in. He reported that companies are also not necessarily looking for less space because many employees are working remotely as they need to provide more space for the ones that are in the office due to social distancing requirements. He has also seen instances in which companies are expanding their space.

Mr. Wilcox commented that he has observed that the technology sector is reducing their space or requiring no space for a period of time until they're comfortable going back into a physical location. He has not seen a lot of Boston area tenants show interest in moving out of the city but rather it's a trend people are talking about and has not become a reality yet. Interest in lab space continues to remain very robust and many landlords are looking into how they can convert their inventory to be more lab oriented. Mr. Meixner added that public perception is that the commercial real estate industry is not doing well but that is more the case in downtown Boston. He added that even though these buildings are near empty, there are still tenants paying rent for them and that companies can't just

walk away from their lease obligations. In addition, the rent prices have not shifted much in the suburban market as they have not been impacted as much as the city. Both Mr. Meixner and Mr. Wilcox shared that they have seen increased demand from tenants for new provisions in their leases such as early termination options or shorter-term leases to allow for flexibility. Mr. Wilcox commented that office can be a very safe environment if handled correctly. Despite his own company's extra measures to ensure office workers' safety, they are still seeing large numbers of workers not returning to the office and people are still choosing to work from home. Mr. Putprush concurred and referenced the advanced HVAC systems in many office buildings which are helping to alleviate any issues with spreading COVID by bringing fresh air into the building on a constant basis.

- b. **Industrial** – Mr. Putprush shared that warehouse distribution space is in high demand. In one instance, he had a tenant in Dedham extend in the midst of the pandemic at higher rates than what they normally would have paid because of the location. The e-commerce environment is doing very well and rents are going up. He is also seeing a lot of owner-occupied industrial space coming up as sale/leaseback opportunities where businesses can unlock capital that is currently tied up in their real estate and reinvest it back into their businesses rather than borrow and use more of their debt capacity to keep their businesses running.
- c. **Retail/Restaurant**– Ms. Burgos said that business has picked up a little since summer but traffic is still slower than what merchants expect. Retailers are getting ready for the holiday season and she has been in contact with other local retailers to talk about strategies for social distancing in their shops, as well as mask wearing and hand sanitizing. She believes the holiday season is going to be pretty good for most of them and she has already seen early holiday shopping in her shop. In response to Mr. Block's inquiry about her personally seeing an impact of the Newton-Needham Chamber of Commerce's 100-Day Challenge, she said she has personally not but she believes the campaign is starting to take off and has some visibility for retailers and restaurants. She and other merchants haven't had time to submit a video or participate in the program as it's a really busy time for retailers. Ms. Elcock added that 450 people joined the campaign's Facebook group. The restaurants seem to be embracing the campaign a little more and have been doing great behind-the-scenes videos. TrakTek Partners, the digital marketing firm that developed and coordinated the campaign pro-bono, is visiting businesses to shoot videos. The Chamber is about to launch a contest to giveaway gift cards from local businesses (which donated them for the effort) every ten days to increase buzz and interest. There will also be a coloring contest for kids to color a village storefront scene and name their favorite local merchant. There will also be similar contest for Thanksgiving and the December holidays. The 100-Day Challenge is overlapping with the Chamber's "Keep Making Memories" campaign as part of the Newton-Needham Dining Collaborative.

5. **Review draft of updated Chapter 40B Housing Guidelines**

The draft of the proposed guideline changes was distributed by email to council members to review in advance of the meeting. Select Board member Dan Matthews initiated the draft and all town board and committees were asked to review the changes and provide feedback by November 16. Regionally, the AMI is \$80,000 for a family of four and is what qualifies a family for affordable housing. Mr. Handel explained that the town needs to update the housing plan as it has been several years since it has done so. The town has met its 40B obligations under current state law which requires that ten percent of the town's housing stock be affordable housing. The town's policy has been to ensure that new multiunit development produces a ratio of affordable units that doesn't compromise the ten percent minimum required by the state. There is a growing concern with respect to housing equity in the region with a shortage of approximately 400,000 units of housing in general over the next ten to twenty years. Mr. Handel shared that there is also the issue with racial and income equity with respect to the burden that the suburbs share. The town's housing plan reflects updates so that the town can continue to meet the state's affordable housing requirements. Mr. Block commented that some of the questions that arise from this are identifying the key priority areas for development, where are the best places in Needham for increasing that capacity and identifying the density goals. He asked council members to look through the guidelines that were distributed and provide any comments to him or Ms. Haelsen so that they can be shared with the Select Board and the Planning Department. Mr. Handel commented that the Planning Board has a major role in determining this. Needham and every suburban community struggle with the impact of density.

6. **Economic Development Manager Report**

Ms. Haelsen shared that she has been meeting with many small businesses throughout Needham over the last few weeks. The feedback from these businesses regarding the support from the town overall has been overwhelmingly positive. Retailers are struggling and gearing up for what they hope to be a busy fourth quarter. She has tried to help them think creatively about ways to increase business which include expanding merchandise displays outside their storefronts onto the sidewalks. She is also working to coordinate a group of retailers to stay open late on Thursday evenings in December leading up to the holidays. The hope is that people would combine shopping with patronizing the local restaurants. Suggestions from retailers on how the town could support them have included assistance with snow removal. Ms. Haelsen will reach out to DPW to explore the feasibility of doing so. The restaurateurs are concerned about the decrease of outdoor dining with the colder weather arriving even with the use of outdoor heaters. She added that many of them have reported that business is down anywhere from forty to sixty percent overall. She added that she has been attending a bi-weekly zoom meeting with other area economic development directors at which they discuss these issues, share best practices and brainstorm on how to support the business community through COVID.

7. Planning and Development Department Updates and Permits Issued

Ms. Newman provided an update on two applications that were recently filed. Boston Children's Hospital has filed their application for special permit to build out their 225,000 square pediatric hospital at 380 First Avenue. The Planning Board will have a public hearing on November 17th. This is part of the Center 128 West Project with 740,000 square feet approved at that location with a total of four office buildings. One of the buildings, the Trip Advisor building, already been completed as well as portions of two parking garages. The hospital will be the second building with an additional two buildings to be constructed on this parcel at a later date. In addition to the hospital, the parking garage will have an additional five hundred parking spaces to accommodate this use along with a temporary on-site parking facility on A Street. The other permit is for the former PMC building at 140 Kendrick Street which will be occupied in part by IDG. They are seeking to convert the building from a single tenant building to a multi-tenant building with shared space for a fitness center and a cafeteria in the former pavilion space. Renovations would also entail providing individual access into each building to accommodate separate tenants. They are also seeking to expand their patio space behind Building B to provide stronger linkages to Cutler Reservation behind it. This project will also have a public hearing on November 17. At last week's Planning Board meeting, a permit was issued to PetCo to allow them to expand their inhouse veterinary services. A permit was also issued to a new tenant on Highland Avenue in the Trader Joe's plaza which provides laser and skin resurfacing services.

Ms. Newman shared that the warrant article for the proposed overlay district for the former Carter's mill building in Avery Square was passed at the recent town meeting. She anticipates that the Planning Board will soon be processing permits for the senior housing development at that site. Lastly, Ms. Newman reported that the town has received the first phase of the traffic study for the Highway Commercial 1 from the traffic consultant. It is currently being reviewed by staff and they're in the process of setting up a review of the study with the working group to review in full. The study used a FAR of 1.35 with an even split between office use and research and development with ancillary retail at fifteen percent. This was the first of three different scenarios to be modeled at this site which will help the committee come up with a final land use mix recommendation and density profile for the Channel 5/Muzi Ford site for a zoning article to presented at town meeting in the spring. Mr. Day suggested doing a flyover type animation video of the site as was recently done for the Riverside Project in Newton as he believes it will help residents better visualize the possibilities for this parcel.

8. Adjournment Roll Call

The meeting was adjourned at 10:14 a.m.