

Arlington Redevelopment Board
Monday, December 21, 2020, 7:00 PM
Meeting Conducted Remotely via Zoom
Meeting Minutes

This meeting was recorded by ACMi.

PRESENT: Rachel Zsembery (Chair), Eugene Benson, Kin Lau, Katherine Levine-Einstein, David Watson

STAFF: Jennifer Raitt, Director of Planning and Community Development, Erin Zwirko, Assistant Director, and Kelly Lynema, Senior Planner

The Chair called the meeting to order and notified all attending that the meeting is being recorded by ACMi.

The Chair explained that this meeting is being held remotely in accordance with the Governor's March 12, 2020 order suspending certain provisions of the Open Meeting Law G.L. c. 30A, Section 20. This order from Governor Baker allows for meetings to be held remotely during this time to avoid public gatherings.

The Chair introduced the first agenda item, Docket #3640, 86 River Street Public Hearing. The applicants did not yet join the Zoom meeting so the Chair introduced the third agenda item, Meeting Minutes while waiting for the applicants. Mr. Benson moved to approve the meeting minutes for the September 21, 2020 ARB meeting as amended, Mr. Watson seconded, approved 5-0.

The Chair proposed continuing Docket #3640 since the applicant had not yet joined the meeting. Mr. Lau moved to continue the hearing to for Docket #3640 until the January 4, 2021 meeting, Ms. Levine-Einstein seconded, approved 5-0.

The Chair introduced the second agenda item at 7:30 PM, Docket #3638, 400-402 Massachusetts Avenue Continued Public Hearing. Ms. Raitt said that the Historical Districts Commission would have to review approve any changes to the structure on this property. Robert Annese said he discussed the project with his clients and the Architect, Ken Fyle, and asked the Board to take notice of the size of the building. Mr. Annese said a concern the applicant has is the return on their investment for this property. Mr. Annese said that the world has changed since the pandemic and more people are working from home, as stated in the New York Times article Mr. Annese cited. Mr. Annese said that a local broker from Andover also stated that many companies will allow working from home going forward, which will make it more difficult to rent office space as opposed to residential space. Mr. Annese said that parking/backing out into the street cannot be changed due to the configuration of the lot. Mr. Fyle gave an overview of the drainage plan for the site and short and long term bike parking. Mr. Annese asked that the Board reconsider and approve four instead of three residential units. Mr. Lau asked about having the bedroom and living room switched in the basement unit. Mr. Fyle and Mr. Annese said that the plans would be updated as Mr. Lau suggested. Mr. Benson asked about switching the bicycle storage and the laundry room. Mr. Fyle said that the laundry room is also the utility room so there would not be as much room for storage and there are also a few steps down to the existing laundry room.

The Chair opened the floor to public comment.

Don Seltzer, Irving Street, reminded the Board that the application for 1500 Mass. Ave. was a similar proposal but 1500 Mass. Ave started without commercial space and wanted to add an office and this site is looking to reduce the office space. Mr. Seltzer said that the Board is taking advantage of the mixed-use requirements. Mr. Seltzer said that the Board was told that the office space at 1500 Mass. Ave. is commercially viable and now two months later the office space at this project is being reduced by 75%. Mr. Seltzer said that this is a disturbing pattern.

Carl Wagner, Edgemoor Road, said that that ARB functions for the people and businesses of Arlington. Mr. Wagner said that this proposal and the hotel are shocking in the potential they could set in future for developers to ask for things that are not allowed by our laws. Mr. Wagner said the mixed-use law was intended to create additional residential spaces to help businesses. Mr. Wagner said that we only need to build what is legal in our town. Mr. Wagner said we need to add more business and help businesses.

John Worden, Jason Street, said that Mr. Annese said that his client could not make enough money without changes to the building approved by the Redevelopment Board. Mr. Worden said that no one asked for investment in this building and Mr. Annese should provide some real numbers if return on investment is Mr. Annese's argument. Mr. Worden said that the vibrant businesses in the Toraya business block that were torn down and now they will have apartments with one small commercial space in the corner. Mr. Worden said that you allowed it at 892 Mass. Ave., will allow it at 1500 Mass. Ave. and will not allow it here which is totally inappropriate.

Chris Loreti, Adams Street, said that this proposal is an abuse of the mixed-use law. Mr. Loreti said that if they were trying to be entirely residential then the most allowed based on the lot size would be two. Mr. Loreti said the developers are trying to get the residential units in by allowing a token amount of office space in the building. Mr. Loreti said that an apartment building is not an acceptable use in the B1 zoning district so the ARB has not have the right to grant this use. Mr. Loreti said that the parking is excessive and backing into the street is not allowed for buildings larger than one or two-family homes. Mr. Loreti said that the exterior of the building is tired and needs help and a condition of the special permit should be that the exterior is restored to something more acceptable in keeping with the historic district commission. Mr. Loreti said that he would like the Board to report publicly any meetings between the Board and the Developer's team and what the substance of those meetings and conversations were.

Stuart Brorson, Kensington Park, said that zoning laws exist for a reason, this area is in the business district. Mr. Brorson said he ARB should keep the long-term interest for Arlington not just the short-term interest and should not be willing to change laws to support a developer's profits.

The Chair closed the floor to public comment and asked the Board for their comments. Mr. Watson said that a token amount of commercial space is being left after converting buildings using the mixed-use bylaw. Mr. Watson said that the deviation from the Town's bicycle bylaw requested is just a cost saving measure. Mr. Benson said office space in NYC is not comparable to small office space in Arlington. Mr. Benson said that there has also been an impact on the residential market due to the pandemic. Mr. Annese said he would like to ask for a continuance so he can further consult with his client since the Board is split over this ruling.

Mr. Benson moved to continue the hearing to January 4, 2021, Mr. Watson seconded, approved 5-0.

The Chair introduced the fourth agenda item, Final Draft of 2021 Goals. Mr. Watson asked for clarification regarding the ADU proposal for Town Meeting and whether the ARB would be proposing a separate ADU proposal. The Chair said that the Board would be meeting with Barbara Thornton on January 4, 2021 to work out the ADU proposal plan. Mr. Benson said that he wanted to make sure it was noted that the Board will be bringing non-substantive administrative corrections to Town Meeting. Ms. Raitt said that the Department plans to resubmit the 2020 administrative changes with updates for the 2021 meeting.

Ms. Levine-Einstein moved to adopt the Board's 2021 goals as submitted, Mr. Lau seconded, approved 5-0.

The chair introduced the fifth agenda item, Final Draft ARB Rules and Regulations Amendment. The Chair explained that the approved draft will be discussed at a future Board meeting. Mr. Watson said he still finds it difficult to work through the deadlines in the chart. Ms. Raitt said that the chart was designed based on a Monday night meeting, but the Board does also meet on different days of the week. Mr. Benson said that he has one concern for meetings held on other nights of the week, besides Mondays, because the Board may not receive the meeting materials with enough time to review and prepare before a meeting. Mr. Benson suggested including phrasing that includes when a meeting is held on a day other than Monday the Town will endeavor to post materials more than 48 hours in advance. The Chair said that the final draft of these changes will be posted to be voted on during the January 25th meeting.

The Chair introduced the sixth agenda item, Public Forum: Economic Analysis of Industrial Zoning District. Ms. Raitt started the presentation and Ms. Zwirko introduced the Economic Analysis of Industrial Zoning District presentation. Ms. Zwirko introduced Eric Halverson from RKG Associates and Emily Innes from Harriman. Mr. Halverson reviewed the 5 major zoning districts in Arlington and pointed out the industrial districts. Mr. Halverson said that they conducted market analysis to find the projected demand potential for commercial and industrial space in Arlington over the next 10 years. Mr. Halverson said that the home values in Arlington continue to increase, which also drives up the cost of land and construction in general. Mr. Halverson said industrial districts have diverse businesses if these businesses will most likely have to relocate, they will most likely have to relocate outside of Arlington due to rent prices and pressure from the housing market. Ms. Innes said that they did not want to lose the economic development in the area and how to address the land value. Ms. Innes said they were looking to keep the areas walkable, safe, and attractive areas while reducing the amount of parking and encouraging public transportation. Ms. Innes said that the buildings must be solar ready, include low-impact stormwater management, require equal treatment for all facades, have connections to public sidewalk to front entry changed, and limit the residential use in the mixed-use in these spaces.

Mr. Halverson reviewed the proforma analysis using market studies, research, and input from other projects in nearby communities. The first scenario using property on Mystic Street area, testing the Industrial Retrofit option, found that adding two stories of offices on top of an existing industrial building could net approximately \$200,755 to the value. These value figures assume the existing owner would be developing, this scenario/test does not include any land or acquisition costs. The second scenario at 2 Ryder Street rebuilding as new industrial space, 26,000 square foot new industrial building, the expected net present value would be -\$2,483,488 as the rent does not justify the land and construction costs. The third, Dudley Street, would combine 5-6 parcels clearing site and building industrial mixed use building estimated that the net present value -\$1,715,442 does not provide the return to invest in this scenario, the land cost is another driver of the high costs/low return. The last scenario, Park Ave., ground floor industrial and one floor residential above likely to perform well above market expectations due to the high rent costs, which would carry the cost of this project. The expected net present value after development is \$6,727,824. It should be feasible for an existing owner to add on to their building and the industrial and residential scenario should also bring a return. Next steps are to file a zoning warrant article for 2021 Annual Town Meeting.

The Chair and Ms. Zwirko opened the floor to public comment.

John Worden said that the ZBWG cancelled a meeting in December so the ZBWG has not voted on or approved. Mr. Worden said that when the proposal for the study using CPA funds and Mr. Worden said that the industrial study would not include residential or mixed-use developments. Mr. Worden said that the Town should leave the remaining 5% of the town that is industrial to stay that way and not become residential. Mr. Worden said that we cannot afford more residential space.

Ms. Zwirko said that residential uses have been allowed in the industrial zoned districts and mixed-use including residential has been in the draft since earlier this fall.

Mr. Halverson explained that the residential scenarios were included in the study to explore all options and that additional residential units will also help with the tax base.

Carl Wagner said he was at Town Meeting when this \$70,000 study was approved. Mr. Wagner said that the town has only about 5% commercial tax base and the rest is residential so he was pleased when the study was announced. Mr. Wagner said it is frustrating that the study is no longer about improving and increasing the commercial uses but including residential uses. Mr. Wagner said that if you build additional residential units it will only increase the tax burden of the people who already live here.

Ms. Innes said that they do not want to displace businesses, the ground floor of buildings in these zones will be reserved for industrial commercial use. Ms. Innes said that most industrial buildings are usually only one floor, except in the case of office buildings. Ms. Innes said that building residential or offices and residential spaces on top of the industrial/commercial ground floor of these buildings. Ms. Innes said that the idea of the bonus incentive would give something back to the residential community in order to build taller buildings, in this case the trade-off is net-zero buildings and to restrict community shadows.

Steve Revilak said he would like to set some expectations regarding what might be done with the industrial district changes if adopted. Mr. Revilak said that about 5.5% of Arlington allows industrial and commercial zoning with generates about 5.5% of Arlington's tax revenue. Industrial zoning is about 1% of the zoned acreage and creates about 1% of Arlington's tax revenue. Mr. Revilak said that the Town may look to different types of businesses in the industrial areas, such as a brewery. Mr. Revilak said that he likes the bonus provisions that includes things the community wants and can benefit from.

Ms. Zwirko added that other changes to the Town's alcohol rules might need to be updated to support the addition of breweries.

Stewart Brorson said that he likes this idea a lot bringing industrial uses into Arlington. There is demand for office space such as the Work Bar. Mr. Brorson noted that several scenarios failed due to the land cost issue. Mr. Brorson asked if the ability to exclude the possibility of residential building as part of the zoning would lower the land costs in industrial zones.

Mr. Halverson said the land costs were calculated based on the cost for acquisition, which at this time is limited under the existing zoning to industrial not residential.

Mr. Brorson mentioned that a surplus tax could be charged to developers who would like to build residences.

Don Seltzer said 93% working residents commute out of town most of the jobs in Arlington are filled by people who come from out of town. Mr. Seltzer said that industrial zones have the potential to bring high paying jobs into Arlington. Mr. Seltzer said that this study initially said that mixed-use in the industrial zoning will not include residential uses. Mr. Seltzer said that this is an invitation for developers to follow the path of lowest cost highest revenue and build structures with inexpensive ground floor commercial spaces with residential spaces in the floors above. Mr. Seltzer said that we should abide by the Master Plan.

Ms. Innes said that there was a lot of confusion regarding the table of uses. The proposed table of uses includes the existing and proposed changes that listed residential uses as part of the mixed-use only under proposed changes.

Chris Loreti said that he does not think that the lot sized was correctly calculated in the scenarios presented. Mr. Loreti said that they are basically converting 2/3 of the buildable potential of the industrial zone to residential. Mr. Loreti said that bringing in the residential use will drive up the land prices. Mr. Loreti said we may have to consider the limitations in the industrial zone.

Ms. Innes said that the industrial space is only likely to be on the ground floor so residential spaces can be built above the one floor industrial structures. Ms. Innes said that the residential space will be limited to the building size and height restrictions.

Ms. Raitt said that the Park Ave. lot was also looked at as part of the Arlington Heights Neighborhood Action Plan to better understand the economic viability of redevelopment in these locations. Ms. Raitt also said that the RFP for this project in 2019 and as presented at Town Meeting tied the impetus to the Master Plan, which noted that today's industrial uses have different needs and space requirements than in the past and we need to plan for the future. Ms. Raitt said that this project is to realize the full potential for these industrial spaces.

Len Diggins said that this study is exciting. Mr. Diggins said that he likes the possibilities to have industrial/commercial space, working space above and residential space on the floor above. Mr. Diggins asked if there is a target or goal for the additional revenue for the industrial/commercial space in order to build the plan to get to that goal.

Mr. Halverson said that RKG looked at the number of jobs the town has been able to attract in these industrial/commercial spaces in the last 5 to 10 years and projected that forward over the next 5 to 10 years, which could be used as the base goal. Mr. Halverson said that aside from the Gold's Gym site that Arlington has a site large enough to accommodate a pharmaceutical or biotech site without parcel aggregation.

Christian Klein asked about if it would still be possible to have residential over commercial space. Ms. Innes confirmed that was possible. Mr. Klein wanted to clarify if the residential space would be calculated using the first floor space or just the first floor space devoted to commercial and industrial uses. Ms. Innes confirmed that the residential calculations would be based on just the first floor space devoted to the industrial and commercial space, a residential lobby on the first floor would not be included in the space calculations. Mr. Klein asked if there are any commercial or industrial uses excluded with the building of residential uses. Ms. Innes altered the industrial uses by adding new uses but did not remove any industrial/commercial uses.

Elizabeth Dray said it made it difficult to understand different build out scenarios with different sites instead of submitting different scenarios for one site to determine the financial viability.

Ms. Innes said that they tried to fit in the maximum amount of program allowed for zoning in parcels of different sizes. Ms. Innes said they wanted to test the rules for different types of industrial zoning areas. Mr. Halverson said he wanted to identify sites in different industrial districts but a singular site could have been selected to run all four scenarios.

Ms. Dray asked if the financial scenarios would have been different if tested on different sites. Mr. Halverson said a mixed-use project on the right site could be financially viable.

Allan Tosti said that the Mirak development is a disappointment with the loss of commercial space. Mr. Tosti said that he would prefer to see the land stay as it is than to add more residential. Mr. Tosti said he would like to see Arlington offer jobs as well as bedrooms.

Stewart Brorson said that the problem he saw from the analysis is that the land costs don't always work out as thought. Mr. Brorson suggested looking into what tools are required to encourage industrial or commercial uses without having to do residential.

The Chair closed the floor to public comment and turned the floor back to the Board for questions and comment. Mr. Lau said that if the Town wants to encourage development of industrial or commercial spaces, we need to think about why a developer would build here. Mr. Lau said that while the Town cannot control the value of land, we can help with transportation to assist with commutes or call attention to the desirable pool of employees already living here in Arlington who may want to live near their workplace.

Mr. Watson said that the economic analysis from the proforma scenarios was illuminating. Mr. Watson said that Arlington has lost commercial and industrial parcels to purely residential uses in some cases. He does see the incentive to want to allow some level of residential space along with the commercial and industrial. Mr. Watson said that the Board should make sure that the residential components do not become dominant in these zones.

Mr. Benson said he hopes that a new structure of how things can be built and developed in the industrial zones will emerge. Then it will be up to the Town to apply tools possible to develop the industrial areas. Mr. Benson said he likes the bonuses and incentives to attract industry. Mr. Benson said he does not oppose residential uses, but that the residential should not overwhelm the industrial and commercial spaces. Mr. Benson said that the additional residential development should spark the inclusionary zoning bylaw for more affordable housing. Mr. Benson asked about artists working in living spaces and if there is a way to incentivize that. Ms. Zwirko said that artist's live work space is allowable space as part of the zoning. Ms. Innes said that it is allowed but not incentivized. Mr. Benson said that the emphasis on the environmental issues is the way the town and the world needs to move forward. Mr. Benson asked about the type of solar ready and to make electric car charging stations mandatory. Mr. Benson asked about site contamination and if that has been part of the discussion. Ms. Zwirko said that a parcel by parcel investigation has not yet been done and it is the property owner's responsibility. Mr. Benson suggested adding possible site remediation to the report financials.

Ms. Levine-Einstein said that she thinks that there is a compelling case for residential development in industrial zones but not let the residential overwhelm. Ms. Levine-Einstein said that this acknowledges the broader economic needs and the community's need for housing. Ms. Levine-Einstein asked about other models from other communities with residential and industrial zoning and address why this is necessary. The Chair said that after the zoning recommendations are finalized the next step is creating that value proposition for incentivizing and attracting commercial and industrial development by identifying the highly desirable workforce here in Arlington. The Chair says she is also in favor of limits on the residential development in the industrial districts.

The Chair introduced the last agenda item, Open Forum, and opened the floor to the public for comment. As there were no members of the public requesting to speak the Chair closed Open Forum portion of the meeting.

Mr. Lau moved to adjourn, Mr. Watson seconded, approved 5-0.

Meeting adjourned.

DRAFT