

To: Erin Zwirko, Assistant Director of planning and Community Development

From: James Doherty, Trustee, 1211 Mass Ave Realty Trust

Date: July 18, 2019

Subject: 1207 – 1211 Massachusetts Avenue, Environmental Design Review

Below please find some information related to the issues we have discussed. I also have reviewed the Public Hearing Memorandum dated July 16, 2019 from Jenny to the ARB members. We are in the process of preparing responses and proposed action steps relating to these comments. We will be prepared to discuss these matters at the hearing on July 22, 2019.

1. Mixed use ownership structure and economics

These types of developments generally operate in a similar manner. First, the hotel portion typically has an owner, operator and in some cases, a brand partner. In this particular case, there will most likely not be a brand, but rather an independent boutique operator. The restaurant will be operated as an independent operator.

The current owners of the property will continue to have an ownership stake in the real estate and possibly one or both of the business operations. We do not intend to participate in the active operations of either proposed use.

2. Recruitment efforts

As part of our due diligence process, we have spoken or communicated with approximately a half dozen owners/operators of hotels on a regional and national basis. The boutique hotel model is a very active and desirable style today. Operators have found them to be very successful to operate in areas such as the subject. Visitors love the upscale finish, “homey” feel and personal touch. All of the operators we spoke with expressed interest. They feel the social/economic makeup of the area and surrounding towns provide a sound base. This industry is also very competitive and time sensitive. Serious commitments develop when formal permitting is finalized.

Our discussions regarding the restaurant portion have focused on two main principles. First and foremost, we are only interested in an upscale restaurant which will provide quality food and drinks. In addition, we want something that provides a comfortable gathering place, including live music, for the residents of the Heights and visitors.

3. Comparable Boutique Hotels

As mentioned above, many “boutique” hotel projects typically are part of a mixed-use development such as this proposal. These developments have been the springboard for revitalizing older retail areas in some cases. Our initial research indicated a few in our surrounding communities:

- The inn at Hastings Park, Lexington
- Porter Square Hotel, 1924 Mass Ave., Cambridge
- Hotel 1868, 1868 Mass Ave., Cambridge
- The Groton Inn, 128 Main Street, Groton

4. Economic Benefits

The direct and indirect economic benefits from this proposal should not be underestimated. Obviously, all real estate produces property tax and this proposal will substantially increase from the current improvements at 1211 Mass Ave. In addition, the DAV is currently exempt and not paying any taxes. This development will also add significant property tax “growth” while also expanding the commercial tax base.

In addition, this proposal will contribute potentially \$200,000 per year in hotel tax to the Town as well as significant meals tax.

The benefits above are the easily quantifiable economic benefits, but as we all know, there are many more economic spin offs. Below, I have outlined examples of these benefits during construction and post construction:

- We currently have relationships with Arlington supply vendors providing Hardware, building materials, plumbing supplies and professional services as well as local tradesmen. We anticipate working with these vendors on this project.
- Construction workers will be frequenting local eateries, gas stations and other professional services. We estimate that there will be an average of ten workers per day for approximately one year. Exposing the Heights to many people, who may not currently spend time here, is a great opportunity for area businesses.
- Once the project is completed, we intend to use local vendors for as many services and products as possible. It is difficult to guarantee this, but both of the proposed uses in this mixed use proposal require community involvement and we believe that, if competitive, this is a great way of building relationships in the community and developing potential customer base.

A primary statistic for retail business is the time prospective customers spend in a “shopping area” (mall, district, location). The trend in retail currently, is to add restaurants and out-door performance areas. This allows customers to relax and spend more time within a “shopping area”, resulting in more spending to businesses. This project will add to this proven concept. The performance/gathering area at the corner of Mass Avenue and Clark Street will provide an area where history, music, art exhibitions and other functions may be held for the community and visitors alike.

Part of our marketing plan is based on the Lexington tourism market. This location is ideal; it will be one of the closest hotels to “The Green”. We anticipate this being one of the best opportunities in decades to leverage tourists from Lexington to our rich History in Arlington.

5. Storm Water

As noted in our application, this is a “net reduction” proposal and does not trigger the storm water Bylaw. However, I discussed with the Assistant Engineer that we would still comply with the Bylaw. To achieve this goal, our engineered plan (to be completed based on our final ARB Approved plan) will include a permeable paver system in the front patio area, a rain garden in the northeast corner and a Cultec tank system below the rear parking area. The front, right roof will be designated for a seasonal herb garden for the restaurant.

6. Parking Traffic

The information presented below was prepared by myself, based on my personal historical knowledge of the area and recent observations during various times throughout the day.

Currently there are three uses at 1211 Mass Ave.; a used car dealer, tire shop and 3-bedroom apartment. We have estimated that these uses generate 16 - 20 car trips, twice per day. The DAV, which is similar in size to the proposed restaurant area, was not included in the traffic analysis.

The mixed-use proposal is comprised of a fifty-room hotel and a restaurant containing approximately 2,500 square feet. Based on this use, we have estimated the car trips to the property, for hotel customers and all employees, to be approximately 18-25, twice per day. This assumes that forty percent of visitors will not be using automobiles. We also did not attempt to estimate the restaurant customer, as it is less than 3,000 square feet and is going to be equal in size to the DAV. This use will have the same impact as any other retail space on the Massachusetts Avenue corridor.

This property is located on Mass Ave. at the corner of Clark Street. As mentioned above, we anticipate 18-25 automobiles will be coming or going from the site on a very staggered basis, twice per day (excluding the restaurant).

The main route to enter and exit the site will be via the intersection of Clark Street and Mass Ave. For guests heading West, all traffic would turn right on Mass Ave. and continue or use Lowell Street. The guests using a car to go East will also use the same intersection, but take a left on Mass Ave. This intersection is approximately 150 yards West of the intersection of Appleton Street and Mass Ave. This provides sufficient space for customers to enter Mass Ave. well before this intersection. There are good sight lines in both the East and West directions.

The mixed-use proposal will have very little impact on the intersection of Appleton Street and Mass Ave. As mentioned earlier, the DAV space which was used much like a restaurant is being replaced with essentially the same use and amount of area. The projected net increase from the other uses is not a significant number of vehicles for a street such as Mass Ave.

The major “queuing” at this intersection takes place mostly driving West on Mass Ave. during the morning commute. We do not anticipate adding vehicles in this direction of traffic at that time. Approaching the intersection from the West, there is very rarely any above average backup.

The Ottoson Middle School is located at the corner of Quincy Street and Appleton Place. Access to the school is typically from this corner or side dead-end streets heading up Quincy Street to Gray Street

(including Leigh Street, Benjamin Road and Farmer Street). On the opposite side, it is accessed from Acton Street via Appleton Street. As noted above, very little, if any of our morning traffic would require using any of these streets to get to their destinations.

The parking is intended for the hotel. However; if available, some restaurant use may occur. As part of the TDM plan, we committed providing incentives to employees who do not commute by car. Below please find additional information regarding our commitment.

1 – We intend to charge an hourly/daily rate for parking on site. It would essentially be added to a guest bill which is typically done in many locations.

2 – For employees who commute together in a group of two or more, we will provide preferential parking accommodations.

3 – A subsidy of 50% of the cost for a monthly transit pass will be provided to all full-time employees (on a prorated basis for part-time help) who utilize public transportation on a daily basis.

4 – We have provided fourteen bicycle parking spaces for indoor (including some tools for repairs) and outdoor use. We are also working to have “lime bike” locate bikes in the area which we believe will meet the demand model they currently utilize. Again, with the proximity to the Minuteman bike path, we believe this will be very well received by visitors who would like to explore Lexington (and hopefully Arlington) via this unique route.

As part of our lease arrangements for the future tenants, all these provisions would be included in any agreements.