Central Square Advisory Committee

May 9, 2012

Central Square: Development economics

• Background
• Factors
• Assumptions
• Results of preliminary analysis
• Questions for further study
• Discussion
## C2 planning process: Where we are

<table>
<thead>
<tr>
<th>Meeting date</th>
<th>Agenda</th>
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<tbody>
<tr>
<td>January 25</td>
<td>Core themes and emerging vision</td>
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<tr>
<td>February 8</td>
<td>Planning process strategies and methodology</td>
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<tr>
<td>March 14</td>
<td>Activating great public places; development scenarios</td>
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<tr>
<td>April 4</td>
<td>Visualizing scale, character, public place opportunities</td>
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<td>April 10</td>
<td>Public meeting</td>
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<td>April 24</td>
<td>Retail workshop</td>
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<td>May 9</td>
<td>Development economics variables</td>
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<td>June 13</td>
<td>Transportation, parking and land use</td>
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<td>TBD</td>
<td>Confirming the vision and committee recommendations</td>
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### EMERGING VISION

*A downtown that invites diverse people to share a place whose form and character support a unique mix of choices for culture, shopping, living, entertainment, and community.*
Key goals and strategies

- Provide housing choices, including ones affordable to low- and middle-income households
- Support spaces affordable to local/diverse retail, arts and non-profits
- Create great public gathering places
  - Improve existing places
  - Add new ones (indoor, outdoor)
- Emphasize the special character of Central Square – including as a center for the arts and entertainment
- Provide services and retail serving adjacent neighborhoods

Is development economically feasible? Can it help accomplish community goals?

PART 1 (today): Preliminary analysis

- **Density**
- **Amount of parking** for public and private uses – given the high cost of below-grade parking. Subject to further confirmation of utilization rates for residential and public parking near Central Square
- Use mix (ground floor retail, housing above)
- Development cost
- Does it “pencil out?”
**Right-sizing development to optimize community benefits (June and beyond)**

Full discussion on density, height and other development parameters with additional information on...

- Impacts and mitigation strategies
  - Potential traffic impacts
  - Public parking needs
  - Opportunities to share parking spaces
  - Stormwater mitigation
- Community goals
  - Animating streets, retail, parks...
  - Subsidizing local/diverse retail
  - Affordable housing, including for middle-income households
  - Streetscape/park improvements
  - And/or other needs
- Revised building form, design and zoning studies to confirm the vision and plan

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**Infill opportunities: potential “soft” sites**
Scenario A: existing density and height limits
FAR 3.0 + inclusionary housing bonus; up to 8 stories

- FAR = (total building floor area)/(site area)
- Approx. 100-150 units/acre

23 Sidney Street
Holmes Building

Scenario B: added density, existing height limits
FAR 3.35 + inclusionary housing bonus; up to 8 stories

- FAR = (total building floor area)/(site area)
- 125-175 units/acre

303 Third St., Kendall Square
Scenario C: added density and height
FAR 4.0 + inclusionary housing bonus; up to 10 stories
- FAR = \( \frac{\text{total building floor area}}{\text{site area}} \)
- 160-210 units/acre

Binney & Sixth Streets, Kendall Square

Scenario D: added density and height
FAR 4.5 + inclusionary housing bonus; up to 12 stories
- FAR = \( \frac{\text{total building floor area}}{\text{site area}} \)
- 190-240 units/acre

Avenir, Bullfinch Triangle, Boston

Magazine Street
Assumptions: site and use

- Generic 1-acre parcel (43,560sf)
- Ground floor retail: 17,500sf
- Average housing unit size 1,100sf
- City’s inclusionary zoning
- Below-grade parking provided:
  - 0.5 space per housing unit (based on Cambridge utilization experience near transit)
  - In scenarios with parking replacement (public or private), an additional 25 or 50 below grade spaces are provided
  - More replacement parking would be required for redevelopment of parking lots

Assumptions: redevelopment cost

- Demolition of existing structures (10,000sf assumed): $6/sf
- Development cost: $222-$235/sf gross (greater costs for buildings of 8+ stories)
- Retail tenant improvements: $60/sf gross
- Below-grade parking: $75,000/space
- Land cost: $53,000 per residential unit
Net income assumptions

- Housing:
  - Affordable units: $6.96/sf/year net
  - Market-rate units: $30/sf/year net
- Retail: $35.30/sf/year net ($38/sf gross)
- Parking (private or public):
  - Gross revenue $170/space/month
  - Operating costs $29/space/month
  - Net revenue $216/space/month
- Typical minimum rate of return for feasibility: 8%

Comparing scenarios A, B, C and D

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Questions for further study and discussion

- How many public parking spaces do we need to help Central Square thrive?
- Where should public parking be located?
- What is the order of magnitude cost of potential community benefits such as...
  - New parks and streetscape facilities/plantings
  - Subsidizing local/diverse retail
  - Expanded range/quantity of affordable housing
  - Other
- How does the value of public parking compare to that of these other community benefits?
- Would greater densities cause unacceptable impacts from traffic, shadows etc.?