

Central Square Advisory Committee

May 9, 2012



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Central Square: Development economics

- Background
- Factors
- Assumptions
- Results of preliminary analysis
- Questions for further study
- Discussion



C2 planning process: Where we are

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

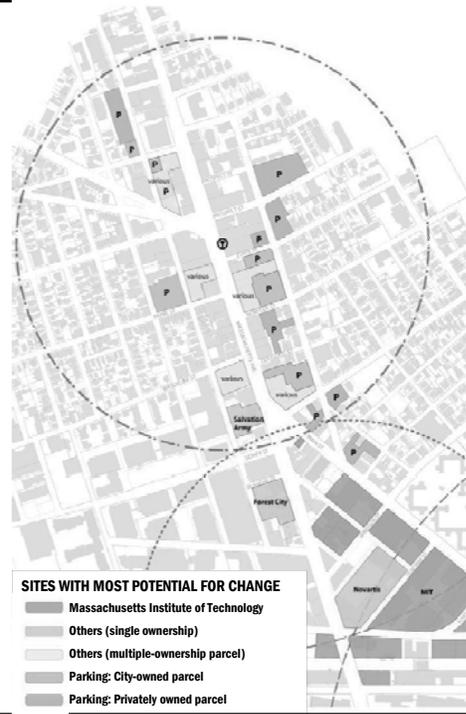
EMERGING VISION

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?”



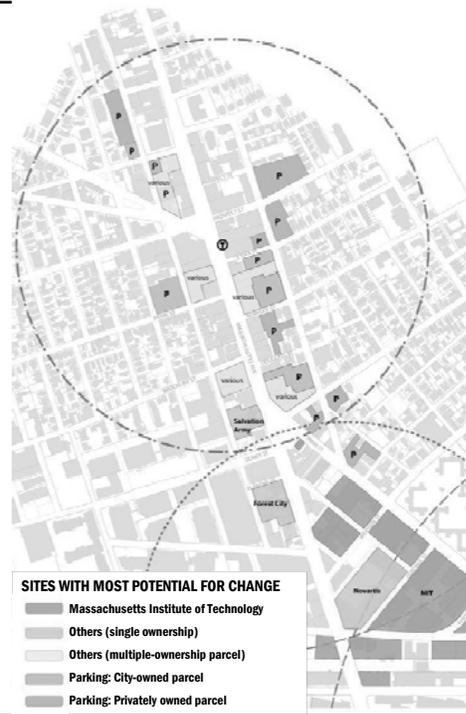
Right-sizing development to optimize community benefits (June and beyond)

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



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 = (total building floor area)/(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 = (total building floor area)/(site area)
- 190-240 units/acre



Avenir, Bulfinch 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

Parking assumption		A: Existing height (up to 8 stories) and density	B: Existing height (up to 8 stories), added density	C: Added height (up to 10 stories) and density	D: Added height (up to 12 stories) and density
If no parking replacement needed	Development value	\$57.6 million 133 units			
	Add'l Community benefit?	no			
25 parking spaces replaced	Development value	\$58.5 million 133 units			
	Add'l Community benefit?	no			
50 parking spaces replaced	Development value	Not feasible			
	Add'l Community benefit?				

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Parking assumption		A: Existing height (up to 8 stories) and density	B: Existing height (up to 8 stories), added density	C: Added height (up to 10 stories) and density	D: Added height (up to 12 stories) and density
If no parking replacement needed	Development value	\$57.6 million 133 units	\$65.2 million 150 units		
	Add'l Community benefit?	no	yes		
25 parking spaces replaced	Development value	\$58.5 million 133 units	\$66.1 million 150 units		
	Add'l Community benefit?	no	no		
50 parking spaces replaced	Development value	Not feasible	\$67.0 million 150 units		
	Add'l Community benefit?		no		

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Parking assumption		A: Existing height (up to 8 stories) and density	B: Existing height (up to 8 stories), added density	C: Added height (up to 10 stories) and density	D: Added height (up to 12 stories) and density
If no parking replacement needed	Development value	\$57.6 million 133 units	\$65.2 million 150 units	\$78.3 million 185 units	
	Add'l Community benefit?	no	yes	yes	
25 parking spaces replaced	Development value	\$58.5 million 133 units	\$66.1 million 150 units	\$79.3 million 185 units	
	Add'l Community benefit?	no	no	yes	
50 parking spaces replaced	Development value	Not feasible	\$67.0 million 150 units	\$80.2 million 185 units	
	Add'l Community benefit?		no	no	

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Parking assumption		A: Existing height (up to 8 stories) and density	B: Existing height (up to 8 stories), added density	C: Added height (up to 10 stories) and density	D: Added height (up to 12 stories) and density
If no parking replacement needed	Development value	\$57.6 million 133 units	\$65.2 million 150 units	\$78.3 million 185 units	\$93.2 million 220 units
	Add'l Community benefit?	no	yes	yes	yes
25 parking spaces replaced	Development value	\$58.5 million 133 units	\$66.1 million 150 units	\$79.3 million 185 units	\$94.1 million 220 units
	Add'l Community benefit?	no	no	yes	yes
50 parking spaces replaced	Development value	Not feasible	\$67.0 million 150 units	\$80.2 million 185 units	\$95 million 220 units
	Add'l Community benefit?		no	no	yes

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.?

