PLAN: Dudley Square

September 19, 2016
TOPICS FOR PRESENTATION AND FEEDBACK

> Introduction and recap of prior session

> Scenarios and feasibility analysis
  - Methodology and approach
  - Scenarios: Financial feasibility
  - Scenarios: Community benefits

> Breakout exercise: Parcel-specific scenarios and tradeoffs

> RFP tools and incentives for community benefits
ECONOMIC & WORKFORCE DEVELOPMENT PLANNING
Process & Outcomes

- Open House
- Walking Tour
- Visioning
- Transport, & Public Realm
- What We Heard & Next Steps
- Economic Development Planning
- Development Goals & Tools
- Preferred Development Guidelines
- Tentative BRA Board Review/Action
- Development Strategy Review

1. Review Key Data & Trends
2. Prioritize Economic & Workforce Goals
3. Evaluate Development Scenarios
4. Draft RFP Guidelines
KEY MESSAGES FROM JULY 18 DISCUSSION

MARKET ANALYSIS AND JOBS

Market Context

Office / Employment

- Roxbury / Dudley is not a well defined office submarket, but may be poised to benefit from tenants seeking an alternative to Seaport/Financial District/Cambridge
- Some momentum based on strength of recent investments

Small Business

- ~20% of current Dudley Square jobs are in ‘small business’
- Lack of small and affordable spaces
- Bolling building has a catalytic impact, but more business incubator/accelerator activity is needed

Residential

- Demand for residential is ‘spilling over’ from higher cost neighborhoods (e.g. JP)
- Price increases have been substantial over the last several years
- Developers likely to pursue housing developments on vacant sites given strength of the asset class

Strategies

- **Potential Financing Gap:** Strategies can target both the revenue (increase real estate value) and cost (lower development costs) side of the development equation

- **Bringing Jobs:** Along with housing, the next wave of development can begin to focus on the mix of commercial uses and affordability that can bring jobs that offer paths to career development and wealth creation (e.g., retail/restaurants, office, industrial)
KEY MESSAGES FROM JULY 18 DISCUSSION
SMALL GROUP FEEDBACK

**Bringing Jobs to Dudley**

> **Attractive environment**: Create a ‘family feel’ and draw people after 5pm; build additional housing
> **Partnerships**: Connect with local schools, partner with CDCs, develop agreement with future employers
> **Linkages**: Create jobs that support surrounding industries and tie to anchor institutions
> **Workforce Investment**: Potential to develop paid ‘training on the job’

**District Characteristics**

> **Desire to emphasize place-making branding and messaging** across audiences – residents, visitors, prospective talent and others
> **Opportunity to leverage historic and cultural elements** of the neighborhood

**Job Industries**

> **Varied perspectives** on preferred job industries – ranging from light manufacturing to service retail and professional services
> **Broad acknowledgement** that **locally owned small businesses** are critical
> **Regardless of industry**, need for mobility opportunities and job training for the trades

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Need trades to invest in Madison Park

Future employers require a commitment to mentor residents and % of workforce need to be Roxbury residents

Provide training alongside job opportunities (could be a community benefit provided)

Dudley should be a cultural, artistic, historic district – ‘The Heart of Boston’

Create touch points with historic houses

Promote our location as a tremendous asset – very international

Establish job training as an industry in Dudley Square

Bring tech/innovation and construction jobs to Dudley

Revive small retail on Washington & Warren streets
INTRODUCTION TO SCENARIOS

> We can develop scenarios for the use of each parcel by combining different mixes of building types and purposes

> Each scenario has a financial profile – what is required to invest, and what is the potential revenue – and some uses can be used to “subsidize” other uses

> There are many ways that these projects and uses can create jobs and build wealth in the community:

  — Direct jobs
  — Pathways to jobs and careers
  — Increased demand that “pulls” new businesses and jobs over time

> Our feasibility analysis shows that multiple combinations of uses can work – but each offers different combinations of benefits and reflects tradeoffs
SEVERAL WAYS TO CREATE JOBS AND BUILD WEALTH

Direct jobs
- Attract employers
- Provide affordable space for locally owned businesses
- Employ people from the community
- Provide career paths to advancement

Pathways
- Offer skills and job training
- Provide access to equipment and facilities to develop products and start businesses

Demand “pull”
- Increase numbers of residents and workers who create demand “pull” for goods and services in the neighborhood
METHODOLOGY: FIVE BUILDING BLOCKS

Assumes:
- Single use project types
- New construction
- Market rate
EXAMPLES OF USES

Maker Space

Retail/Restaurant

Maker Space

Incubator Office
GAP BY BUILDING BLOCK

For some uses, there is a financial gap that would have to be closed to make the use feasible.

**Scenario 1 – No Subsidies**

Financial Gap

- Residential
- Corporate Office
- Incubator Office
- Maker Space
- Retail

Financial Gap amounts:
- $(2,500,000)
- $(5,000,000)
- $(7,500,000)
- $(10,000,000)
GAP BY BUILDING BLOCK

Subsidies can help to reduce the financial gap; as an example, offering public land at no cost allows the project to pay for some uses through the returns on others.

### Scenario 2 – Example Subsidy: Land

- **Residential:** $2,500,000
- **Corporate Office:** $5,000,000
- **Incubator Office:** $(7,500,000)
- **Maker Space:** $(10,000,000)
- **Retail:** $(10,000,000)
SCENARIOS: MIX OF USES

We can combine uses, based on the community feedback and market analysis, to show how parts of the project can help to subsidize the others.

1. Housing & Retail

2. Housing & Makerspace (or non-profit space)

3. Office Space & Incubator

Trade-offs to consider:

- Jobs
- Scale/Density
- Land Cost
- Affordable Housing
- Open Space
- Parking
SCENARIOS: FINANCIAL FEASIBILITY OF MIXED USES

In each scenario, a “driver use” (where revenues exceed costs) is able to subsidize another use that is challenged with a rent gap that would otherwise not be feasible.

<table>
<thead>
<tr>
<th>Driver</th>
<th>Subsidized Use</th>
<th>Jobs</th>
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<tbody>
<tr>
<td>140 units of Mixed-Income Housing</td>
<td>15,000 SF of ground-level retail</td>
<td>30-50 jobs</td>
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<tr>
<td>140 units of Mixed-Income Housing</td>
<td>10,000 SF of ground-level makerspace</td>
<td>20-25 jobs</td>
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<tr>
<td>175,000 SF of Corporate Office</td>
<td>25,000 SF of incubator office</td>
<td>100 incubator jobs (+ 700 corporate jobs)</td>
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</tbody>
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Trade-offs:
- Requires land subsidy for feasibility
- Housing includes 13% affordable (IDP) units
### SCENARIOS: COMMUNITY BENEFITS

<table>
<thead>
<tr>
<th></th>
<th>Direct jobs</th>
<th>Pathways</th>
<th>Demand “pull”</th>
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<tbody>
<tr>
<td><strong>HOUSING</strong></td>
<td>• Locally-owned retail/restaurant</td>
<td>• Makerspace will provide skills training, access to</td>
<td>• Housing will attract mix of residents and increase day/night foot traffic</td>
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<td><strong>RETAIL</strong></td>
<td>• Employees of those businesses</td>
<td>subsidized equipment</td>
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<tr>
<td><strong>HOUSING</strong></td>
<td>• Makerspace will employ residents</td>
<td>• Makerspace will provide skills training, access to</td>
<td></td>
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<tr>
<td><strong>MAKERSPACE</strong></td>
<td></td>
<td>subsidized equipment</td>
<td></td>
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<tr>
<td><strong>OFFICE A</strong></td>
<td>• Attract employers with good-paying jobs and</td>
<td>• Allocate office space for organizations that provide:</td>
<td>• Housing will attract mix of residents and increase day/night foot traffic</td>
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<tr>
<td><strong>INCUBATOR</strong></td>
<td>career paths</td>
<td>- Job/skills training</td>
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<td></td>
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<td>- Operating businesses that provide on-ramps</td>
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**PARTNERSHIPS AND BENEFITS**

**One Brigham Circle**

2003, cost $48.5 million

**Partners:** Mission Hill Neighborhood Housing Services, Northland Development Corporation, New Boston Fund, City, residents, businesses

**Community Benefits:**

> Needed neighborhood retail
> Opportunities for new businesses
> Permanent employment: 200+ jobs
> Construction employment: 120 jobs
> 5.5 acre park and Village Square
> Jobs and Housing Linkage payments
> Increased real estate taxes
> Shared parking

Building Total 200,000 sf

- 80,000 sf retail
- 120,000 sf office

Incentives and Funding

- Community Planning Process
- Zoning and Design Review
- $38,000 MA Brownfields Funding

PARTNERSHIPS AND BENEFITS

Ashmont TOD (The Carruth)
2008, cost $48 million

Partner**: Trinity Ashmont Inc.; MBTA; Ashmont Design Committee, community groups, residents

Community Benefits:

> Mixed income housing: 64% low/moderate rental; 36% market rate home ownership
> Construction employment

Incentives and Funding

- Publicly owned land (RFP 2002)
- MassHousing, State HOME Funds, State TOD funds, Neighborhood Housing Trust, and other
- Low Income Housing Tax Credits
- Zoning relief, zoning and design review

Building Total 178,000 sf
- 116 units residential
- 10,000 sf retail

Now developing Phase 2

QUESTIONS AND BREAKOUT DISCUSSION

> What reactions do you have on the information shared so far tonight?

> What questions do you have that we should address?

> For the breakouts:
  - What combinations of uses make most sense for each parcel? What are the tradeoffs?
  - What community benefits do we want to prioritize for each project, and why?
## ELEMENTS OF THE RFP

<table>
<thead>
<tr>
<th>Typical RFP Evaluation Categories</th>
<th>RFP Possible Tool and Incentives</th>
</tr>
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<tbody>
<tr>
<td><strong>1. Project Understanding:</strong></td>
<td></td>
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<tr>
<td><em>Set Community Vision</em></td>
<td>&gt; Publicly Owned Land</td>
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<tr>
<td></td>
<td>&gt; Roxbury Master Plan</td>
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<td>&gt; Roxbury Oversight Committee</td>
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<td></td>
<td>&gt; Ongoing Community Participation</td>
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<td><strong>2. Design Concept:</strong></td>
<td></td>
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<tr>
<td><em>Set Guidelines for Use and Density</em></td>
<td>&gt; Roxbury Master Plan &amp; Community Participation</td>
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<tr>
<td></td>
<td>&gt; Zoning Article 80 Development Review (PNF/DPIR)</td>
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<tr>
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<td>&gt; Zoning Article 37, Green Buildings</td>
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<tr>
<td></td>
<td>&gt; Boston Civic Design Review</td>
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<td>&gt; MA Environmental Policy Act (MEPA)</td>
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<td><strong>3. Community Benefits:</strong></td>
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<tr>
<td><em>Set Community Priorities</em></td>
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<tr>
<td><strong>Businesses:</strong> incubator, live/work, co-working spaces</td>
<td>&gt; Cross subsidize affordable rents</td>
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<td></td>
<td>&gt; US EDA Regional Innovations</td>
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<tr>
<td><strong>Jobs:</strong> livable wages, training, school programs</td>
<td>&gt; Boston Resident Jobs Policy</td>
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<td></td>
<td>&gt; Boston Linkage Program</td>
</tr>
<tr>
<td><strong>Culture:</strong> retail, restaurants, entertainment</td>
<td>&gt; Cross-subsidize affordable rents</td>
</tr>
<tr>
<td><strong>Housing:</strong> mix of types, incomes, ownership</td>
<td>&gt; Inclusionary Development Program</td>
</tr>
<tr>
<td></td>
<td>&gt; Potential for greater density</td>
</tr>
<tr>
<td><strong>Infrastructure:</strong> open space, bikes, transit, streets</td>
<td>&gt; I-Cubed Bonds (A&amp;F)</td>
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<td></td>
<td>&gt; MassWorks Grants (EOHED)</td>
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<td><strong>4. Financial Feasibility &amp; Developer Capacity</strong></td>
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<tr>
<td><em>Build public private partnership</em></td>
<td><em>Cost of land</em></td>
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<td></td>
<td><em>MassDevelopment R.E. Loans</em></td>
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<td></td>
<td><em>District Improvement Financing</em></td>
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<tr>
<td></td>
<td><em>Chapter 121A Tax Agreement Program</em></td>
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<tr>
<td></td>
<td><em>Tax Credits: New Market, Community Investment EDIPC</em></td>
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</tbody>
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*See next slide for potential community benefits*
NEXT STEPS

PLAN: DUDLEY SQUARE CALENDAR

FEBRUARY 22, 2016
Open House

MARCH 16, 2016
Walking Tour

MARCH 21, 2016
Visioning Workshop

APRIL 19, 2016
Transportation & Public Realm Workshop

MAY 16, 2016
Assessing What We Heard & Next Steps Workshop

JUNE 20, 2016
Economic & Workforce Development Workshop

JULY 18, 2016
Economic & Workforce Development Workshop Part II

SEPTEMBER 19, 2016
Development Scenarios & Tools for Development Workshop

OCTOBER 24, 2016 (Tentative)

November 2016 (Tentative)
Review Urban Design & Development Guidelines & Implementation Strategies Workshop