



PLAN: Downtown
Roundtable Discussions: Development & Land Ownership
Wednesday, February 20, 2019, 2:00–4:00 PM
Location: NBBJ, One Beacon St, Boston, MA

Attendees:

- Barbara Boylan, Druker Company
- Ron Druker, Druker Company
- Jessica Hughes, Tishman Speyer
- Joseph Larkin, Millennium Partners
- Anita Lauricella, Downtown Boston BID
- Mark McGowan, Oxford Properties
- Chad Remis, Oxford Properties
- Rosemarie Sansone, Downtown Boston BID
- Kimberly Sherman Stamler, Related Beal
- Doug Sickler, Pi Alley Garage
- Kyle Sullivan, Asian Community Development Corporation
- Halle Thomas Auerbach, Millennium Partners

PLAN: Downtown Consultant Team:

- Kathryn Firth, NBBJ
- Chris Herlich, NBBJ
- Alex Krieger, NBBJ
- Kyle Vangel, HR&A Advisors

Unable to Attend:

- Jonathan Davis, The Davis Companies
- Tom Gilbane, Rockpoint
- David Epstein, The Abbey Group
- Bryan Koop, Boston Properties
- Angie Liou, Asian Community Development Corporation
- Tom Nally, Greenway BID
- Jan O'Hern, Greenway BID
- Mark Rollins, Midtown Development

PLAN: Downtown Website: bit.ly/plandowntownboston

Roundtable Summary:

Each roundtable discussion was hosted by the PLAN: Downtown planning consultant, NBBJ. BPDA and City of Boston staff did not attend. The roundtable discussions supplement the broader conversations that occur within PLAN: Downtown public meetings and the PLAN: Downtown Advisory Group with targeted input from community members well versed in each

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topic. Roundtable topics include Preservation & Conservation, the Chinatown Community Master Plan, the Institutional Master Plans, Development & Land Ownership, and Ground-floor Business Owners. Shorter follow-up sessions occurred as needed to supplement the conversation.

Meeting Summary:

A short project overview & presentation was provided by NBBJ to outline the intent of PLAN: Downtown and to frame the conversation.

Roundtable Discussion Notes:

The notes below were expressed by discussion participants and do not reflect the opinion of the BPDA or its planning consultants.

Development Trends

- Noticeable split between newer players and older developers: newer groups much more open to regulatory reform and significant changes to the process.
- Looking for more density, but transportation capacity and shadow impacts limit projects.
- The stricter the height limits, the duller the architecture will be – look at the Seaport: developers tried to maximize volume in a limited envelope where demand was high, resulting in a bunch of almost-identical glass boxes.
- Tenant mixes are changing pretty dramatically; it's exciting but traditional owners are starting to get nervous about what the future brings.
- Landlords use different addresses for different tenants in the same building – each street has its own identity, and that matters to tenants.
- Access to and quality of transit matters – “It drives demand for space as much as anything else.”
- “We would be happy to foot some of the bills for improvements to Downtown, but what are we going to be paying for and who gets to weigh in?”
- More-prescriptive zoning will actually help developers – it would lock in development rights and help with the perception of the fairness of the process.
- Interestingly, height doesn't generate the same kinds of premiums for commercial tenants compared to the way it does in other cities. Some premium, yes, but the degree is much less.
- A lot of people are still imbued with frugality – the effects of the Great Recession are still being felt pretty intensely.
- “The ground floor isn't a profit center – it defines your building.”
- The licensing processes are extremely burdensome, particularly for food and beverage. It's hugely cumbersome and expensive and is a major roadblock to the success of smaller establishments.
- Moreover, there are plenty of other requirements that feel arbitrary and ad hoc, and thus the investment returns are similarly vague and hard to pin down, which limits development.
- There is some skepticism of "transfer of development rights" as a possible solution, but also a lot of misunderstanding about its intentions and execution (especially among more locally-focused developers and owners). The most enthusiasm for "transfer of

development rights" came concerning its use as a means of saving significant buildings and creating "surprising juxtapositions."

- There is some demand from large, corporate tenants and anchors for enormous floorplates, but there's recognition that can still allow for creativity and flexibility on the ground floor.
- On the other hand, there's far more demand now for 20-25,000 square foot floor plates than there used to be, and more tenants able to fill those spaces than the enormous ones. Spaces even smaller than that are getting covered by the market via WeWork and others.
- Land prices are low compared to other large American and global cities, but labor and construction costs are astronomical. Employment costs are high across the board, which can also make tenancy a challenging proposition in an expensive market.

Role of Downtown & Its Districts

- Developers and owners realize that the conversation and conception of Downtown are changing – this is something learned through the process of pursuing a large project.
- There is a broad consensus that transportation/circulation, density/intensity, use mix, and shadows are the biggest issues facing Downtown. A vision that articulates the community's priorities on those topics would be helpful.
- Tatte opening Downtown has been a gamechanger: there's an accessible, quality place to go on the weekends – really opening up people's eyes about what's possible.
- Hardscape is suffering – sidewalks and paths are in sad shape, which doesn't communicate how strong the Downtown might actually be; it directly contradicts the narrative we ought to be telling.
- It's worth noting, however, that there isn't just one story for Downtown – there are many stories, there are many districts with their peculiarities.
- The Financial District will probably always appeal to "that kind" of firm (finance-focused), but the nature of those financial firms will skew smaller and more innovative/niche as opposed to the large, traditional firms we have seen historically.
- There is full support for a mixed-use core – e.g., Hubspot, State Street, residential, retail, and others should all coexist, and whatever assists and supports that mix is good for all of them.
 - "But can Downtown be all things to all people? What is the role of the Downtown in the region, and what balances need to be struck?"
 - Tough to do vertical mixed-use because of the need for multiple cores.
- Chinatown zoning can't be as malleable or discardable; it needs to maintain its integrity because there are so many people already living there, many of whom are already vulnerable.
- "Nothing is worse than vacant retail, especially in a new building"; thinking more about coworking or "innovation space" as ground floor uses, but open to new models – "there's no such thing as one size fits all here." Zoning may need to be revisited to encourage a wider range of uses, or there could be subsidies for first-time brick-and-mortar businesses.

Plan Outcomes & Role of the City

- “What does the City want to accomplish with this plan?”
- “With any given project or proposal, we need to be able to answer the question, ‘How did we get here?’”
- A vision for Downtown is badly needed: what is the roadmap for the future of the district? More-established owners think “things are working well and rezoning isn’t necessary,” but recent arrivals believe “the process is unnecessarily opaque, which makes it harder for us both from a cost and a public relations standpoint.”
- We need to understand the City’s funding/spending priorities – what are the Big 10?
- Need to clarify/ease the incentives that exist.