

# Kelley's Corner Steering Committee

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## *Meeting Minutes – 11 March 2015*

These are the meeting minutes from the Kelley's Corner Steering Committee of the Town of Acton, Massachusetts. The meeting took place on 11 March 2015 in Room 204 at the Acton Town Hall.

The meeting was called to order at 7:42 pm by Andy Brockway.

Present: Andrew Brockway, Eric Solomon, Larry Kenah, Margaret Busse, Peter Darlow

Not Present: Bonny Nothern, J D Head, Rob Bukowski

Board of  
Selectmen:

Planning Department: Kristen Guichard, Roland Bartl

### **Other Attendees**

The Cecil Group team was represented by:

- Steve Cecil – The Cecil Group – Project Director
- Ken Buckland – The Cecil Group – Project Manager
- Jason DeGray – Greenman-Pederson, Inc – Traffic Engineering
- Colin White – Greenman-Pederson, Inc – Traffic Engineering
- Pam McKinney – Byrne McKinney & Associates – Real Estate Economics

### **Meeting Summary**

This meeting was initially planned to address these two subjects.

- Development Pro Forma and Concepts / Zoning (rescheduled from February meeting)
- Right of Way and Infrastructure Improvements (updates only from feedback from February meeting)

Documents that support both of these topics can be found at

<http://doc.acton-ma.gov/dsweb/View/Collection-6751>

### **Meeting Minutes (1)**

No minutes from earlier meetings were approved due to time constraints.

### **Development Pro Forma and Concepts (2)**

Pam McKinney from Byrne McKinney & Associates presented what she called a primer on real estate economics (or the economics of development)) to the committee. She and her colleagues examined

various development scenarios and used models to determine whether each scenario was economically viable. Would a development scenario generate a greater return than if the same money were invested elsewhere? All scenarios discussed during the meeting are strictly hypothetical to test the economics of development and redevelopment. No one scenario is considered an actual proposed redevelopment scheme.

### **Development Components**

The scenarios included different mixes of three basic building blocks.

- Retail
- Residential
- Office

### **Cost Factors**

In addition to the costs associated with building or remodeling structures, three other cost factors appeared over and over as elements that could affect whether a proposed scenario was economically viable.

- Demolition
  - Is there an existing structure that must be removed before building can begin?
- Parking
  - Is adequate parking available?
  - Is structured parking (a multi-story car park) required?
- Lost rent
  - Some proposals eliminate existing businesses.
  - Lost rent must be included when evaluating overall costs.

### **Principles and Other Lessons**

#### *Scale*

Several scenarios contain examples where a given element is either too small or too large. A positive economic outcome requires that a specific parameter (such as the number of residential units) fit into a specific range. Sometimes, two interrelated parameters work against each other so that it is not possible to justify a given scenario.

#### *Parking*

Flat parking is estimated to cost approximately \$2,500 per parking space.

Structured parking cost estimates fall into the range of \$15k to \$17k per parking space, an increase of more than a factor of six in total cost for parking.

One scenario created for the property behind the new CVS illustrated that structured parking included too much additional cost.

#### *Residential Units*

Residential units help to offset costs.

Sometimes, residential units can have negative value but the Kelley's Corner residential scenarios all show positive value.

### *Office Space*

Various office scenarios do not seem to work unless they start with at least one secured or existing high-value tenant.

### *Zoning Changes*

How much density will existing or proposed zoning regulations allow? It appears that a FAR of approximately 1.0 is needed to make a successful business case.

### **Kmart Proposals**

Several proposed scenarios focused on the southwest corner usually referred to as the Kmart site. One scenario added two retail plus residential structures but left the existing Kmart structure in place. Another razed the Kmart building and was able to reconfigure the entire plot. More lessons emerged.

- Leaving the Kmart building in place eliminates the demolition cost but limits options for new development.
- If new structures are built, does adding floors improve the business case? Yes, but only up to a point.
  - Above a certain height, structural steel must be a part of the construction.
  - Additional residential units increase the required number of parking spaces but not as much per building square foot as office or retail use.

### **Closing Thoughts**

The most likely scenarios that might emerge will include a mix of unit types (retail and residential and perhaps office).

If we (KCSC, etc) want retail plus residential, we will probably need to use zoning to enforce those wishes. Otherwise, developers might propose residential only proposals. However, Kelley's Corner is a sufficiently strong retail location that fear of losing retail to residential re-development appears to be unfounded.

## **Right of Way and Infrastructure Improvements (3)**

### **Streetscape Concepts**

Colin White from GPI presented a revised streetscape picture with several changes the committee requested at the previous meeting.

- Move crosswalk on Route 111 so that it is at Charter Road itself rather than moved even farther away from Charter Road
- Add bus stop with shelter on Route 111 in front of the tennis courts

### **Zoning and Infrastructure**

Jason DeGray asked about the relative importance of zoning and infrastructure. What is the cart and what is the horse?

Roland Bartl cited infrastructure as important in its own right.

Andy Brockway pointed out that the town wants the infrastructure improvements.

### Costs and Funding

We had a mostly abstract conversation about costs and possible funding sources. We started from the position that this will be an expensive project. Jason DeGray presented an initial estimate for fully-loaded construction costs that was substantially larger than any numbers that people remembered from earlier in the project before we fully understood the scope of the infrastructure work.

Jason listed contributors to the construction costs.

- Roads
- Sidewalks
- Retaining walls
- Relocated utility poles
- Lighting
- Landscaping
- etc

When asked about phasing the improvements, Jason offered his opinion that we need to do all aspects of this project. The proposed solution to the traffic congestion problems cannot be done in pieces. Relief will only be realized when all pieces are in place.

Possible funding sources include the following.

- MassWorks
- Transportation Improvement Program (TIP)
- Debt exclusion

### Scheduling (4)

#### Committee Meetings

Here are the dates for the next couple of KCSC meetings.

- **April 9** - Thursday (moved from Wednesday)
  - We moved our April meeting to the second Thursday just in case Town Meeting extends to a third day.
- **May 13** – We revert to regular schedule (second Wednesday) in May.

#### Public Meetings

The next public meeting is tentatively scheduled for Thursday, 7 May 2014 in Room 204 at Acton Town Hall.

There was no further discussion of the second public meeting likely planned for September.

### **Phone Calls**

Roland Bartl will arrange informal phone calls or meetings with property owners before the public meeting in May to give them a preview of the proposed infrastructure changes.

### **In Closing**

The meeting adjourned at 10:30 pm.

These minutes were recorded by Lawrence J Kenah.