Town of Danvers

Planning Board

Danvers Town Hall
One Sylvan Street
Danvers, MA 01923
www.danvers.govoffice.com

James Sears, Chairman
Margaret Zilinsky
Kristine Cheetham
William Prentiss
Aaron Henry
John Farmer, Associate Member

Daniel J. Toomey Hearing Room
April 28, 2015
7:00 p.m.

MINUTES

Chairman James Sears called the meeting to order at 7:00 p.m. Planning Board members James Sears, Kristine Cheetham, Aaron Henry, Margaret Zilinsky, William Prentiss and Associate Member John Farmer were present. Planner Kate Day and Karen Nelson, Director, were also present.

MAPC/PLANNING BOARD DISCUSSION:

7 - 9 p.m. The Metropolitan Area Planning Council (MAPC) is working with the Danvers Planning Department and the Planning Board on a study of the Industrial-1 zoning district near the intersection of Maple and Locust Streets. MAPC staff will continue the discussion with the Planning Board, property owners, neighborhood residents and the public regarding ways to provide a greater range of housing and mixed-use development in the downtown area through zoning options. In particular, the focus of this meeting is on listening to representatives of the development community on the market potential for parcels within the I-1 areas in the downtown. This study is funded under a Department of Housing and Community Development (DHCD) Priority Development Fund (PDF) Planning Assistance grant.

Sears said that this was a discussion about the rezoning of the Industrial I-1 area. They have done a lot of rezoning as a Board. Sam Cleaves from the Metropolitan Area Planning Council (MAPC) has assisted with a lot of their projects, and he is going to run the meeting. Sears thanked the panel for participating, as well as the business owners and commercial property owners for attending. Notices were sent to 200 people along the Hobart/Maple Street area. The Downtown Improvement Committee and the Danvers Affordable Housing Trust were also notified.

Sam Cleaves said that he was a regional planner with the Metropolitan Area Planning Council, and was the project manager for the Maple Street study. He introduced the four panelists:

MOLLY MARTINS: Molly brings several experience-based perspectives to tonight's discussion. She is co-owner and VP of the Martins Companies, which provides planning, permitting, design and construction services to both commercial and residential clients. Her experience includes:

- Real Estate development of several subdivisions and properties;
- Ownership of Commercial /Residential real estate in downtown Beverly;
- Membership on the Board of Selectmen in Wenham (3 years as Chair) – including negotiation of development agreements with developers and development of Town owned land; and
- Membership in and Chair of the Wenham Affordable Housing Trust (6 years) charged with addressing affordable housing in Wenham

JEFF RHUDA is the Business Development Manager for Symes Associates in Beverly. Part of his responsibility is to locate & secure purchase rights for residential development projects and secure all entitlement permits. Symes is presently building and permitting residential projects in MA in Concord, Burlington, Wakefield, Georgetown, Salem, Beverly and this year will complete Aria at Danvers. Symes also has additional development projects in NH and Maine. Locally, Symes owns and manages office buildings at 199 & 300 Rosewood Drive.

JOHN FARMER is Senior Vice President and Senior Credit Officer at Eastern Bank's Boston office. John is also an Associate Member of the Danvers Planning Board. His experience includes commercial real estate lending, underwriting and banking. John has served as the President of the Malden Chamber of Commerce and is on the Board of Beverly Main Streets.

BRIAN DAPICE is a 1989 graduate of Danvers High School and for a number of years has been working in commercial real estate covering the immediate markets of Beverly, Peabody & Danvers. He specializes in investment sales, development and downtown retail markets. Formerly the Director of KW Commercial, Brian is currently transitioning as Principal of The Mega Group, a commercial real estate firm that has been Danvers based since 1997.

Cleaves said they would ask the panelists a series of questions.

What do you see as current and future trends for housing demand in this context? Mixed use potential?

Martins felt it was a trend to coming back to single source providing. People are looking for a live/work type of arrangement. There is more telecommuting being done. People are looking to areas where they can live, work and do their business. They want medical amenities, goods and services. There is a big push environmentally. She felt Danvers could support that life/work environment. She said that with her affordable housing experience, she felt having a variety of housing goods and services and a nice breadth of community. Income levels and economic levels only helps benefit a town, area or neighborhood.

Rhuda said that the biggest demand for housing is single level living. There is a large group of baby boomers born between 1954 and 1963. He said at the Aria project they had 29 flats that sold out. He said they were experiencing the same thing in Burlington. The bubble of baby boomers is huge. He said that with the 45-55 year olds there is going to be a demand for housing. Stacked housing would sell extremely well. He said that the market is loaded with townhouse product. There is a huge demand for single-level living.

Farmer said that the bank had done a lot of housing projects. Each community is struggling with the type of housing on the marketplace. Larger cities want to draw the people downtown. Residences will drive the business. The demand is significant. They see what is going on in Boston. People are coming out of the suburbs to Boston. Quincy, Malden, Medford and Somerville have been having huge amount of construction. They are mixed-use/lifestyle projects. There are more rentals than condominiums, but they feel that is going to change. Farmer said the affordability issue becomes a challenge. There is a pent up demand for housing. They are seeing more projects on a mixed-use standpoint. Farmer said they feel there is a potential bubble on the high-end market. At the lower end, you can sell as much as you can build.

Dapice said that people are looking for single level living. He felt developers were looking for mixed-use development. There is a demand for retail and single-level living. He felt there were concerns with a large development. Smaller developments that are more clustered are more beneficial to the community.

There is a demand for downtown retail. Communities have put these mixed-use rules together that require commercial on the first floor. Can you give insights for retail now and in the future.

Rhuda said that all you need to do is drive down Route 114 to see all the vacancies. They had two tenants at their property, Johnny Appleseed and Country Curtains, which have closed. You see the effects at the malls. He said that his company has walked from deals because the town is demanding retail on the first floor.

Farmer pointed out the mall that was built in Lynnfield. People wanted enclosed malls 25-30 years ago. Now they want open parking and a Main Street feel. He felt the regional mall is a tough business model going forward. He felt it needs to be unique retail. He felt potentially there could be more office use. It would not be beneficial to get a major chain name to the downtown area.

Rhuda agreed that larger retail would take up parking.

Dapice felt small retail streets would work, or executive suites. He felt people would meet clients downtown in coffee shops. Small retail is what is in demand.

Knowing the demand for higher and lower-end housing, what type of density would you see as appropriate. What sort of numbers do you need to make a project that meets the market?

Martins said that Rhuda has the business model that has been working. Her work is on the edges.

Rhuda felt that 12 units per acre is a good density. If it had affordable attached to it, it would be 10.5 units per acre. You need to factor in whether it creates a greater value from its present use. You have a function of the price of existing value. He would guess in the $60 – $100 per door. You are looking to do zoning to redo the area, and you need to make it attractive to make it interesting. Wakefield Crossing was 38 units per acre, which was with four and five story buildings. It is a function of how high you want to go, and how much parking you want to attach to the project. A lot of people do not have two cars anymore.

Cleaves asked how they dealt with stepping the building back to deal with height.

Rhuda said that they can get four stories into 35 feet. You can make the top floor a mezzanine space. You are concerned with streetscape, and with a mezzanine, you are stepping it back. You do not lose density.

Farmer said that if a development is not going to make money, it is not going to get built. The question was whether there is too much density and whether it is going to be accepted to the marketplace. The target of entry level is different. They were seeing projects that were acceptable to the marketplace, but does it have the support of the municipality. It makes a difference between rental versus a condominium.

Martins said that she could see the concern with buildings that are too high in the area being discussed. You don't want to lose the charm of the downtown, but this area is on the outskirts of the downtown. There is a real opportunity to look at higher buildings, and at architectural details. She felt there were a lot of things that can be done to get an extra story without it looking too big. Stepping back buildings gives you a different look.

Cleaves said that people are often surprised by the actual number of units per acre in the neighborhoods they love – generally it is much higher than people think.

In addition to setbacks, name some developments that you like. Talk about the desirability for your clients of sale verses rental.

Farmer said they are seeing more rentals that offer amenity packages to the people moving in. He said that projects that have access to Boston are doing well. Cities and towns like Malden, Somerville, Medford, Beverly and Salem are accessible to Boston. The challenge with Danvers is that it will be hard to sell these amenities. They need to determine the target market, and why it is the target market. The over-55 projects struggled quite a bit because the demand was not

there. It is not something that attracted people due to resale. Farmer said that residential projects are selling a lifestyle. Single family development is a different ball game.

Dapice said that you do not want to become a victim of your own values. Homes prices are over $400,000. People in Danvers drive to work. There is a need to balance that. He felt the need to create housing that is more affordable. A way to do this is to build condominiums. It is hard for someone between the ages of 28 to 34 to buy a home in Danvers because they cannot afford it. In some areas, people are taking a single family home and attaching another home to it. People don't want to be near this type of unattractive development.

Rhuda pointed out that Danvers did not have a Design Review Board, but felt it can be part of the review process. He felt this should be an integral part to development. Architecture can go a long way to disguise density and height. Companies like his own do this by hiring an architect. This area is the gateway to Danvers.

Martins said that Danvers is an old community, and felt that they have an opportunity to look at all types of architecture and make it fit. There are creative ways to developing.

Cleaves felt it was good to draw on the vernacular. You need to fit a building into the design.

Day said the conversation regarding sale verses rental interested her. There is a housing gap that needs to meet the "silver tsunami," which is the aging population. There is also the millennial model and meeting that need. These are the two spots not being satisfied.

Rhuda said that Massachusetts is 49th in the country regarding housing units per capita; Alaska is the 50th. There are housing shortages. Building is down. There is no particular area that does not meet supply. The reality is that all sectors need housing. Rhuda said that from 2005 to 2007, Massachusetts had the largest outward migratory of people that were 22 years of age for the Carolinas because that age group can't afford to live here. His market is supply and demand, and he felt it was across the board. The millennials are starter homes. Millennials are not making enough money to live inside Route 128 because the housing prices are north of $400,000. Affordability is going to get worse when interest rates rise, and the affordability gap is only going to increase. Apartments are being built for a reason, and they are getting filled. Most of them are 40B programs. For this area, he felt development should be what works best for the town. Housing will get filled.

Cleaves felt housing closer to the city would need to come from redevelopment. There are high-rises being built in towards town. The units are going to be small. They are seeing smaller and smaller apartments.

Farmer felt transportation is important. The trade is that people are not maintaining two cars. That generation does not value the automobile.

Day said that she looked at the bus schedule and found that you can get from Danvers to Salem in 12 minutes. You can be at North Station by 8:00 a.m. The bus stop is at Park Street. She felt they should be mindful of this. Bikes can be put on the bus.

What considerations should the Planning Board keep in mind in crafting zoning that will bring about the desire outcome (mix of housing, keeping some affordability, attractive, fits into the context of the downtown) from your point of view, what would attract you to a project in this area? Create your own scenario. What would you look for? What are the hallmarks of good rules and regulations?

Rhuda said clarity without a lot of ambiguity. Danvers is very clear on what a developer has to do. The Planning Board is the Special Permit Granting Authority, so you are not dealing with multiple boards. Danvers has a good foundation with the way things are organized in this town.

Dapice said Danvers is a great community, and has always been a great Town to do business in.

Cleaves asked what are some of the danger signs you run into in other towns? What makes a town work for permitting?

Farmer felt consistent vision was the key to success. It was not go to put time and effort into a planning process, and then have it not happen.

Martins felt clarity of zoning and consistency among the boards was important. Development is an expensive process to go through. You are laying out money on a project that may not happen. She felt formal or informal support through the process was important.

Day said that when Tapleyville was rezoned with an overlay district, it introduced a new level. Danvers does not have a Design Review Board, but Tapleyville included design guidelines. The design was piggy-backed off Daniella's.

Rhuda though that was terrific. Danvers has designed a path.

Martins said this would work as long as all the boards share that vision. You need an understanding of the boards and stakeholders.

Cleaves asked if anyone worked with form-based codes. The roadblock is that it is expensive to change. A lot of the country is going this way, but it is where there is a lot of buildable land.

Cleaves asked the panel their opinion concerning parking needs. He felt there was a revolution to parking, and people want to be in smaller areas in downtown. What is being seen for parking? Is there too much parking, or not enough?

Martins said that the old calculations don't work with the lifestyle of today. She does not know the answer or what the correct number is. She felt less parking with fewer bedrooms.

Rhuda said that pavement is the enemy. Danvers does not allow stacked parking. A two-car garage has four parking spaces. He felt Danvers should consider stacked parking. He felt a good ratio would be 1 parking space per 1 bedroom and 1.5 parking spaces for two-bedroom units. In home ownership you have deeded parking spots. They have auctioned off excess parking spots. He felt there is a change in the use of cars.

Farmer said that Freddie Mac/Fannie Mae approval is key on condominiums. When the banks sell their loans to Fannie Mae, it is tougher and more challenging. There are communities that have large parking garages. There is not an easy answer to what is the right market.

Dapice said that it is important for a community to have ample parking. Danvers could benefit from a parking garage. He felt requiring a developer to have parking that is not needed is not good.

What are the greatest challenges doing downtown mixed-use projects? What makes it work and doesn't make it work?

Martins said it is what the Town wants, and being consistent with those goals and objectives. What does the project feel like? In a development they did in Ipswich, the project dictated what it wanted to be. Do not force a project. You can shoe-horn projects in that meet the criteria. Martins said it is good to work in a community that is inviting that type of development.

Cleaves seconded her opinion. Some towns struggle. They start projects and then question whether they should go any further.

Martins said that should be a consistency with boards and stakeholders. There are a lot of different motives that can go on within a community.

Rhuda said density and parking was important because it will put a cap and prohibit a change of use. Outside of that, it is the small design of things.

Farmer felt it was the desire and excitement of people that want to live downtown. Danvers wants to define that experience. It was important to try to find a place to work and go downtown for lunch. It is a trend that people want. First is the vision. What are the amenities? What do we want the downtown to look like?

Dapice said that using Newburyport as an example, there is a consistent feel to the community. There is a lot of character in Danvers that could follow Newburyport. It is important to come up with a plan to tell developers what the community wants. What is the resale value seven to ten years later? You want people to stay. When they leave their small unit, you want them to upgrade in Danvers.

Cleaves felt you need little houses to go with the big houses.

The discussion was opened for questions from the Planning Board.

Prentiss said that there was discussion concerning recessed roof lines. Was this used as an example in other communities? Are communities going above and beyond? If you go for a fourth floor, you need to recess it back.

Rhuda pointed to a project done at 45 Rantoul Street in Beverly at the old Edwards School. They put another story on the building, but it is recessed back.

Prentiss asked if this was built into zoning or was it more of an architectural design.

Rhuda felt it would be written into the zoning to add the story as long as that story occupies a certain percent of the floor before it. Eighty percent would be a good number.

Prentiss said that parking was an issue with the Planning Board and applicants coming before them. Is parking shared, or strictly 1.3 to 1.5 per unit?

Rhuda said that the Aria project has 49 residences. There is two-car parking per unit and it is empty. There is no better way than to drive through your own area to see parking needs.

Henry said that most of his questions were answered through the conversation.

Cheetham said she was intrigued that their vision is what the community wants. It seems that housing is wanted downtown. People are buying in the downtown area. We are an auto-driven community. The millennial lifestyle is in Salem. Danvers provides different housing due to our access to highways.

Zilinsky thanked everyone for coming. She said that she always had a concern about height, and she saw how height could be masked. She said that they do not have enough parking at her condominium. She liked the idea of being near public transportation and services you can walk to. She liked the idea of first floor development that would have residential on top with amenities to draw people. She felt this was very interesting.

Sears said that what they have tried to do in the past rezoning is to have retail downtown with residential on top. They may decide to have all residential, and allow the developer to have the ability to build all residential units. Sears asked Daprice about the efforts of Peabody.

Dapice said that Peabody's demographics are a lot different. There is a lot for lease or sale downtown, and you do not see that in Danvers. Danvers takes a look to make sure they do not have too many of one thing.

The discussion was opened for questions from the audience.

Dan Bennett, Selectman and local real estate agent. He said that he spent a lot of time in his early career in retail. Malls have chewed up all the land. Box stores have put small stores out of business, and there is no demand for retail. He pointed out that 40B projects do not create

affordable housing, because the rent is being subsidized. Lack of inventory is a serious problem. He said that his son could not find a home that he liked, and he bought property in Hampton, New Hampshire. We need to find a way to create affordable housing and rental properties. They need to come up with a plan to develop housing in the downtown area. Public transportation is poor. He questioned how many cars were registered in Danvers. This answer may provide a sense of what is needed for parking. He felt there was a demand for parking.

PJ Carpenter, 7 Poplar Street. She lives across from the funeral home. It is a single-family home surrounded by multi-family units, and she is concerned with a lot of housing. A lot of people are downsizing. She may be selling her house, but there are not a lot of places to stay in Danvers. With regard to parking, people in Danvers do use cars. She felt that they do not need more retail downtown. There is a lot of turnover due to the lack of parking. She never sees the stores jammed with people. She asked how this area was targeted to rezone.

Sears said that they have been going through the industrial zones in town because industry has left the town and factories have been replaced with the industrial use, but it does not allow residential housing.

Gardner Trask, Selectman and Chairman of the Danvers Affordable Housing Trust. He said that the Town has worked hard, and is now over the ten percent threshold. He said that they do welcome friendly 40B projects. They created inclusionary zoning which is limited to zoning board control. He asked the panel how big a factor this was in their projects. Do they consider it another fee? He asked what their opinions were about inclusionary zoning.

Rhuda felt it was a tax on the landowner, and it affects the value of the land. It can be a tipping point that you cannot do a deal. His company has a twelve percent component for single-family development. From a homeownership perspective, inclusionary is bad. You are taking a large sum of money and subsidizing one to two people. Rhuda felt they should look at pooling the money and using it for a greater use.

Day pointed out that a large check was written for the Aria project that Rhuda is completing.

Martins said that one of the biggest problems was getting the money from the developers. The Town is not equipped to handle these funds. It is forcing the Town to be developer which can become a nightmare. It is very important that the town takes the money and does something with it.

Rhuda said that if the money was pooled, fifteen units could be created instead of three.

Henry said that the Town should not be requiring ten percent inclusionary in this deal. The Town fought too hard to get this, and we need to worry about staying above the ten percent threshold. There are other communities that use the model differently. We need to get over this issue. Danvers is not equipped to find a fifteen-unit development.

Rhuda said that three out of four projects he does includes an affordable unit.

Trask said that they have had success with the River Street Condominiums. They could not burden a family with owning that type of condominium. The Trust wants to be facilitators. They are interested in inclusionary zoning. They would like to get to a 60 percent level.

Bill Clark, Selectman. Clark said that the Town has two distinct constituencies. The entry level and the older population that wants to downsize. What are the finances? Kids have become boomerangs and live home with their parents. They are not looking for big places. He asked if a 700 square foot apartment could be built and still make money doing it.

Rhuda responded that he could, but it would be more economical if the units were 1,000 to 1,200 square feet.

Cleaves felt the demand will be small units.

Dapice said that 200 to 250 units have been added to Rantoul Street. Restaurants are abundant.

Clark said that the Tapleyville building has amazed him. The restaurant is doing well, and there is not a parking space available at night. He said that maybe first floor residences will make it work instead of retail.

Rhuda said there was a shift to the outdoor malls.

Cleaves said that there was a trend for people to have inventory somewhere else to afford the rent.

Henry asked what the rents were in the downtown retail spaces, and could they be increased? If this was done correctly, it could benefit the downtown.

Martins said that the residents will demand the services.

Dapice said it is difficult to lease retail space in Peabody. In Beverly and Salem the rent is $14 to $12 per foot.

Clark said that $3,500 is the common rent for storefronts.

Henry thanked everyone for coming.

Cleaves said that he would like to thank Day for planning this discussion. It was very informative. It was a great model and he plans on recommending this to more of their colleagues.

FORM A

15 Florence Street/22 Hardy Street. Request by Paul Fitch for endorsement of Form A plan to reconfigure existing parcels to form two buildable lots and one non-buildable lot in the R-1 zoning district. (Assessor's Map 52, Lot 77) *(Approval Not Required Action Date: May 15, 2015)* **(Continued without discussion at the applicant's request to May 12, 2015.)**

Day said that the applicant has sent a request to continue. The applicant is preparing a memorandum to present to the Planning Board that they have adequate frontage. Town counsel will review this memorandum, and provide guidance to the Planning Board.

Henry asked if the project was to build two connected duplexes.

Day said there was a sewer connection through the way that functions as a road, so they are contemplating keeping that connection.

Henry confirmed that they could do a duplex by right. Day said that the site design does not matter to use. The task is to look at the classic ANR parameters of frontage and lot size.

> **MOTION:** Prentiss moved to continue the application for the Approval Not Required for 15 Florence Street/22 Hardy Street to the next Planning Board meeting scheduled for May 12, 2015. Cheetham seconded the motion. The motion passed by unanimous vote.

Sears asked Day what the timeline was for the MAPC grant.

Day said that the contract with the MAPC is that the report needs to be done by the end of the year. That does not prevent the Planning Board from continuing to work along for some visioning or examples. They do not have a lot of Planning Board agenda items, so they can spend more time deliberating about zoning.

Sears felt the biggest take-away from tonight's meeting was allowing, but not requiring, retail and commercial use.

Day said that they offered that option at Tapleyville.

Prentiss asked if there was ever an end-game where the underlying use goes away in an overlay?

Day said that if the objective is to successfully pass this zoning, overlay would be the way to do it. It would stop unsavory uses.

Henry thought they changed the height of I-1 in the Waterfront Village District.

Cheetham said that in the Waterfront District they made changes to Danvers Industrial. They did a mixed-use development. Tapleyville was different, they did an overlay.

Henry thought maybe they should touch height. Prentiss felt they would get push-back about height.

Zilinsky said that in Danversport zoning was change. The guidelines being followed was to decrease the number of zones in Danvers. It was a surprise to her that with an overlay, height did not change, which was her biggest concern.

Day said that this would change the height for all I-1 areas.

Prentiss said that a two-thirds vote is needed, and he thought it may not go through. It gives incentives to the developer that he had never envisioned.

Zilinsky said the only other concern is the other two I-1 areas at the southern part of High Street. The ARMS building on North Street is 55 feet, which she does not like. She pointed out that you can have four floors within 35 feet.

Day said that one possibility might be, following the pattern set for the Danversport Industrial has legs, because it is a diminished size and diminished use, could stay in the bylaw and call it Village Industrial. That could be the new base zoning

Cheetham said that they took away six uses. The Lees were upset and it was the hardest part of that Town Meeting.

Zilinsky said that she did not want to lose momentum. Are we meeting the recommendations of the Stantec report?

Day said the report did not anticipate the quality of the work that we are going to do. Residential is of great interest and very marketable.

Prentiss said commercial should not be required.

Day said that something like a big-box drugstore jeopardizes the feel of residential.

ADJOURNMENT

> **MOTION:** Prentiss moved to adjourn. Zilinsky seconded the motion. The motion passed by unanimous vote.

The meeting adjourned at 9:15 p.m.

Respectfully submitted: Francine T. Butler

The Planning Board approved these minutes on May 12, 2015.