

City of Newton

California Street Manufacturing District Zoning Study

June 8, 2023

Agenda

1. Recap of Project Timeline & Goals
2. Redevelopment Scenarios
3. Economic Analysis
4. Draft Zoning Recommendations
5. Traffic Considerations
6. Discussion

Project Timeline

2022

October-December: Staff and consultants begin work: historical research, mapping, 3D modeling, analysis of existing zoning, parcel ownership, and real estate market.

2023

January-May: Consultants researched different redevelopment scenarios and potential uses under current regulations and tested options for different densities.

Public presentations held on April 27 at Post 440 in Nonantum and on May 9 at the Economic Development Commission.

June: Consultants begin drafting zoning recommendations for shaping preferred redevelopment options and land uses.

June 8: Public meeting on preferred redevelopment options.

July 10: Final report and zoning recommendations published online and delivered to City Council.

City Council may review and deliberate the zoning recommendations, a public process that might involve the Land Use Committee and the Zoning and Planning Committee.

Project Goals

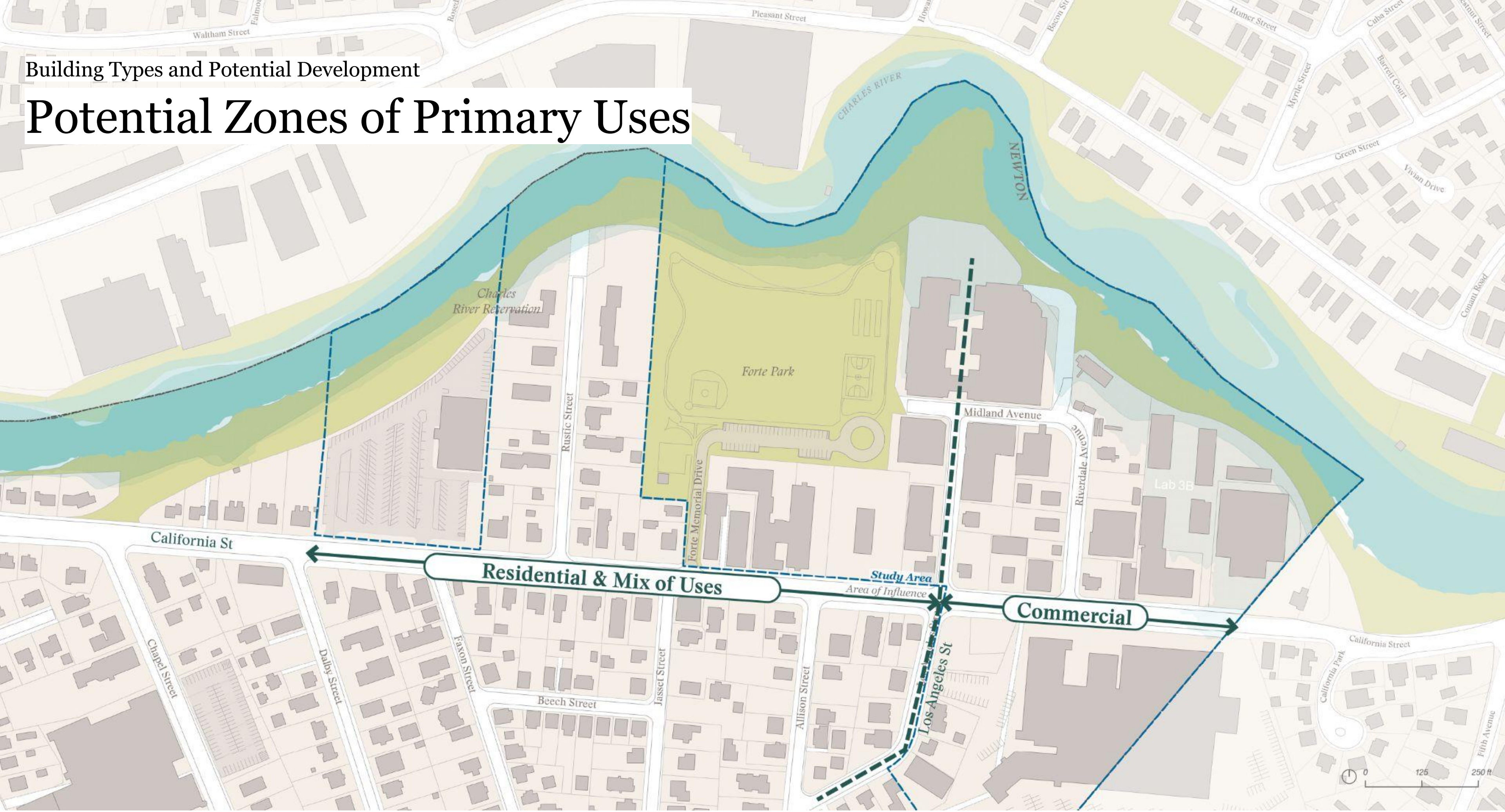
The goal of this study is to create zoning recommendations that will:

- Encourage the growth of the commercial tax base
- Enable the creation of appropriately-scaled housing
- Ensure that some land is preserved for 21st century commercial and industrial purposes, including light manufacturing and flexible spaces for creative economy businesses.

Redevelopment Scenarios

Potential strategies for commercial and residential development in the district

Potential Zones of Primary Uses



Example Small-scale Light Industrial Uses

Boutique Industrial Uses



- Small-batch manufacturing
- Make and sell with retail showroom
- Woodworking
- Metalworking, machining, fabrication
- Product design and 3D printing
- Apparel, textiles, and leather
- Ceramics
- Brewery/Brewpub
- Local food production, packaging, bakeries
- Printing

Light Industrial Uses



- R&D
- Industrial Services
- Distribution
- Light Manufacturing
- Building Materials sale/storage
- Warehousing
- Contractors: plumbing, electrical

Example Small-scale Light Industrial Districts

Somernova

7.4-acre innovation campus in Somerville, MA



- Technology and manufacturing
- Food and beverage
- Art and design
- Fitness and wellness

Norwood Space Center

300,000 SF mixed-use mill building campus in Norwood, MA



- Retail
- Commercial
- Creative space
- Entertainment

Recent Developments



64 Pleasant St
Adaptive Re-use; R+D Life Science



Watertown Mall
R+D Life Science; Retail



560 + 580 Pleasant St
R+D Life Science



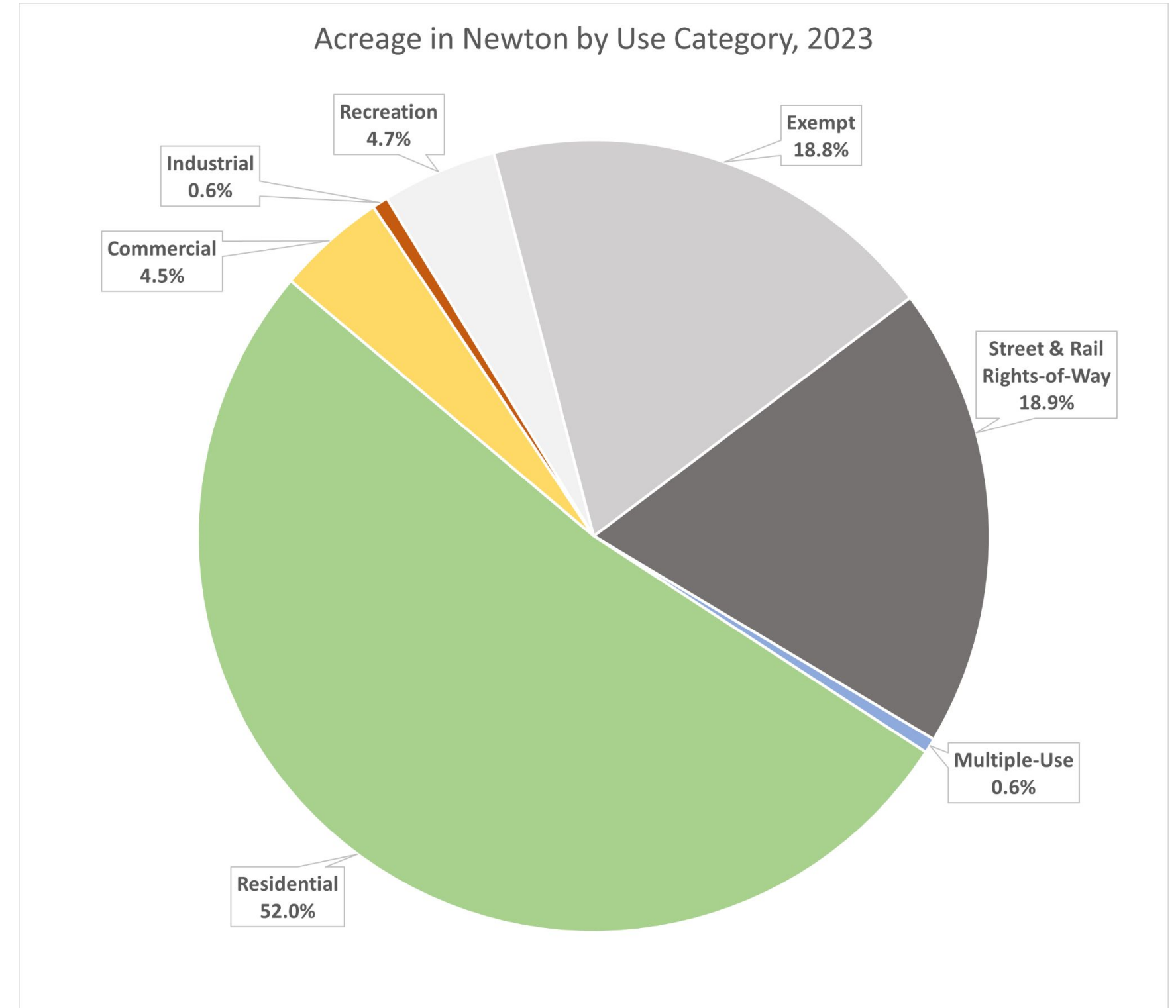
66 Galen St + 99 Water St
R+D Life Science + Commercial

Nonantum

Commercial Development Goals

The long-term fiscal health of any municipality requires a healthy mix of residential and commercial tax revenue.

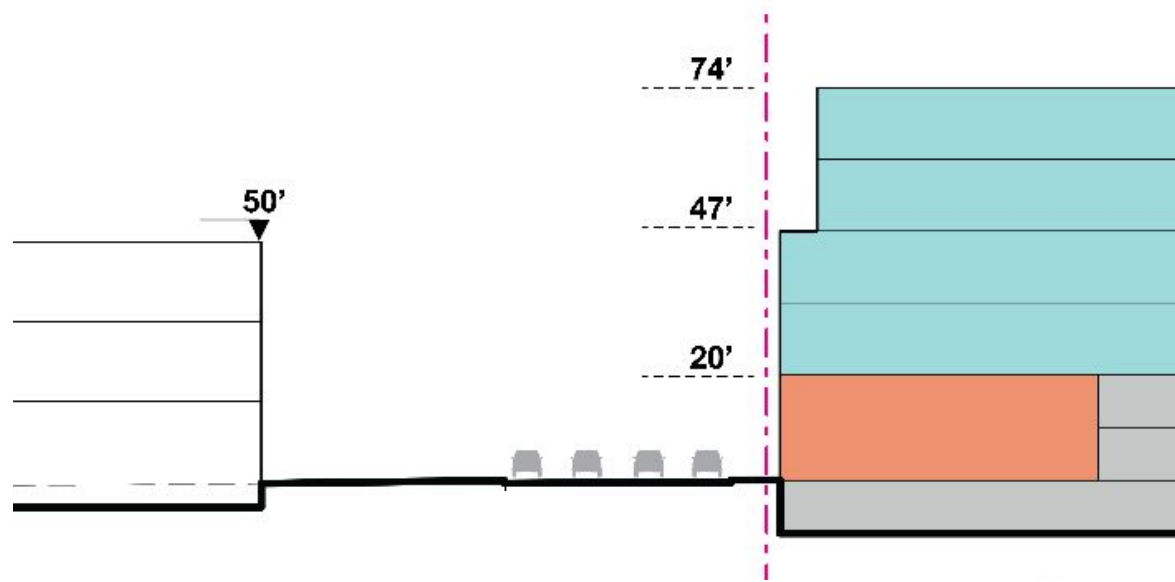
- Newton is largely residential, so most of the municipal tax burden falls on homeowners. That share has increased over the past 30 years, from 72.7% in 1992 to 83.3% today.
- The City has a split tax rate, which means commercial and industrial properties pay around twice as much tax per assessed value.
- Less than one of Newton's 18.2 square miles (4.5%) is commercial property. That includes all of the village centers, commercial corridors, and office parks combined.
- Industrial uses are even more restricted, allowed on only some 73 (0.6%) of the city's 11,618.6 acres.



Amount of land sorted into assessing use categories. Data from City of Newton GIS.

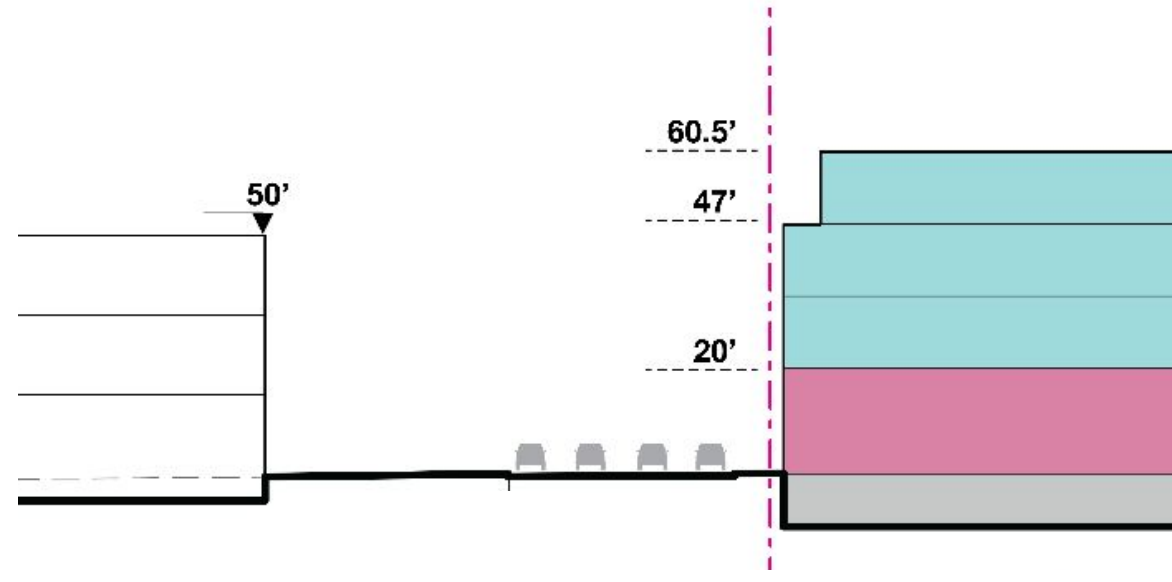
Commercial Development Scenarios

Life Science Garage Retail Boutique/Light Industrial



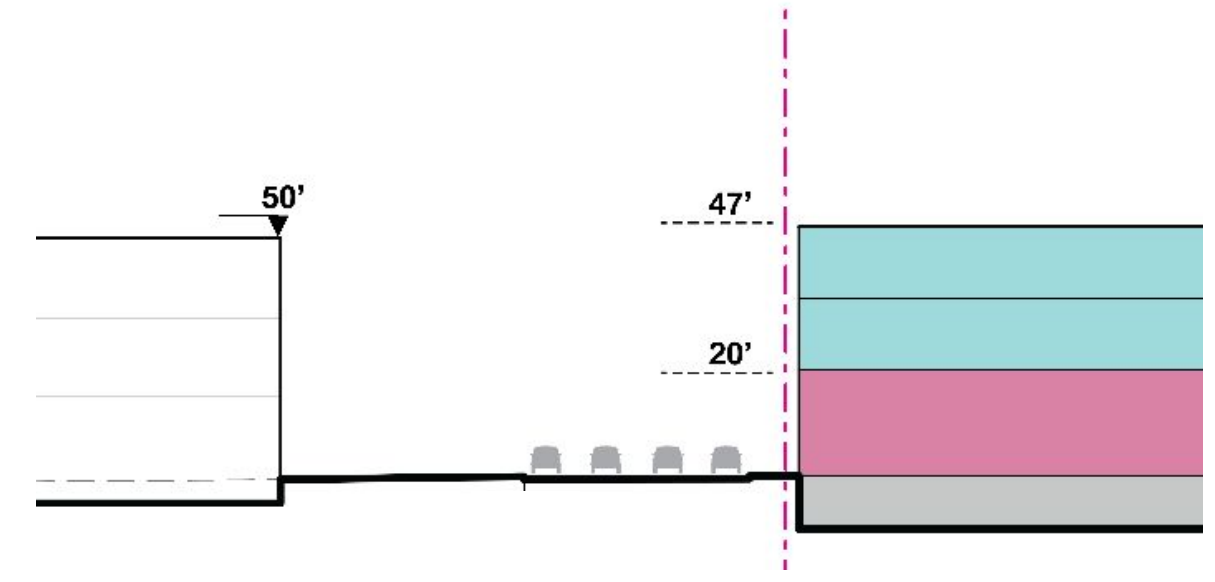
4:1

4 levels of life science over ground floor retail



3:1

3 levels of life science over ground floor boutique/light industrial space with limited accessory retail



2:1

2 levels of life science over ground floor boutique/light industrial space with limited accessory retail

Commercial Development Scenarios

Lot Area (sf)	45,792		
	Commercial Test-Fit Analysis		
	Base Condition:	OPT 1:	OPT 2:
	4:1	3:1	2:1
Building Footprint (GSF)	40,320	39,424	39,424
Retail Area (GSF)	8,430	1,740	1,740
Non-Retail Commercial Area (GSF)*	98,840	85,670	62,108
Total Area (GSF)	107,270	87,410	63,848
FAR	2.34	1.91	1.39
Podium Parking Area (GSF)	51,784	34,990	34,990
Basement Parking Area (GSF)	39,516	39,516	39,516
Rqd Parking: Retail Store (Exempt)	0	0	0
Rqd Parking: Commercial 2/1000sf	198	145	98
Total Rqd Parking Spaces	198	145	98
Actual # of Podium Parking Spaces	139	80	80
Actual # of Surface Parking Spaces	0	0	0
Actual # of Underground Parking Space	99	99	99
Actual # of Total Parking Spaces	238	179	179
Notes:			
*Non-Retail Commercial Area includes any Ground Floor light industrial/fabrication space, as The parking podium has been excluded from the FAR calculation			

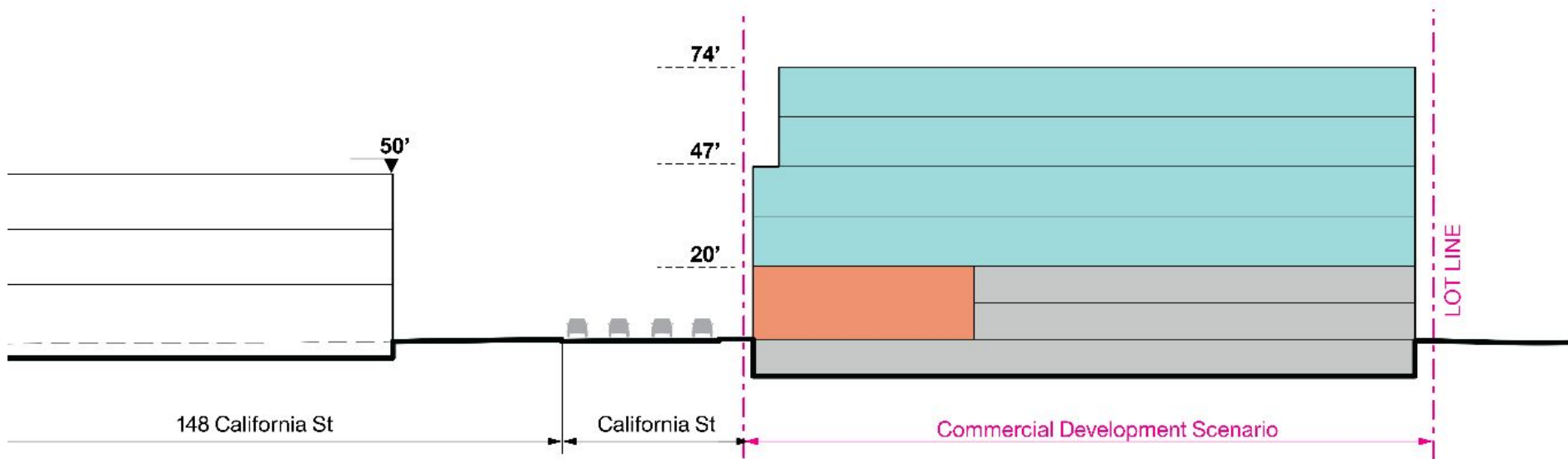
Three commercial development scenarios were tested in order to determine a height recommendation.

Each option had floorplates of ~25,000 square feet, which is acceptable for lab, but the ideal range is 30,000-40,000 square feet.

Commercial Development Scenarios

Base Condition

4:1



This scenario has a high parking ratio at 2.42 and high retail square footage at 8,430 sf

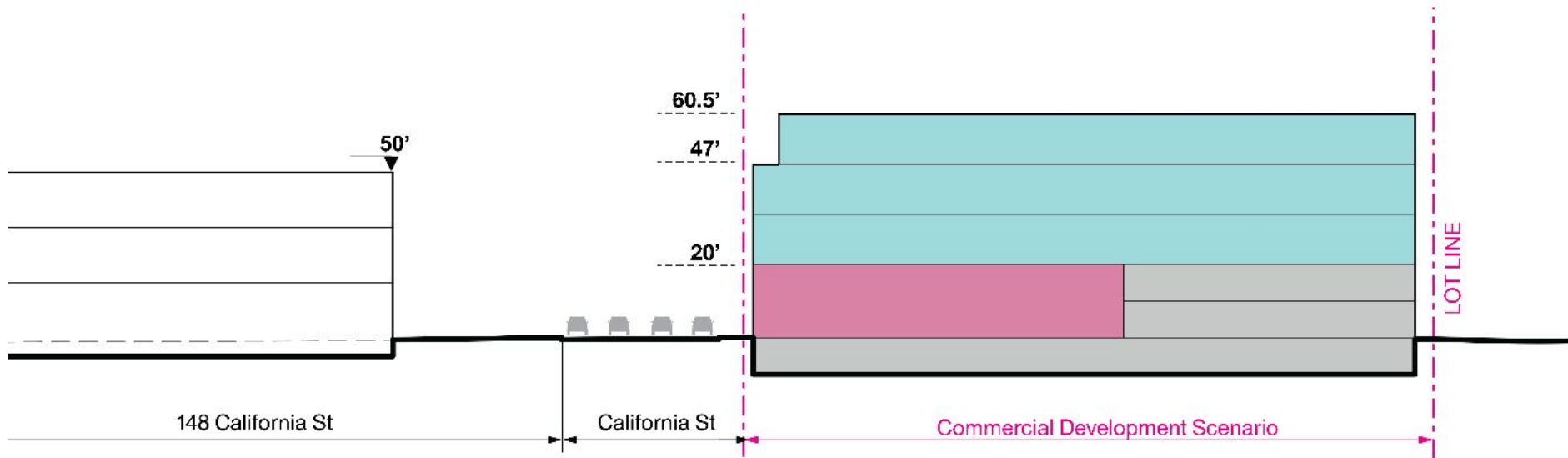
**FEASIBLE:
TARGET 5.5% RETURN ON COST**



Scenario	<i>4 over 1</i>
	<i>Retail & Lab</i>
	<i>Structured Parking</i>
Site (Acres)	1.05
FAR	2.34
Residential Efficiency	85%
Total GSF (building only)	107,269
Total GSF (including parking)	190,987
Commercial Parking Ratio	2.42
Parking Cost (podium + underground)	\$ 70,000
Ground Floor Rent/SF NNN	\$ 45.00
Lab Rent/SF NNN	\$ 90.00
Land Cost (per land foot)	\$ 85.00
Hard Cost (Includes Fit out)	\$ 540.00
Tenant Fit Out Cost	\$ 200.00
Soft Cost/Site	25%
Total Cost/GSF (Parking and Building)	\$ 627
Total Cost/GSF (Building Only)	\$ 1,116
Parking fee (per space per month)	\$ 100.00
Cap Rate	5.50%
Return on Cost	6.09%
Value Created	\$ 12,912,416

Commercial Development Scenarios

Option 1 3:1



This scenario has the lowest parking ratio at 2.09 and low retail square footage at 1,740 sf

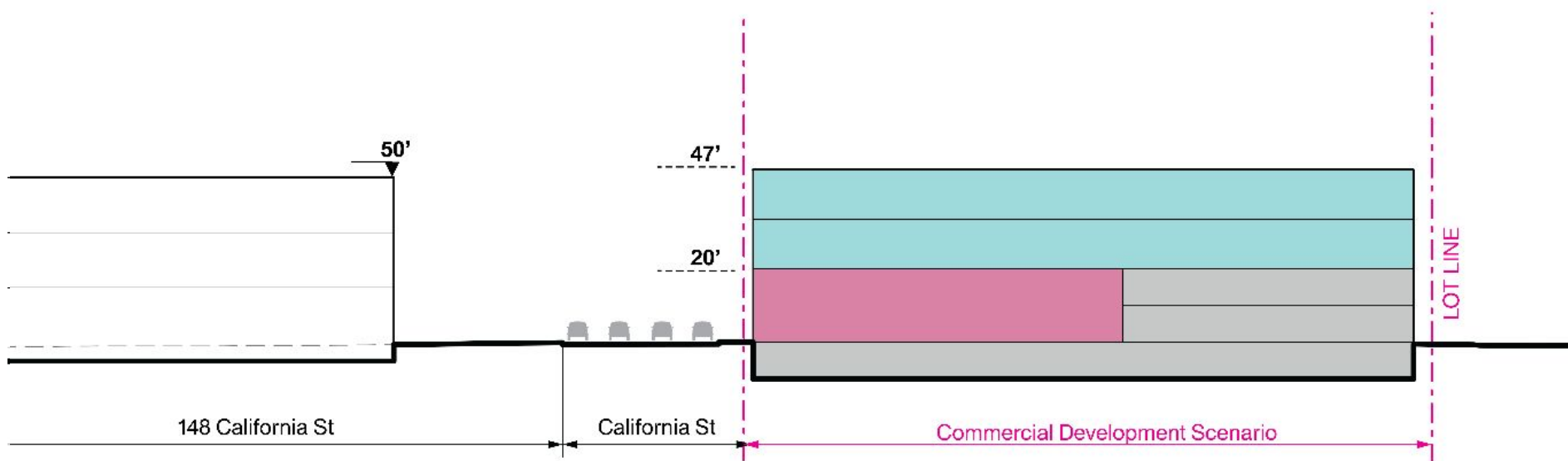
**FEASIBLE:
TARGET 5.5% RETURN ON COST**



Scenario	3 over 1
	Retail & Lab
	Structured Parking
Site (Acres)	1.05
FAR	1.91
Commercial Efficiency	85%
Total GSF (building only)	87,409
Total GSF (including parking)	150,077
Commercial Parking Ratio	2.09
Parking Cost (podium + underground)	\$ 70,000
Ground Floor Rent/SF NNN	\$ 45.00
Lab Rent/SF NNN	\$ 90.00
Land Cost (per land foot)	\$ 85.00
Hard Cost (Includes Fit out)	\$ 540.00
Tenant Fit Out Cost	\$ 200.00
Soft Cost/Site	25%
Total Cost/GSF (Parking and Building)	\$ 643
Total Cost/GSF (Building Only)	\$ 1,103
Parking fee (per space per month)	\$ 100.00
Cap Rate	5.50%
Return on Cost	6.33%
Value Created	\$ 14,470,784

Commercial Development Scenarios

Option 1 2:1



This scenario has the lowest parking ratio at 2.09 and low retail square footage at 1,740 sf

**FEASIBLE:
TARGET 5.5% RETURN ON COST**



Scenario	<i>2 over 1</i>
	<i>Retail & Lab</i>
	<i>Structured Parking</i>
Site (Acres)	1.05
FAR	1.39
Commercial Efficiency	85%
Total GSF (building only)	63,848
Total GSF (including parking)	126,453
Commercial Parking Ratio	2.88
Parking Cost (podium + underground)	\$ 70,000
Ground Floor Rent/SF NNN	\$ 45.00
Lab Rent/SF NNN	\$ 90.00
Land Cost (per land foot)	\$ 85.00
Hard Cost (Includes Fit out)	\$ 540.00
Tenant Fit Out Cost	\$ 200.00
Soft Cost/Site	25%
Total Cost/GSF (Parking and Building)	\$ 584
Total Cost/GSF (Building Only)	\$ 1,156
Parking fee (per space per month)	\$ 100.00
Cap Rate	5.50%
Return on Cost	6.09%
Value Created	\$ 7,931,580

Commercial Development Scenarios

Key Takeaways

- Under current economic conditions **lab is a profitable land use**. It is expensive to build, but the high rents allow it to **cross-subsidize other ground floors uses** (restaurant, maker space)
- Developers are likely to **build 2 spaces per 1,000 sf** for lab tenants (some may seek option to expand this)
- Structured parking and the ground level retail space are drags on the financials, so they should be **balanced relative to the amount of lab space** that is allowed.
- The 3:1 commercial development scenario is the most compelling as it creates enough **financial value** for the developer to be attractive, allows for ample and **active ground floor uses**, and keeps the buildings at **scale that is in keeping with the existing neighborhood**.
- Traditional **office uses are not attractive/feasible** at this time. Multifamily residential uses will generally be feasible at 4 - 4.5 stories (with structured or podium parking)

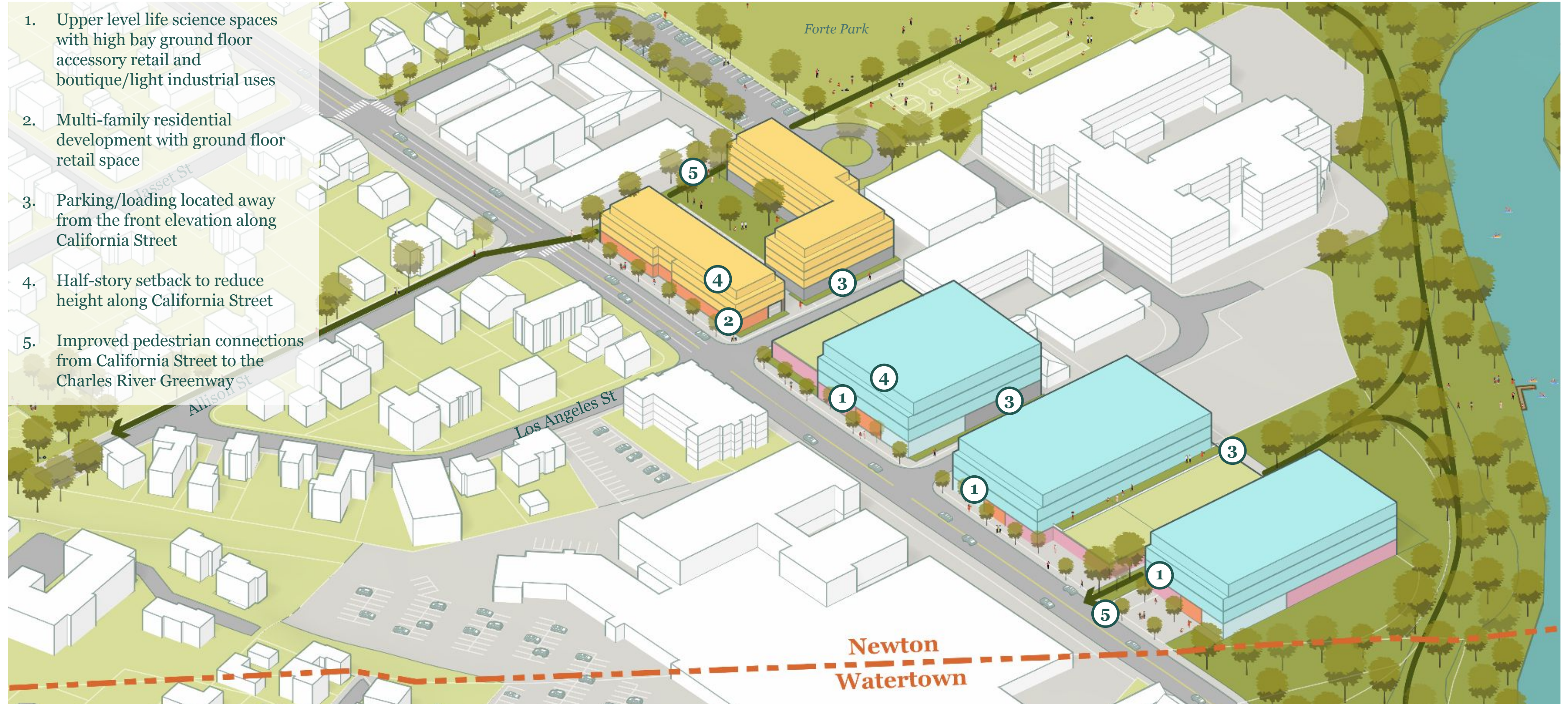
Potential Development

- 1. Life Science
- 2. Accessory Retail
- 3. High Bay Boutique/Light Industrial
- 4. Parking Garage
- 5. Loading
- 6. Multi-family Residential

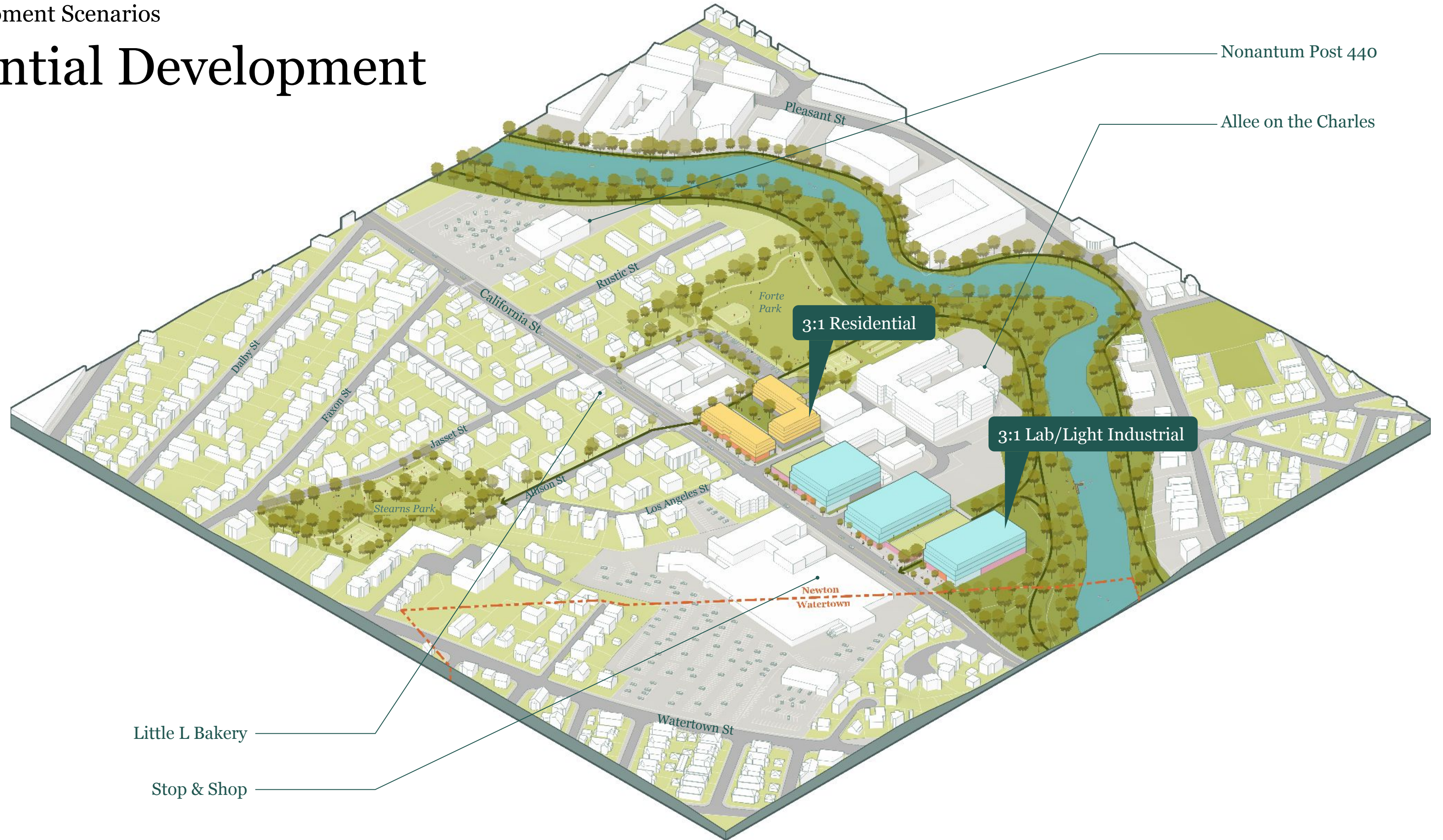


Potential Development

Residential Life Science Garage Retail Boutique/Light Industrial



Potential Development



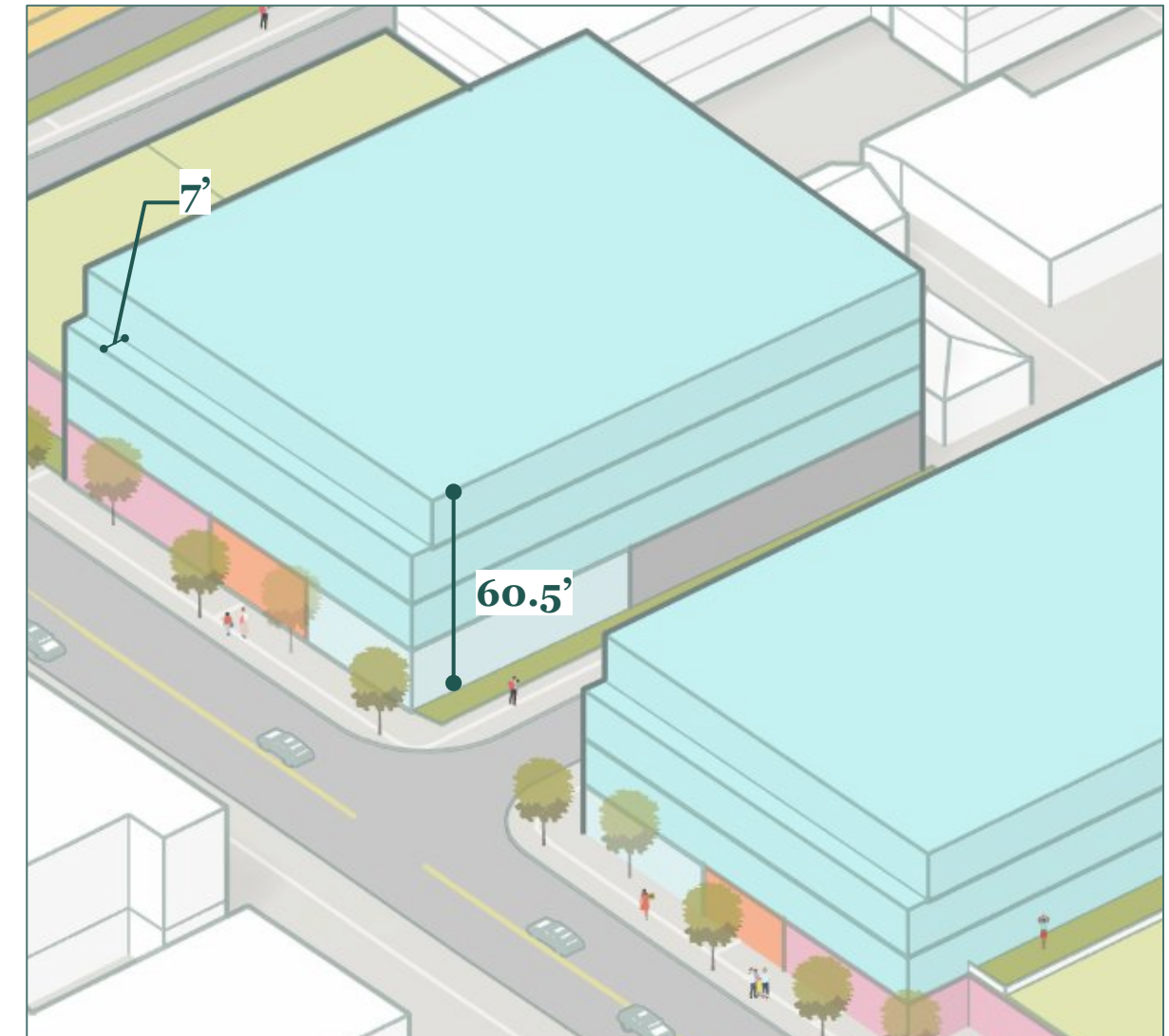
Draft Zoning Recommendations

Design Standards for a vibrant mixed-use district

Building Height & Footprint

■ Residential
 ■ Life Science
 ■ Garage
 ■ Retail
 ■ Boutique/Light Industrial

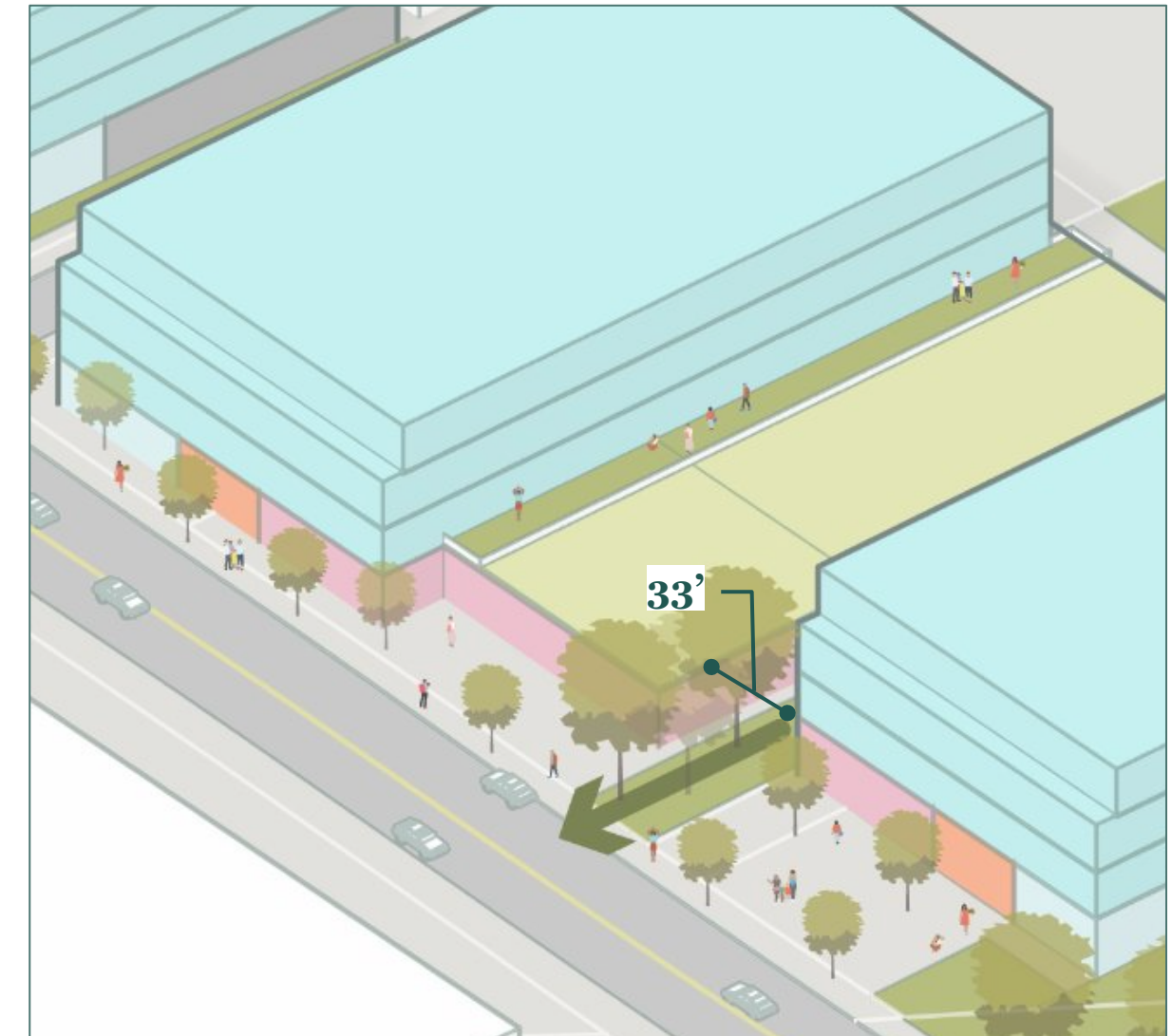
Building Floorplate Area, max.	
Commercial	30,000 sf
Residential	15,000 sf
Building Height, max (along California St)	
Commercial	4 stories (2.5:1)
Residential	
Building Height, max (N. of California St)	
Commercial	5 stories (3.5:1)
Residential	
Half-story Stepback, min.	
Commercial	7'
Residential	



Building Placement

■ Residential
 ■ Life Science
 ■ Garage
 ■ Retail
 ■ Boutique/Light Industrial

Commercial Building Setbacks	
Front, min.	0'
Side, min.	5'
Rear, min.	5'
Residential Building Setbacks	
Front, min/max	0' / 10'
Side, min.	5'
Rear, min.	5'
Building Separation Distance, min.	
Commercial	25'
Residential	



Facade Articulation

■ Residential
 ■ Life Science
 ■ Garage
 ■ Retail
 ■ Boutique/Light Industrial

*Continuous Facade Length, max.	
Commercial	140'
Residential	100'
Facade Recess/Offset, min.	
Commercial	7' wide x 10' deep
Residential	

* Applies to facades along California Street



Recess in Residential Building Facade



Offset in Commercial Building Facade

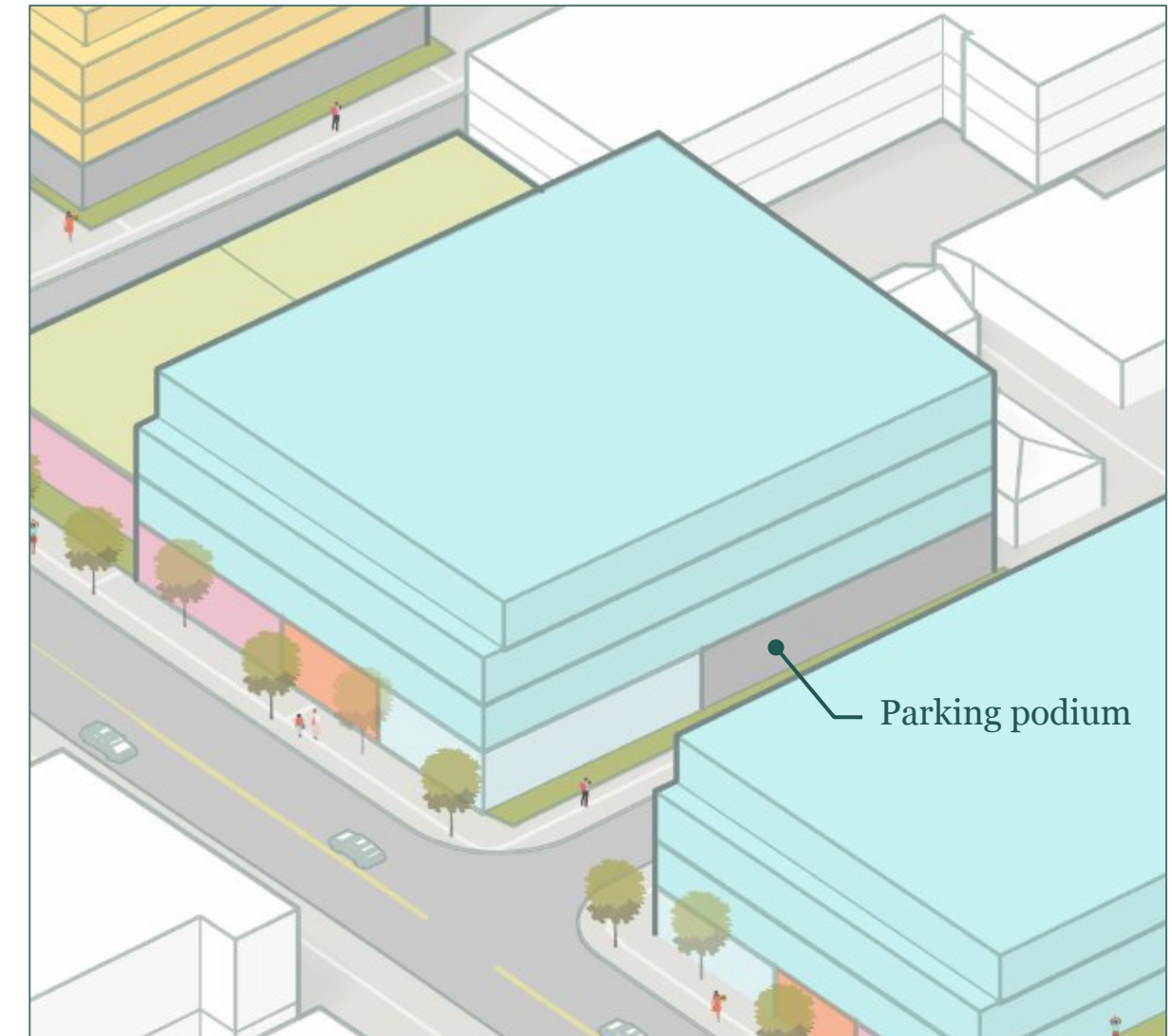
Parking Requirements

■ Residential
 ■ Life Science
 ■ Garage
 ■ Retail
 ■ Boutique/Light Industrial

Parking Requirements	
Ground Floor Retail	None
Commercial	2 / 1,000 sf
Residential	1 / unit

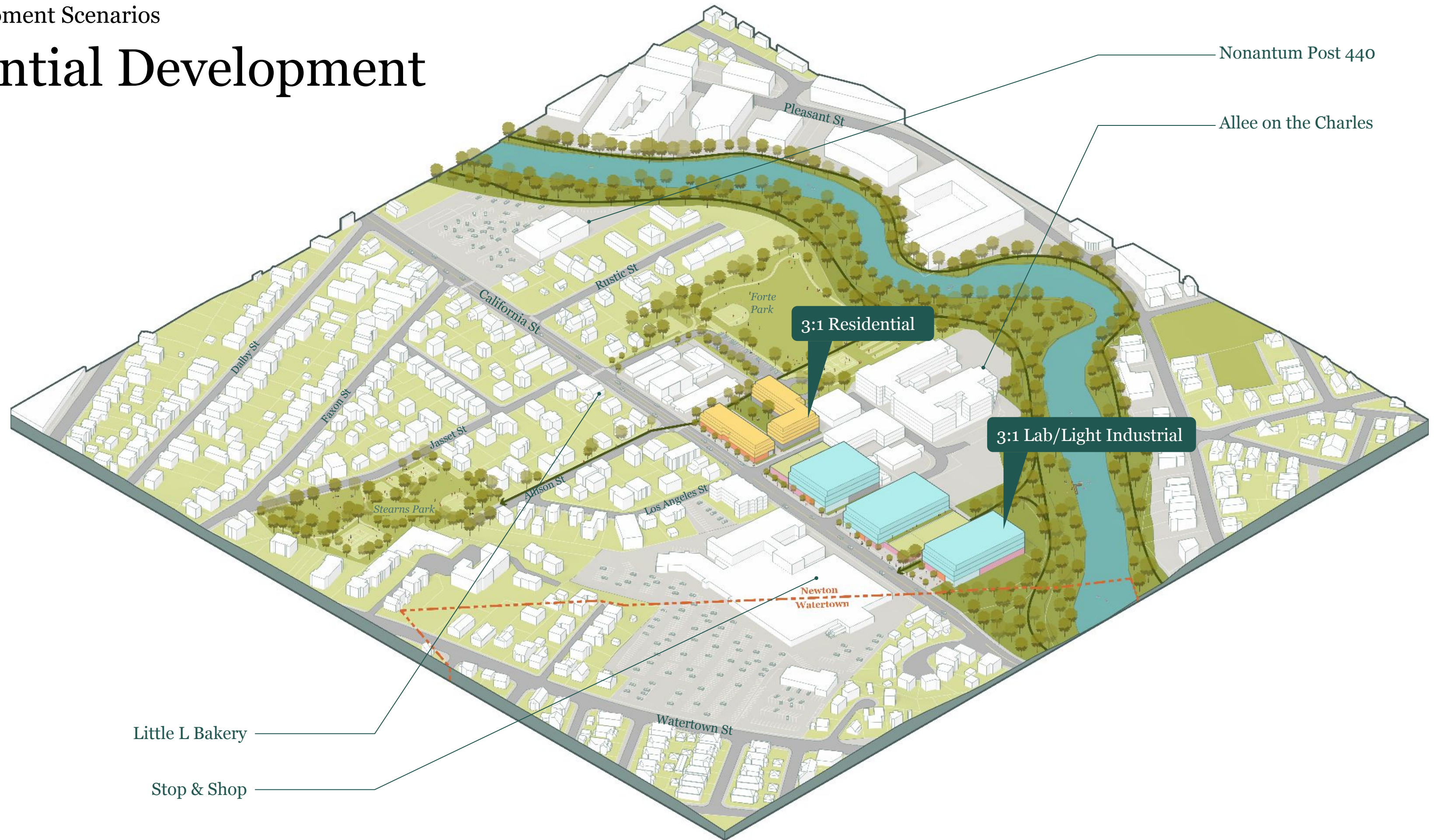


Tuck-under and enclosed parking accessed from Los Angeles St



Parking podium accessed from Riverdale Ave

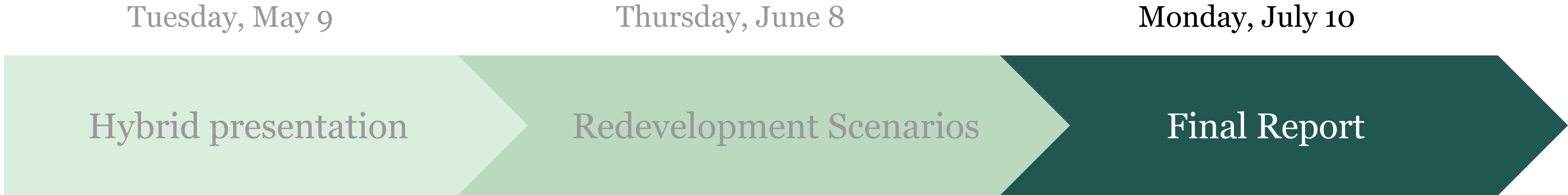
Potential Development



Discussion / Q&A

We'd love to hear about your vision for the district

Next Steps



Public Meeting (Hybrid)

Brief presentation and discussion with the Economic Development Commission at 7pm in City Hall, Room 204 (+Zoom).

Public Meeting (Hybrid)

Discussion of potential and preferred redevelopment scenarios, based on detailed analysis, plus staff and community input, at 7pm in City Hall, Room 207 (+Zoom).

Findings & Recommendations published

Public release of the final report with proposed zoning recommendations to the City Council, and online at <https://www.newtonma.gov/california>