

**BOROUGH OF SOMERVILLE**

**MARKET AND PLANNING EVALUATION FOR A**

**PROPOSED TRANSIT VILLAGE**

**WITHIN THE SOMERVILLE LANDFILL SITE**

SUBMITTED TO THE REGIONAL PLANNING ASSOCIATION

IN CONNECTION WITH STUDIES COMMISSIONED BY THE BOROUGH OF SOMERVILLE AND THE  
NEW JERSEY TRANSIT DEPARTMENT OF PROJECT DEVELOPMENT AND PLANNING

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## **INTRODUCTION AND SUMMARY**

### *Background*

This report presents the findings of Phillips Preiss Shapiro Associates, Inc. (PPSA) on the market viability and impacts of various proposed uses for the Somerville landfill site, so as to provide a baseline of information for a planning and design process underway for this area, sponsored by the Borough of Somerville and directed by the Regional Plan Association (RPA). Where useful, PPSA utilized the expertise of Richard Reading Associates for information regarding the local Somerville market. The work was commissioned by New Jersey Transit (NJT) and the Borough of Somerville, which was represented by a Borough Steering Committee.

The Borough of Somerville occupies the seat of Somerset County in central New Jersey located almost midway between New York City and Philadelphia. The Borough contains an historic downtown that largely caters to the specialty restaurant market as well as localized antique stores. The 115-acre landfill site is located between Route 206 and Veteran's Memorial Drive at the border of the Borough of Somerville and the Township of Raritan. The adjoining downtown and NJT train station bolster the opportunity for development of a mixed-residential/commercial transit village unlike anything developed to date in Somerset County. The transit oriented development (TOD) type has potential to bolster NJT ridership as well as complement Somerville's existing downtown. Such a development could not only provide a boon to the local tax base, but also enhance the regional identity and the character of the Borough itself.

Given the large size of the property, its proximity to Route 206, and the fact that many people will continue to rely on vehicle travel, any redevelopment program must consider that vehicles and pedestrians must coexist within the community. It is imperative to design pedestrian-friendly streets and environments where cars may not be king, but auto travel remains an option. Creative parking measures (such as shared parking) are necessary to serve the train station and the newly planned concentration of commercial and residential land uses. The transit village environment is meant to function as a center of activity that enhances transit ridership by providing emphasis and a new population adjacent to the train station. What's more, transit oriented communities promote community identity and provide a definitive sense of place. Somerville already has a unique downtown. However, the importance of the transit village lies in the ability to redevelop an underutilized parcel to complement existing components of the Borough.

### *Methodology*

The Borough Steering Committee and RPA developed nine use group program categories for consideration, which were further developed by way of community and stakeholder input at various community meetings (see Table 1). Each of the general use groups contain specific land uses developed through the same process. The purpose of these use group and land use categories is to create a program of study, so that by analysis of the market and group consensus, the best alternatives for a concept redevelopment plan can be developed. Through the process, the Steering Committee began to view the site as two distinctive development locations, the "Hub" and the "Heights". The Hub refers to the area in the immediate vicinity of

the NJT train station, while the Heights refers to the more auto-oriented portion of the landfill site closer to Route 206. This area of the landfill site was noted as the Heights due to a somewhat increased elevation compared to the remainder of the site.

As such, the optimal location of various land uses were considered per the specific market aspects brought about by being close to the train station or close to Route 206. Keeping in mind the difference between the dense environment at the train station and the more vehicle friendly environment within the Heights, it was clear from the analysis which uses are suited to the Hub and which uses are suited to the Heights. It should be noted that the density characteristics attributed to the Heights and the Hub are similar to many transit oriented communities, in which the intensity of development varies in scale as one moves further from the train station. As such, uses that may be developed to a greater density without the need for a sea of parking are noted as complementary to the train station, while uses that require large building footprints and a large amount of parking were considered as better suited to the Heights. While activity and density should be centered on the train station in an environment where pedestrians are likely to walk, distances further from the train station that require a walk exceeding 10 to 15 minutes may be candidates for lower scale density that caters to different types of land uses. Although the need for parking is still noted within the Hub, as discussed, any redevelopment initiative should consider the use of a parking structure or a shared parking agreement to reduce the automotive impact on the core area of the transit village as much as possible.

**TABLE 1**

<b>PROGRAM CATEGORY</b>	<b>LAND USES</b>
<b>Civic Institutional Uses</b>	Municipal library, school, community center
<b>Open Space Uses</b>	Active recreation; passive recreation/trails and greenways, plazas
<b>Recreation/Entertainment</b>	Recreation center (sports/entertainment complex); movie theater
<b>Residential</b>	Attached townhouses; apartment buildings; senior housing, affordable housing
<b>Retail and Restaurants</b>	Specialty retail; intermediate scale retail (up to 30,000 square feet); mid size retail (30,000 to 50,000 square feet), convenience retail (commuter related)
<b>Mixed-Use</b>	Retail/apartments above; professional office/retail, residential/parking/theater
<b>Commercial Offices</b>	Conventional office (up to 250,000 square feet); Professional office (up to 20,000 square feet)
<b>Industry/Technology</b>	Flex industrial (up to 40,000 square feet)
<b>Hospitality</b>	Small or medium size hotel w/ conferencing facilities; inn with catering facility (30 rooms)

For each of these use categories, the Steering Committee developed evaluation criteria, which PPSA utilized to analyze each of the above land uses:

1. Complements the context and character of Downtown Somerville and surrounding neighborhoods
  - Is the particular development inherently out of scale or character with the rest of Somerville?
  
2. Community implications
  - How strong is the perceived support in the community for the proposed use? Does it meet some special unmet need in the community?
  
3. Economic compatibility
  - Does the proposed activity complement or compete with existing activities in Downtown Somerville?
  
4. Fiscal implications
  - Is the proposed use likely to be revenue positive, neutral or require subsidy? Will it generate revenue for NJ Transit and the municipality?
  
5. Order of preference for location - the Hub (NJT train station area) versus the Heights (the Route 206 area)
  - Though almost any of the uses can go in either location, which uses are predisposed to one area over the other – larger scale uses along Route 206, mixed-use and higher density residential at the station area?

#### 6. Transit versus auto orientation

- Is the use likely to generate additional transit ridership? Does the use generate large volumes of peak hour traffic? Are there shared parking opportunities?

#### 7. Market support

- How strong is the private real estate market for the proposed use? Is it likely to be commercially financed or is it entrepreneur driven? Is there a niche market? Are there competing developments nearby?

#### 8. Environmental compatibility

- Are there special permitting issues related to building on the landfill site? What are the costs associated with preparing site for development.

It should be emphasized that this report provides background on the prospective uses. It is not intended to serve as a formal Environmental Impact Statement (EIS), fiscal impact, or financial evaluation. It was prepared for planning and decision-making purposes on the conceptual level. More research will be necessary for the recommended program of uses to emerge out of this conceptual stage.

#### *Key Findings*

PPSA utilized the above criteria to determine which land uses may be classified as “winners” and which land uses are not as sustainable or simply may not have a market in Somerville under the current conditions. “Loss leader” refers to a use that would require a cross-subsidy (either or both capital and operating), but which enhances the viability, profitability or marketing of other uses. Land uses were categorized in several charts through use of the criteria, after which each land use received a final score. Note: Land use scores should not be considered decisive, but as a tool to help the Somerville community identify which uses may provide the greatest potential positive impact for existing and future residents.

The entire set of charts is present within the appendix. Following is a list of the criteria and the weight afforded each topic along with the final scorecard:

Market –

- Strong – 0.75 point
- Intermediate – 0.50 points
- Weak – 0.00 points
- Loss Leader – 0.25 points

Transit Friendly -

- Ridership – 0.75 points
- Placemaking – 0.50 points
- Shared parking – 0.50 points
- Can support the cost of structured parking – 0.50 points

Community Benefit -

- Reinforces downtown - 0.75 points
- Fills/provides a need - 0.50 points
- Fiscal implications
  - *Positive* - 0.50 points
  - *Neutral* – 0.25 points

Based upon community input and analysis of the previously mentioned criteria, the following matrix highlights the land uses identified for redevelopment from greatest potential to least potential. See the appendix for the full list of land uses and an analysis of which uses are best suited for the Heights, the Hub or Green Seam.

**TABLE 2 – LAND USE SCORECARD**

Land Use	Market	Transit Friendly	Community Benefit	Score
9B - Inn	0.50	1.50	1.75	3.75
6A - Retail/Apartments Above	0.50	1.75	1.25	3.50
4A - Attached Townhouses	0.75	1.75	1.00	3.50
4B - Small Apartment Buildings	0.75	1.75	1.00	3.50
3B - Movie Theater	0.50	1.00	1.75	3.25
7B - Professional Office (up to 20,000 sf)	0.50	1.50	1.25	3.25
9A - Small Chain Hotel	0.00	1.50	1.25	2.75
7A - Conventional Office (up to 250,000 sf)	0.00	1.50	1.25	2.75
1A - Municipal Library	0.25	0.50	1.50	2.25
3A - Recreation Center	0.25	0.50	1.50	2.25
2A - Active Recreation	0.25	0.50	1.50	2.25
2B - Passive Recreation/Trails & Greenways	0.25	0.50	1.50	2.25
5A - Specialty Retail	0.50	1.00	0.50	2.00
4C - Senior Housing	0.50	0.00	1.25	1.75
1B - School	0.25	0.00	1.50	1.75
5B - Intermediate Scale Retail (up to 30,000 sf)	0.75	0.00	0.50	1.25
5C - Mid-Size Box (30,000 sf to 50,000 sf)	0.50	0.00	0.50	1.00
8A - Flex Industrial (up to 40,000 sf)	0.00	0.00	0.50	0.50

## 1. Civic/Institutional Uses

### 1. Complements the Context and Character of Downtown Somerville and Surrounding Neighborhoods

The above-mentioned land uses are best suited for the Heights due to land use and parking considerations. A civic use may complement the governmental nature of Somerville's existing downtown. However, if a civic use is designated for the TOD, care should be taken so that such a land use complements the scale and character of the proposed transit village.

### 2. Community Implications

As will be discussed later in this report, the transit-oriented residential model anticipated on the landfill site will generate only fractional amounts of non-school age children as compared to a traditional suburban housing development because these developments for the most part attract young professional dual-income households and/or empty-nesters looking to downsize. Those projects that have generated some children are usually of pre-school age and these individuals usually move out into the community when they are ready for school. It seems fair to assume that redevelopment of the landfill site may not necessarily create a need for a new school facility. Considering the large subsidy required for uses such as schools, theaters and libraries, the desire for brand new facilities versus actual need should be considered. A community center is far more economic, but as a stand-alone use, might be "orphaned" within the site.

### 3. Economic Compatibility

Civic/institutional uses complement rather than compete with downtown businesses since they work as activity generators for adjacent retail and residential uses. In this context, a school, library, or community center/theater would likely be constructed so as to remain self-sufficient and would not have an effect on downtown either way. However, any civic use could be designed to complement and enclose the public open spaces, creating a potential destination or special place that would enhance the identity of the entire site, and Somerville in general.

### 4. Fiscal Implications

Civic and institutional uses are best approached as "loss leaders"—i.e., uses that may provide pedestrian activity, but which do not generate significant capital or operating revenue. Civic uses do not generate taxes for the benefit of the Borough. Thus, the opportunity cost for the Borough is high considering the required operation subsidies and the lost benefits associated with a more economically viable use. A school, library or community center/theater would require the provision of additional municipal services. Furthermore, construction of a library would likely come at a great expense, the least expensive construction method being a low density single-story structure. However, civic uses could be designed as part of a larger structure or multi-task facility, thus

combining a variety of community desired uses into one facility resulting in a cost saving. As discussed within the housing section, the vast majority of new residents attracted to transit-oriented style development are likely to be empty nesters or young professionals. In fact, a recent study of TOD development in New Jersey indicated only a 1.7 percent increase in children, and these were pre-schoolers. As such, it does not seem that proposed housing will have a large effect on existing schools within Somerville.

It should also be noted that the Third Round Growth Share regulations developed by the New Jersey Council on Affordable Housing (COAH) require that affordable housing be provided for non-residential uses (includes schools, government offices and gymnasiums). Considering that these uses are not developer driven, the Borough would have to provide affordable housing for these uses.

#### 5. Order of Preference for location - the Heights versus the Hub

A school or library is better suited on a large piece of land with adequate access to parking/circulation and adjacent planned open space. A community center or public theater could be located adjacent to the commuter lots in order to take advantage of the parking opportunity afforded by this facility.

#### 6. Transit versus Auto Orientation

Civic/Institutional uses will not generate additional transit riders. Traffic for each of these uses would be limited to the tail end of the morning commuting pattern and the beginning of the evening peak. School traffic would be most evident during morning and afternoon drop-off/pick-up. Similarly, a community or public theater would generate traffic during off-peak hours—evenings and weekends—and thus would cause impacts on major road system.

#### 7. Market Support

The construction or sustainability of civic uses does not correspond to market conditions.

#### 8. Environmental Compatibility

Environmental remediation for a proposed school would be much more stringent and expensive than for other civic/institutional uses, considering both the associated play fields and the amount of time that children would occupy the site.

## 2. OPEN SPACE USES

*Active recreation, Passive recreation/trails and greenways*

### 1. Complements the Context and Character of Downtown Somerville and Surrounding Neighborhoods

Recreational uses, like civic and institutional uses are “loss leaders”. As discussed, these uses provide pedestrian activity, but do not generate significant capital or operating revenue. Furthermore, these uses are tax exempt. Thus, the opportunity cost for the Borough is high considering the required operation subsidies and the lost benefits associated with a more economically viable use.

### 2. Community Implications

Somerville residents are intent on the development of open space/recreation amenities not only to fulfill a present need within the Borough, but also to complement the proposed residential and commercial components of the redeveloped landfill site. As such, the site can be a destination for both newcomers and current residents. Although these uses are “loss leaders”, they provide numerous benefits related to public health and community identity.

### 3. Economic Compatibility

Active and passive recreational land uses, while not necessarily providing a strong economic impact, generate activity and potential spin offs to surrounding businesses. Furthermore, these uses provide positive quality of life impacts that enhance Somerville’s identity in the region as a place to live and/or spend leisure time. As such, a balance of recreational uses in the redevelopment program provides a complement to existing businesses and residents as well as the future health of the redeveloped landfill site.

### 4. Fiscal Implications

Public amenities, like open space and recreational uses, are tax exempt and require Municipal/County subsidies for construction and maintenance. As discussed, the benefit lies in enhanced quality of life issues and the fact that a well-built network of recreational amenities may even bring outsiders that spend money on local businesses.

### 5. Order of Preference for location - the Heights versus the Hub

Considering the location of undevelopable wetlands in the Hub and a preference to develop the Heights in a manner that provides greater density and connection to the train station, the bulk of large scale active and passive recreation lands should be located in the Hub. As such, undevelopable wetland areas could be included within a system of passive nature trails and other low impact facilities,

while active recreational amenities, such as sports fields or a community center, could be located in a portion of the landfill site better suited to uses that require large areas of land.

#### 6. Transit versus Auto Orientation

A large amount of recreation users, especially users of potential sports fields, will reach these amenities by car. Depending on the ability to make safe and easy connections to and from the landfill site that allow pedestrian and bike access to other areas of Somerville, it also seems apparent that a large portion of passive recreation users will want the ability to drive to parking lots located at the beginning of passive trails. As such, auto access to recreational amenities and available parking are necessities. However, a strong recreational component not only enhances the cachet of a transit oriented community, it further develops the desire of people to want to live in Somerville and experience what the place is all about. While recreation uses may not necessarily generate increased ridership, from a quality of life perspective, open space will work to enhance the positive perception of the transit village throughout the region.

#### 7. Market Support

Recreational amenities are not affected by the workings of the private market. However, the positive aspects of open space and recreation provide a wonderful selling point for developers attempting to create identity and a sense of place. Thus, while recreational amenities do not provide a direct economic impact, they provide positive impacts regarding quality of life and regional identity.

#### 8. Environmental Compatibility

Cleanup would be more necessary in areas designed for passive recreation. Some active recreation sites, such as a recreation center or paved basketball court, would be suited to cap environmentally sensitive conditions.

### 3. RECREATION/ENTERTAINMENT USES

#### *Movie Theater; Private Recreation*

#### 1. Complements the Context and Character of Downtown Somerville and Surrounding Neighborhoods

The overall size and form of a multiplex movie theater (10 screens or more) or recreation center/sports entertainment complex departs from the context of Somerville's existing downtown and is better suited for the Heights. Each land use requires sufficient parking and each could be considered a self-sustaining entity.

However, there are many multiplex theaters built in urban settings that because of reduced parking ratios due to their downtown setting are combined into a building with other entertainment type venues (i.e., vertical mall). This type of use could be viewed as appropriate for the Hub because parking could be shared with the commuter deck (empty evenings and weekends). Considering the number of movie theaters within the immediate area of Somerville (two within a 5-mile radius; three within a 7-mile radius), as well as the overall auto-dependency of the region, it may be unrealistic to develop a multiplex movie theater on the landfill site. If such a use is viewed as not marketable because of the saturation of multiplexes within the County, a smaller two-screen art theater could be viewed as a viable alternative and could nicely complement the mix of Main Street businesses (antique shops, restaurants), that are found through Downtown Somerville.

A private recreation center might be as small as a health club, and as large as a Wellness Center (a suburban equivalent of Chelsea Piers in Manhattan, only recently introduced into the region). This use depends on maximum access and visibility, and would best be situated in the Heights. It is marketable here, but also at any number of other locations. Like movie theaters, there are only a few built in any given trade area, so timeliness of development is important.

#### 2. Community Implications

The public has indicated an interest in a recreation center, which would serve new and existing residents and fill a gap for enclosed recreation opportunities in Somerville. If such a complex were sited adjacent to the Green Seam, the potential exists to create a large enough indoor/outdoor facility that could also be targeted and marketed to a regional population, thus generating considerable revenues. As discussed in the previous section, any type of recreational enhancement would also provide benefits to community identity and public perception of the transit village, which in itself, may provide positive placemaking impacts.

#### COAH Implications:

COAH developed a ratio to determine the number of jobs generated by specific types of non-residential development and an additional ratio to determine the required number of affordable units per number of jobs generated. Thus, any type of entertainment use would create an additional affordable housing

obligation for the Borough. Somerville may develop a growth share ordinance that requires a non-residential developer to provide their fair share of affordable housing in the development, on another parcel within the Borough, or by way of a payment in lieu of construction.

### 3. Economic Compatibility

Entertainment uses like theaters would likely draw a regional element to Somerville, in addition to serving local residents. A regional attraction could provide additional economic positive spin offs for the local economy as these visitors would potentially shop/dine in Downtown Somerville in combination with their visit to the movie or theater. While a large-scale sports/recreation facility will not have the same spin-off impacts as a movie theater on restaurants and downtown shopping, it would add to Somerville's unique identity. However, if a recreation center were constructed adjacent to the Green Seam, and for example, a mid-sized sporting goods retailer located onsite because of these recreational amenities, one could conclude that there would be a positive fiscal impact on the municipality.

### 4. Fiscal Implications

As discussed, these amenities would have an indirect, yet positive impact on businesses within and outside the development. More importantly, neither of these development scenarios would impact local schools. Private recreation facilities would generate a modest amount in local taxes, and more importantly bolster the value of the other tax-paying uses projected. On the other hand, a movie theater would provide positive "tax ratables," i.e., generate more in taxes than they cost in municipal services. In terms of Borough services, each use would have only a minor impact on security, sanitation and fire.

### 5. Order of Preference for location - the Heights versus the Hub

Due to the amount of parking required for each of these uses, and the subsequent amount of land area necessary for site development, a recreation complex or movie theater is better suited for the Heights due to its connection to Route 206. As such, it does not appear that either use would produce much, if any, effect on transit ridership. More specifically, a recreation center could be centered on the Green Seam so as to provide connection to the natural amenities of the site. Any recreation center would be within walking distance to commuter garage, so again parking could be shared.

### 6. Transit versus Auto Orientation

Considering the regional aspect of entertainment-related land uses, the majority of patrons would access these uses by vehicle, and traffic impacts would be experienced in relation to Route 206, though the impacts would be minor since visitation would be concentrated in non-rush hour time periods. Not surprisingly, movie theaters are suited to large sites along a major regional business highway or retail corridor, with excellent visibility and access from the roadway, such as Route 206, or

adjacent to, or part of, a regional shopping center such as Bridgewater Commons. Typically, traffic volumes in the 50,000-plus vehicle per day category are sought for a multiplex. However, each of these uses would experience peak traffic demand on weekends, when overall traffic impacts are minimal. However, a smaller, two-screen art house or public theater would likely generate far fewer cars during off-peak hours.

## 7. Market Support

### *Recreation Center*

Private recreation falls into two categories: (1) health clubs and other for profit ventures that, as noted, locate in high-visibility/access sites such as the Route 206 frontage in the Heights, and (2) more ambitious multi-recreational centers that are usually constructed to stimulate higher values and shorter rent or sales time for other, more lucrative development. Thus, a positive revenue stream is not as important here as an understanding of (1) which recreation uses produce enough revenue to sustain their existence, (2) which recreation uses add the most value, and (3) how much a developer will need to spend in order to create these recreation uses. Private recreation facilities would generate negligible revenue for site development, if at all, and a developer may need to receive a subsidy for development.

As noted above, private recreation facilities also involve considerable risk. Therefore, they are rarely financed by banks and other conventional lenders, and, like restaurants and inns/conference centers, rely upon a network of friends, family and personal savings/assets. It is not entirely relevant to hold recreation uses accountable to the same profitability and risk standards set for the other uses discussed in this report. This is because from a development point of view, they do not in fact have to fully pay their way. Their purpose is to help bring people to the shops, sell the housing units for more money, rent up the offices faster, etc. They do, however, have to be sustainable. Thus, these uses need to pass under a lower financial feasibility bar, provided, of course, that they complement the other, more profitable uses. Private recreation facilities also involve considerable risk, and are rarely financed by banks and other conventional lenders, and, like restaurants and inns/conference centers, rely upon a network of friends, family and personal savings/assets.

While the Borough of Somerville currently has a population of approximately 12,000, approximately 124,000 people live within five miles of the landfill site, many if not most of whom frequent Route 206. This creates substantial support for any type of recreation/sports complex. It is also feasible to assume that the landfill site will become a regional destination, thus drawing from an even larger population.

### *Movie Theater*

The multiplex, typically a large freestanding complex, normally contains ten or more separate movie theaters showing first-run movies. Whereas multiplexes were first developed with between five to seven theaters, by the early 1990s most were being developed with ten to twelve theaters. According to representatives of the largest movie theater developers/movie distributors, the new generation of multiplexes now typically comprises 15 theaters. The size of the development typically comprises well in excess of 100,000 square feet on a site of 12 to 15 acres in size, with over 1,000 parking spaces.

Major movie theater chains closely study the movie theater market so as not to compete with themselves. The typical rule of thumb in the multiplex industry requires a population of 10,000 persons per screen, or approximately 100,000 to 150,000 people within a five-mile radius. As indicated, approximately 124,000 persons live within a five-mile radius of Somerville. Although the population could support a movie theater, our research has indicated that two movie theater complexes exist within five miles of the landfill site and three complexes exist within seven miles of the landfill site, the number of theaters competing for this population would require that a movie theater within the landfill site be almost self-sufficient. Considering the number of persons required per screen for a movie theater to survive, it simply does not appear that the proposed number of residential inhabitants would be able to support a movie theater no matter how many regular visitors are expected from outside Somerville. As such, the Somerville market currently appears saturated, and a movie theater chain would likely hesitate to locate on the site.

The second type of movie theater complex being developed today, although much rarer, are small three- to five-screen theaters—known as “cine arts” or “alternative movie” theaters. Such theaters typically run films made by independent film companies or run foreign films. The key ingredient for such theaters is to capture a smaller audience from a wider trade area, such as 1 screen per 25,000 to 30,000 people. These theaters are developed by single independent entrepreneurs, and are typically privately- (versus bank-) financed developments. Their location criteria are more esoteric and varying, but will be in places where people are already converging and where no other movie theaters exist—such as in well-established successful downtowns with amenities such as restaurants and specialty retail, and offer other pedestrian amenities.

Overall, multiplex theaters are less risky due to the corporate backing of a movie theater chain and the fact that a good location will always create business. The art house theater is very much “deal-driven,” meaning that the entrepreneurs will themselves seek out a particular existing older theater or large building that can be converted to such usage without a substantial capital investment. Not only are such developments rare, but none are usually built anew. In the instances where they are being established, the building which houses the theater already exists. While it does not appear that art house theaters exist in the immediate area of Somerville, the start-up costs and capital required to complete such a project are much more complicated. Considering these facts, it appears unlikely that a developer will jump out on a limb to develop such a theater, and since these theaters do not appear to be developed in the form of a new build, the reality of the market does not appear to fit a proposed redevelopment scenario in which structures are developed from the ground up.

## 8. Environmental Compatibility

Commercial development requires less stringent guidelines for environmental cleanup than residential development. Furthermore, problem areas have a greater potential to be capped on a commercial site or underneath a parking lot.

## 4. RESIDENTIAL

### *Attached Town Houses; Apartment Buildings; Senior Housing*

#### 1. Complements the Context and Character of Downtown Somerville and Surrounding Neighborhoods

Downtown Somerville will benefit by the proximity of empty-nesters and dual-income young professionals—the typical population that settle within transit-oriented development projects and are drawn to living adjacent to a traditional downtown setting. This market segment typically has high levels of disposable income and no children, thus is seen as a great asset to a community because they patronize downtown businesses and create a 24-hour/7-day a week active atmosphere. This population seeks to downsize from large single-family homes to dwelling units that require less maintenance, or in the case of young professionals—the ability to purchase or rent a unit with convenient access to employment markets that also sits adjacent to a vibrant, diverse downtown setting. Housing also lends support to the site’s proposed parks and other public amenities, enhancing the market image and security of these attractions. Furthermore, it seems fair to assume that a number of residents will be drawn to the redeveloped landfill site specifically for its connection to train service.

Regarding the senior housing market, an increased concentration of seniors will have an impact on various Borough and commercial services and community life, e.g., increased use of the library during weekdays, greater support for coffee shops, a more pronounced seasonal quality for activity on the site (since these seniors could afford to be “snow birds” who winter in the south or southwest), and less support for school bonding.

#### 2. Community Implications

The two major concerns from new developments - traffic and school-age children - are minimal impacts at best. Specifically, housing will result in some local traffic. However, transit-oriented development tends to attract less vehicles during the peak commuter hours than traditional suburban style developments which are more auto-oriented. Further, tenants of TOD housing tend to utilize the train to access jobs. The other major segment, seniors, traditionally utilize their cars during off-peak hours, thus minimal impacts are expected on local streets. As discussed within the fiscal implications section, both market segments (empty-nesters, young, single professionals) will not likely generate school-age children, and will thus garner a positive fiscal impact.

The housing would in large measure address a housing demand generated within the community as an alternative to conventional single-family houses. Furthermore, Somerville’s historic downtown and established train station provide an opportunity to develop a unique “transit oriented” housing type not currently available anywhere in Somerset County. Considering this fact, such a development has the ability to fill an unmet housing type and enhance Somerville’s reputation in the region. Regarding the mixed-use potential for the site, an opportunity exists to attract visitors from surrounding areas that are

enticed by the energy generated by transit and pedestrian friendly mixed-use development. Despite these increased housing opportunities, in an aging suburban community such as Somerville, as discussed, demand would come from empty nesters, recent divorcees, and young workers without children.

In terms of Somerville's affordable housing, COAH requires that one affordable housing unit should be provided for every eight market rate units constructed in a municipality. Considering that market rate units will sell or rent for a premium, a pool of revenue will be possible from which to draw and subsidize affordable housing. Although the same pool must be utilized for site acquisition, site preparation, infrastructure, amenities and other costs that together even exceed the revenue generated by the development, the size and potential of the site will be appealing for developers so that quality housing is provided for market rate and affordable residents.

It should also be noted that senior housing is a popular affordable housing option utilized as a way to fulfill municipal growth share. In fact, COAH regulations allow a municipality to fulfill up to 50% of its affordable housing obligation by way of age-restricted housing.

### 3. Economic Compatibility

Housing is the most lucrative and the most predictable use under consideration. It therefore can be expected to dominate developer proposals for the site. A variety of housing types (townhouses, apartments, condominiums and rentals) must be provided in order to achieve the number of units necessary to achieve economies of scale and create a diverse neighborhood that can operate 24/7. While the new neighborhood should aim to be somewhat self-sustaining, it will also provide a customer base to support downtown shops and restaurants. Considering a potential for 1,000+ units, housing development would generate approximately 2,400+ residents (using an average of 2.4 persons per unit, based on 2000 US Census data for occupied households).

In turn, the housing would support new convenience retail onsite, at a ratio of approximately 2 square feet per person, or 4 square feet per housing unit. However, an opportunity also exists to make Somerville a regional destination by building upon the historic benefits of the existing downtown and the existing train station to provide a new option for mixed-use housing and commercial/retail development that is presently not depicted within Somerset County. Transit and pedestrian oriented, mixed-use development provides a unique opportunity to enhance Somerville's identity and truly make it a destination for the region. The benefits are not only economic in nature, but also provide new housing, retail and recreational options for current Somerville residents. In conclusion, while the community may be weary of the fiscal implications associated with housing on the taxpayer, as discussed, historically this amount of residential development is likely to produce a significant revenue stream for the municipality, thus minimizing annual tax increases associated with annual school budget.

#### 4. Fiscal Implications

As discussed above, it is expected that the type of housing developed will for the most part be market-rate housing, which has a neutral fiscal impact, contrary to first impressions. Considering the sale prices likely to be experienced, most units would be occupied by people without children (i.e., older people in their peak earning years on large savings, especially “empty nesters” and affluent divorcees, affluent dual-income couples looking for housing along a train line). While the development would increase the demand for municipal services (garbage, police, fire, emergency), when one considers the taxes generated, potential economic spin offs, and little if any school-age children, the overall impact of this type of development project on the fiscal health of Somerville appears to be favorable. In regard to the impact on municipal services, most of this increase could likely be absorbed, but as thresholds are reached, there will be a need for adjustments in the manner in which services are provided, e.g., additional Borough staff, or to purchase additional firefighting equipment, etc.

Housing would place additional demand on all manner of Borough services (note the potential 2,400 residents mentioned above). This of course represents a noticeable increase in the population of the Borough, however, historically the Borough has lost population over the last few decades so an increase in population will bring back residents to Somerville. As the size of the development increases, there would be proportionate increases on the demand for Borough services (such as police, library, parks, etc.).

Senior housing and assisted living would have a positive fiscal impact since no school-age children are projected to live there. There would be minimal impact on Borough services. However, the potential impact on police and emergency services should be considered.

#### 5. Order of Preference for Location - the Heights versus the Hub

Housing is feasible within close proximity to the train station (the Hub) and in the central portion of the site (the Heights). There is a bias to build (1) higher-density housing directly adjacent to the train station (small apartment buildings, some townhouses) because of the need for structured parking, which could be built against the tracks with the option to share parking with commuters. Higher-density housing could be designed with ground floor retail opportunities, thus creating a pedestrian-friendly streetscape. It is projected that a lower-density arrangement of townhouse blocks be built further from the train station if the environmental permits can be obtained to allow for this form of housing. Higher-density housing might end up being the preferred form because it allows one to put garages under the units, thus capping the site. Overall, development should be encouraged to be logically laid out with a mix of housing types with other land uses sprinkled in to create a vibrant pedestrian-oriented development.

A senior housing component is most appropriate for the Heights since the typical model for such development requires a large footprint, onsite parking and easy access for emergency vehicles. Although a higher-density apartment building format is possible, it is assumed most developers prefer a low-density development suited for the Heights that allows indoor circulation between all of the units and

facilities. Furthermore, as open space is a typical component for many senior housing developments, access to open spaces (i.e., the Green Seam) which traverses the site would seem to be more appropriate. It should be noted, however, that national studies show that most seniors do not want to be isolated and prefer a multi-generational community, even if they also prefer residential buildings designed and operated to meet their needs (e.g., with community rooms, doormen, and other amenities, besides the facilities normally provided as part of assisted living models). As such, it appears the mixed-use nature proposed for the redevelopment of the landfill site contains a good amount of potential to provide a number of housing options for a variety of ages.

## 6. Transit versus Auto Orientation

Considering the proposed housing density and the proximity of housing to the train station, a number of residents will utilize the train to reach employment opportunities in Newark or Manhattan. As such, housing is the number one contributor to increased transit ridership. At the same time, the site benefits from good access to Route 206 and Route 287, thus many residents will utilize vehicles to get to work at locations in the region, which allows for shared parking opportunities in a structured parking facility. It is a given that it is important to provide parking access for residents either contained within the building in which they live or by way of a nearby garage (most developers will include parking in their designs). On the same token, the Borough and any developer involved in residential construction should consider shared residential parking scenarios or determine that residential garage parking spaces be considered optional and not directly related to price or rent. This allows tenants the option not to own a car if they so desire. Being that the goal of a transit village is to reduce auto-dependency, it should be assumed that parking numbers may be reduced as it should be assumed that a greater percentage of residents will purchase or rent in the redeveloped landfill site to reduce their dependency on automobiles. In fact, many transit villages throughout the country have instated flexible car-sharing programs. In the New York metropolitan area, the “zip-car” program allows users to pay at an hourly rate for use of cars strategically located at major transit locations. Zip car locations in New Jersey can be found in Hoboken, Jersey City, Princeton and New Brunswick.

Furthermore, if the site contains a regional retail component, vehicle access will be a key criterion for economic success. Due to these factors, the construction of a Davenport Street underpass under the tracks into the site is essential so that the landfill site is not viewed as an isolated island. Furthermore, such a project provides more access points to the site and minimizes traffic impacts on local streets. The impact of commuter parking on traffic is usually minimal, as the peak commuter hours are usually staggered and occur earlier and later than local peak traffic.

Considering that the vast majority of the senior population would be retirees, this population would have limited effect on peak hour traffic and peak train usage. Senior housing often utilizes jitney services and/or seniors tend to walk to local destinations. Thus, those that are able to drive often do so during off-peak hours, or utilize mass transit for longer-distance destinations. In an assisted living format, it appears the greatest traffic impacts would be generated by employees and deliveries.

## 7. Market Support

### *Market Rate Housing*

The main question is whether the demand for apartments and townhouses will continue indefinitely. The proposed transit oriented development (TOD) and its connection to Downtown Somerville pose the right environment and the proper mix of land uses to sustain housing for two discernible groups. As noted, the prime market populations to be tapped consist of: (1) Somerset/Middlesex County residents who are selling large and high-maintenance houses and are looking to “downsize” into smaller quarters; and (2) young workers interested in the commercial/cultural/entertainment opportunities offered by Downtown Somerville. It is assumed that the train station and easy access to the regional road network will offer the balance sought by young workers. For those looking to “downsize” their lifestyle, the TOD housing option allows more opportunity to enjoy Somerville’s benefits and less responsibility for maintenance of a large home. Therefore, this question hinges on the sustained health and wealth of the Somerset/Middlesex region; and the popularity of train travel as an alternative to higher cost housing in areas closer into Manhattan.

The demand for housing in Somerset County currently leans toward the suburban detached single-family housing model. As discussed, an opportunity exists to market the site in a manner that plays up the uniqueness of being located adjacent to historic Downtown Somerville, a regional train station and the regional roadway network. In order to attract a customer base that will enjoy living in such an attractive, unique setting that offers a wide range of public and private amenities, a variety of housing opportunities are necessary.

Mid-rises are the most profitable use, per acre of land. This is because the yield (i.e., the number of units) per acre is substantially higher for the mid-rises than for townhouses, yet the per-unit sales price (and its rental equivalent) is only somewhat lower.

Townhouses are the most profitable use, per square foot. This is because construction costs are likely to be less for these buildings than for mid-rises (due to fire code issues, the absence of elevators, etc), while the units will sell for more.

It is likely that TOD housing in Somerville would sell for a premium that would surprise most residents. Considering the proposed asking rents for the Edgewood site on Main Street (\$1,670/month for 1BR/ \$2,200/month for 2BR), as well as the proposed sales marketing of housing on the proposed Kirby tract near the landfill site (\$362,450 Stacked Townhomes/\$419,950 Townhomes) a profitable housing market appears to exist. Based on these comparables, it would be reasonable to postulate a range of sales prices similar to that anticipated within the Kirby Tract. The greater the number of units allowed, the greater the revenue potential, unless and until the development gets so large that it must lower sales prices in order to achieve a reasonable capture rate. In general, approximately 200 units are needed to establish a residential identity. Due to the cost of environmental cleanup, the cost of site acquisition, site preparation, site improvements, and

site amenities, it seems apparent that most residential redevelopment schemes will fall into the high-price housing category so as to make up for the potential cost of development.

Maximum townhouse density is usually 10 to 16 units per acre, with lower densities if parking is provided in the structure, and higher densities for a row house arrangement with on-street parking. For a minimum of 100 townhouses, at least 6 to 10 acres of land should be set aside.

Given building height restrictions, the maximum mid-rise apartment density is usually around 30 to 40 units per acre, with the higher densities for senior housing where the units are smaller and the amount of parking needed is less. For a minimum of 100 mid-rise apartments, at least 3 acres should be set aside.

With regard to unit mix, 2-bedroom apartments are likely to dominate (e.g., with 60 percent of the townhouses, 80 percent of the for-sale apartments, and 60 percent of the rental apartments); but there would be some 1-bedroom (e.g., with 40 percent of the rental apartments), and some 3-bedroom units will be included (e.g., with 40 percent of the townhouses, and 20 percent of the for-sale apartments). Unit sizes are likely to fall somewhere in between large urban (e.g., 1,100 square feet for 2-bedroom apartments) to large suburban (e.g., 1,500 square feet for 2-bedroom apartments). The flexible rooms now preferred in the marketplace (e.g., family rooms, dens, alcoves, lofts) help account for the large unit sizes.

### *Senior Housing*

Residents over the age of 55 within the Hunterdon/Somerset/Middlesex MSA comprise approximately 25 percent of the total households within the region. Richard Reading Associates estimates that by 2020, as a large number of baby boomers retire, this number should increase to as much as 35 percent.

Demand for assisted living type development is more prescribed, due to its high costs and unusual living arrangements. Typically, a series of thresholds need to be met, as follows:

- 2,000, 75+ year old households making \$35,000+ per year within a 5-mile radius
- 5,000, 45- to 65-year old households making over \$100,000 per year (these are the “carriers” who subsidize and/or provide family network), within the same 5-mile radius
- High median house values, assuming that most residents will sell their homes to generate income needed to afford the development’s rental fees.

The age-restricted housing's size and programmatic needs would mirror those for mid-rise apartments and townhouses, with these variations:

- Apartments would be somewhat smaller, with more 1-bedroom apartments and fewer 3-bedroom apartments

- Therefore, densities could be somewhat higher, towards 16 units per acre for townhouses and 40 units per acre for mid-rise buildings. The development could have more emphasis on apartment buildings and less on townhouses, depending on permitting issues and cleanup costs.

An assisted living component would require 70 to 100 units in order to achieve the necessary economies of scale, with the lower figure applicable only in the most affluent of communities. Assisted living units range from 350 to 600 square feet, but the total per unit square footage is more like 700 to 800 square feet. Thus, at 100 units in Somerville, the building would be something like 80,000 to 100,000 square feet. In calculating acreage, note that the shared dining and other facilities involve higher than usual ground floors; that the Somerville site may involve higher structures in order to provide below-building parking and/or a pitched roof, but also that the acreage figure might be lower if parking is provided under the building. Therefore, an assisted living component will likely need 4 to 6 acres, although it could need as little as 3 acres if it is done strictly as a mid-rise apartment building. Age-restricted housing is also likely to generate revenue at 10 or 20 percent less than conventional housing.

Despite an anticipated increase in the senior population of Somerset County, the market for senior housing (especially assisted living) has become saturated. There are significant risks associated with the model and the market for senior housing is somewhat unpredictable. Thus, such a development may not be successful.

Assisted living, for example, is a difficult housing model to pull off. The key problem has to do with absorption rates and the timing of the housing components. The nursing home and shared dining and other facilities must be built up-front with semi-independent living housing, meaning that there are several absorption rates to contend. The added complication is that these facilities are ultimately for the benefit of the residents of the semi-independent living units as they get older. It is no accident that more and more of these projects are being carried out in the region by two developers/managers—Sunrise and Marriott—since success depends a great deal on experience.

“Life care” housing involving a blend of senior housing models was, until recently, untested in the metropolitan New York marketplace and in many other parts of the nation. There has been a recent spate of projects, only some of which have been built, and most of which are in various states of proposal, construction, or marketing. It is not clear at what point the metropolitan New York marketplace will be saturated, and for how long. Consequently, most lenders and many developers are wary of this housing model and it may be some time until the market comes around.

While it may be true that an independent living age-restricted building could be developed in proximity to the train station, that market is somewhat untested, and it would seem unlikely that developers would utilize valuable real estate for this type of housing option.

## 8. Environmental Compatibility

Environmental cleanup will need to be handled to a greater extent for residential properties than commercial or industrial. However, remediation costs can be reduced if environmental contaminants are capped through the placement of ground level parking in residential design, or if commercial storefronts inhabit the ground level spaces.

## 5. RETAIL

*Specialty Retail, Intermediate Scale Retail (Up To 30,000 square feet)*

*Mid-Size Box (30,000 square feet to 50,000 square feet)*

### 1. Complements the Context and Character of Downtown Somerville and Surrounding Neighborhoods

Retail (including restaurants and services) are an important amenity for potential residents of the landfill site. On the same level, specialty retail would enhance quality of life for future residents and would potentially bolster Somerville's reputation as a destination for regional and local residents. None of the retail development is without risk, both in competition to existing businesses in Downtown Somerville and also to the economic sustainability of new retail spaces. Mindful of such risk, it is important to create a strategic retail vision for the site that may capture the regional and local market as well as create an eclectic retail mix which can absorb (both financially and in terms of image) the ups and downs of retailing. Retail development adjacent to the train station could be expected to develop at a scale similar to that of Downtown Somerville, in a way acting as an extension of downtown. However, many of the retail spaces on Somerville's Main Street contain relatively small storefront spaces. As such, it seems fair to assume that a retail developer will prefer some of the retail square footage by the train station for larger retailers. Overall, the advantage of the landfill site is its connection to Route 206 and the ability to include retail space that fulfills a variety of market needs in both the local and regional market. While it is assumed the area in the immediate vicinity of the train station will include convenience retail to support the residential uses planned for the transit village, it is also anticipated that specialty retail may be included within the program to draw visitors (and hopefully transit riders) to the redeveloped landfill site.

In general, convenience retail would conglomerate in a single or double row of stores sharing one street and/or parking lot. These stores and services depend on the ability to run several errands at one time. Typically, store sizes range from 1,000 square feet (in traditional downtowns) to 3,000 square feet (in shopping centers). At the Heights, an average of 2,000 square feet is probably reasonable, while at the Hub store sizes may range between 1,000 and 2,000 square feet as the development type more closely resembles the downtown model.

Specialty retail would seek eclectic retail space of varying sizes. While one entrepreneur would want a large space (e.g., a restaurant with catering hall, or a "housewreckers" type of antique store), another would want a small space (e.g., a funky cafe or a craft store). While one entrepreneur would be happy with a space that offers low ceilings and nooks and crannies (e.g., an exclusive tablecloth restaurant or bookstore), another would want large open spaces (e.g., a microbrewery or sculpture gallery). The ability to provide a variety of spaces is one of the reasons why Somerville's downtown attracts and sustains specialty stores and restaurants. The trick of course is to provide a retail environment in which the two places may coexist.

Interestingly, mid-size box retail oriented along Route 206 would be somewhat separated from the downtown retail market in that it would be accessible primarily by vehicle and would likely anticipate a regional trade area.

## 2. Community Implications

As discussed above, retailing is a necessity for redevelopment of the landfill site not only for quality of life, but also to create an active mixed-use environment. However, the community has rightly expressed concern regarding retail competition at the expense of Somerville's existing downtown. Somerville's affluent location (average household income of \$87,296 within five miles) indicates a market for high-priced specialty retail. Further, low density locations within the Heights also have an opportunity to capture the regional market by way of mid-size box retail. It seems that carefully selected specialty retailers and mid-size box retailers that market from a regional perspective may be the answer. On the negative side, there is significant likelihood that some stores in Downtown Somerville may struggle with the competition, and certainty that the mid-size box retailers would consume significant land area for surface parking. The positive impact of visitors at a regional scale and potential users of the train station during off-peak hours may justify these detriments.

In terms of affordable housing, COAH developed a ratio to determine the number of jobs generated by specific types of non-residential development and an additional ratio to determine the required number of affordable units per number of jobs generated. Somerville may develop a growth share ordinance that requires a non-residential developer to provide their fair share of affordable housing units onsite, within another parcel in the Borough or by way of a payment in lieu of construction.

## 3. Economic Compatibility

All three types of retail have the ability to increase the appeal of Somerville as a day and nighttime destination for the Somerset/Middlesex population. Each would contribute to the mixed-use character of the site, thereby helping to make it inviting as a place to visit and live. However, these also provide potential competition with particular downtown businesses. Again, certain downtown stores may experience a decline in local business, while certain downtown stores and restaurants will experience an increase in regional business. Which stores and restaurants will be the net losers and gainers is impossible to predict.

Some convenience retail may be anticipated within the project, but it is estimated that convenience retail would have a negligible net impact on downtown. These stores would be mainly patronized by new residents. Not many residents from other areas of Somerville would use the convenience stores and services located on the site except on occasion.

It is likely that specialty retail would have a positive net impact on downtown. It is assumed that with proper visibility (Route 206 and the train station should do this) more people from nearby communities

when driving or on the train would discover stores and restaurants they would like to return to at another time. Overall, Downtown Somerville could capitalize on these new visitors from a larger trade area.

#### 4. Fiscal Implications

Retail would have a positive fiscal impact, proportionate to its size. The Borough would have to bear some expense for sanitation, etc., proportionate to the size of the retail development. However, many of the expenditures for garbage, sanitation, etc. would be internalized by the development. As always, without the production of school children, retail provides an obvious means for positive fiscal impacts.

As with any retail development, the Borough should anticipate possible turnover and failure of the new retail components. This of course would lead to reduced tax revenues, and increased expectations as to Borough services given diminished internal revenue to pay for sanitation, etc. This risk of a future liability increases with the size of the retail development. This concern could be partly addressed through creation of a Special Improvement District (SID), so that a dedicated revenue stream could help pay for such services.

#### 5. Order of Preference for location - the Heights versus the Hub

Convenience retail would depend entirely on residents of the development. These stores and services would logically locate near the train station and at locations easily accessible by the proposed residential population. As discussed, specialty retail would also benefit from a location adjacent to the train station or connected to other proposed amenities (i.e., sporting goods store adjacent to planned open space, specialty retail connected to an inn). Although specialty retailers may draw patrons from a regional trade area, the unique location and atmosphere, as proposed in the Hub, is preferable. Not only does this keep patrons interested in returning, but a unique location may also enhance public perception of the retailer.

Mid-sized box retail, which requires large floor plates, ample parking and easy vehicular access, is best suited for the Heights. Although mid-size box retail is almost self-sustaining, it seems likely that a good enough draw could produce positive economic impacts for smaller retailers as well.

#### 6. Transit versus Auto Orientation

Understandably, mid-size box retailers require more parking and thus require an automobile friendly design oriented to Route 206 that provides easy access for the regional population expected to drive to the store. Although the use will generate vehicle trips, the majority of traffic will likely occur during weekend hours and thus provide minimal impact. In terms of parking, mid-size box retailers would generally require considerable, preferably surface level parking. Considering that mid-size box retail would be somewhat oriented to Route 206, it appears that parking may be self-sufficient from parking areas provided adjacent to the train station.

On the other hand, convenience and specialty retail are well suited close to the train station. The retailers themselves may not generate transit ridership. However, it is anticipated that the experience provided by the proposed mixed-use environment will be the draw. Connection of the train only enhances the appeal of Somerville as a destination, and thus has the ability to increase ridership on its own.

Convenience retail would likely involve 5,000 to 10,000 square feet of space laid out in the ground floor of one building (for the smaller figure), or (for the larger figure) two buildings directly across from each other. Parking requirements should be of that suited for TOD style retail, such as on Main Street or in shared parking structures. Parking spaces are not required for Main Street style retail, thus it should be prohibited or minimal at best. Merchants should also be encouraged, or even prohibited, to park in front of stores (spaces could be designated within a parking structure for merchants if necessary).

In order to promote the development of a dense pedestrian friendly environment adjacent to the train station, it appears that creative parking measures may be necessary to meet the demand for train parking as well as the demand for visitors. It seems this may entail the development of a decked parking structure, useful in that it can blend into a dense environment, but also serve the purpose of shared vehicle parking for transit riders and visitors taking advantage of retail stores. In this scenario it may be possible for the Borough/developer to partner with New Jersey Transit for construction and use of the decked structure by way of a shared station-area parking agreement. All in all, parking requirements for the transit village need to be carefully thought out as on-street parking should be as carefully managed as off-street parking. For example, on-street parking should be utilized for short visits and errands to encourage rapid parking space turnover during peak hours.

In the transit village scenario, parking requirements are often reduced in anticipation of increased pedestrian and bike activity. Some parking experts even assert that parking should be provided based on average demand rather than peak demand, thus placing emphasis on utilization of the train station. To cover peak demand, creative shared parking agreements may be utilized. Interestingly, due to the large size of the development, it appears that parking may be managed differently in the Heights and the Hub. While vehicle access and parking requirements are anticipated to be more prevalent in the Heights, it appears the Hub will require a parking deck and some mixture of parking techniques as discussed above.

## 7. Market Support

Rich or poor, people spend roughly the same amount of money on convenience goods and services. For the site, the demand for convenience retail and services is limited to potential residents proposed for the landfill site. Other Somerville residents should not be expected to drive past stores to shop in a more remote location, except on occasion on fair weather summer weekend days. In most cases, railroad commuters would also take the shortest route possible to their cars and homes, except on occasion to buy a gift, meet a friend for drinks or dinner, or travel to a specialty store. The housing on the site would generate support for something like 2 to 4 square feet of retail per person, or 4 to 8 square feet per

housing unit. Assuming around 1,000 housing units, there is guaranteed support for approximately 6,500 square feet of convenience retail, perhaps expandable to 13,000 square feet.

As discussed, Somerville’s affluent population seems to indicate that specialty stores would be viewed as desirable on the landfill site. Considering the Borough’s share of daytime office and government workers Somerville currently contains a certain downtown vibrancy by its collection of unique stores and dining options. In the landfill site, potential exists to enhance the area’s regional image as a destination.

Support for specialty retail and unique restaurants are capturing more and more dollars. While this is a long-term trend (i.e., Americans now spend 40 percent of their food dollars at restaurants, compared to 27 percent in 1970), it has been bolstered by the increasing use of superstore, catalogue and internet shopping, which leave people eager for shopping and dining experiences that are unique and entertaining. This added support for specialty retail and dining can be channeled to Somerville thanks to the unique nature of its existing downtown and its visibility to rail commuters, who can make a decision to shop/dine there on impulse or return some other time with friends and family.

Convenience retail would tend to be a marginal operation. The relatively low number of residents on-site (could be close to 2,500 residents) creates shallow demand for any one type of store, as the typical thresholds listed below illustrate:

deli	2,000 people
convenience store	5,000 people
hardware store	7,000 people
dry cleaner	7,000 people
pharmacy	10,000 people
florist	12,000 people

Downtown Somerville rents are typically \$18 to \$22 per square foot for older retail spaces. On the retail rental scale, convenience stores and services usually rent near the lower end (thus, barely supporting new construction of retail space). However, it seems that convenience retail in the proposed landfill site could generate higher rents than Main Street considering that retail spaces will be new and that a large residential population is expected on the site.

Specialty retail would, if structured as rental projects, portray a wide range of rents and values, depending on whether the spaces offer prime locations and/or match the particular needs of a particular business. Success depends on the strategic location of retail by the train station and mixed within residential development. If properly located, competitive rents could be generated. For comparison purposes, the new Edgewood development on Main Street is expected to capture about \$25 per square foot.

The convenience retail would not be as risky as other types of retail. This is because a developer would likely build such retail less as a profit center and more as an ingredient to make the housing more

marketable. Therefore, the developer would likely reduce the risk posed by marginal convenience stores by charging relatively low if not unprofitable rents.

The same risks are involved with specialty retail, if these are pursued as rental projects. However, selling or leasing land to private entrepreneurs would reduce the risk.

A developer could combine the convenience retail and theme retail concepts, thereby creating a larger retail development that displays a wider and more interesting mix of stores. A high turnover of frequently marginal businesses should, however, be anticipated.

Theme retail and restaurants are hard to pin down in terms of size: too much depends upon the interests of individual entrepreneurs. For example, a print gallery might want a small 2,000 square-foot space, while a sculpture gallery might want a high-vaulted 5,000 square-foot space. A small cafe operator might want 2,000 square feet or less, while a catering hall/restaurateur might want at least 10,000 square feet and probably much more. The real question here is how much theme retail the developer is willing to set aside beyond the one or two obvious sites for restaurants and one or two obvious opportunities for specialty stores. For order-of-magnitude purposes, 30,000 square feet is adopted for this analysis.

A priority on convenience retail implies that there should be one master developer, since the convenience retail would be largely built for the benefit of the residents and not with any great expectations as to profit.

However, a priority on theme retail and restaurants implies that there should be multiple user/owner/developers, even if there is one master developer. Theme restaurants/cafes and variety boutiques are generally financed by relatives and patrons, not banks. They depend on the vision of individual entrepreneurs. As an exception, restaurant chains can get financing from more conventional sources, based on the track record of the company.

## 8. Environmental Compatibility

As discussed, commercial development requires less stringent guidelines for environmental cleanup than residential development. Furthermore, problem areas have a greater potential to be capped on a commercial site or underneath a parking lot.

## 6. MIXED-USES

### *Ground Floor Retail/Apartments Above*

#### 1. Complements the Context and Character of Downtown Somerville and Surrounding Neighborhoods

As discussed within the residential housing section of the report, development of a residential component within the landfill site provides an opportunity to create a consistently active 7-day a week living environment. Of the residential building types addressed in this report, mixed-use buildings are one of the more popular techniques utilized to create an active downtown setting. Of course, this type of development is nothing new, as upper-floor apartments are prevalent in older downtown settings such as Somerville's existing Main Street. The difference being that modern mixed-use design allows for the development of larger floor plans and even luxury amenities (similar to the Edgewood development on Main Street in Somerville). Not only is this type of housing consistent with the scale of Downtown Somerville, but it also complements the transit-oriented nature of development conceived for the Hub area adjacent to the train station. It is this mixed-use environment that creates the ambiance associated with transit oriented development and that which increases transit ridership.

#### 2. Community Implications

It appears that the community implications described within the previous residential and retail chapters, although different than pure mixed-use development, are still very much applicable to each of the components of a mixed-use scenario. The only exception between "residential-only" and mixed-use development resides in the category of fiscal impacts, which, as discussed later in this chapter, are actually positive for mixed-use development and neutral for residential-only development.

In terms of affordable housing, COAH requires that each component of a mixed-use development be applied to the appropriate COAH ratios. Thus, any residential component requires one affordable housing unit for every eight market rate units, and any non-residential component requires that the provision of affordable housing be related to creation of jobs per the applicable ratio for non-residential development.

#### 3. Economic Compatibility

As discussed in the previous residential and retail chapters (refer to these chapters as they are relevant to the components of a mixed-use development), somewhat of a fine line exists between the prosperity of the redeveloped landfill site and Somerville's existing downtown on Main Street. However, the proper combination of development types can have a positive impact both in fiscal terms and through the creation of economic spinoffs. Mixed-use development within the transit village concept not only helps generate the type of activity necessary for the success of the development, but also provides a certain unique presence or charm not possible in a stand alone residential or retail development. As such, the provision of a mixed-use component within the landfill site would seem to provide an

appropriate mix of development concepts capable of adding to the future success of redevelopment and the train station.

#### 4. Fiscal Implications

Contrary to other types of residential development proposed for the landfill site, mixed-use development provides a non-residential component that would on balance provide an overall positive fiscal impact. If quality amenities are provided within these units, there is no reason to assume that mixed-use development would generate sales prices any different than the residential-only dwellings planned for the remainder of the development site. Furthermore, the majority of units in a mixed-use scenario would be occupied by childless couples whose occupancy would not increase the tax burden on the school district through the addition of schoolchildren. Similar to residential-only development, the mixed-use type would also increase the demand for municipal services (garbage, police, fire, emergency). However, when considering the taxes generated from the non-residential component, the almost non-existent impact on local schools, and the potential economic spinoffs, the overall fiscal impacts to the Borough are positive. As indicated within the residential chapter, young families might show greater interest than currently anticipated. However, the positive fiscal impacts associated with non-residential development would seemingly outweigh the impacts associated with a limited amount of schoolchildren.

#### 5. Order of Preference for location - the Heights versus the Hub

Considering the density needed to provide a successful mixed-use environment, the optimal location for this type of development is within the Hub. It seems likely that the residential market for mixed-use dwellings is consistent with empty nesters or those interested in immediate access to the train station. As such, a location adjacent to the train station makes sense not only for potential residents, but also for potential retail tenants that would rely in part on the traffic generated by the train station. The Hub portion of the site is anticipated as the true activity center of the transit village. Mixed-use development is the key component involved in placemaking and providing an environment that residents and visitors will truly want to take part. These factors also go hand-in-hand in providing new transit riders.

#### 6. Transit versus Auto Orientation

Some tenants of a mixed-use residential development may not utilize a vehicle every day, thus providing a direct positive impact to transit ridership on New Jersey transit trains. However, considering the location of the site and its access to Route 206, any type of mixed-use development would require that residential tenants have access to parking spaces either contained within the building in which they live or by way of a nearby garage.

Somerville's location still requires a vehicle for certain necessities and weekend trips. As with other types of residential development on site, the overall traffic impacts of mixed-use residential

development would be somewhat minimal as childless couples (empty nesters and singles) generally make fewer vehicle trips.

However, as discussed within the residential section of the report, the Borough and any developer should consider shared residential parking scenarios or determine that residential garage parking spaces be considered optional and not directly related to price or rent. Again, the zip car program may be a technique that can reduce auto-dependency while placing emphasis on the train station as the point of a transit village is to reduce auto-dependency and increase transit ridership in an environment centered on the health of the train station.

In terms of the retail component included within a mixed-use development, as discussed, it will likely be a mixture of convenience and specialty retail that do not require extensively large retail spaces. As such, the type of retail expected in a mixed-use development is well suited close to the train station (Refer to the previous section for description of potential parking techniques for convenience and specialty retail and the way it fits with the transit oriented development scheme).

## 7. Market Support

Many of the issues discussed within the market support section of the residential chapter apply to mixed-use development. Given proper amenities, apartments above street level retail can generate similar market behavior. Considering that the transit village concept provides a template for residential development virtually non-existent within the region, the nature of mixed-use development and the potential to enhance site identity, provides a unique market niche. In terms of mixed-use retail, the market support section within the retail chapter concerning the sustainability of convenience and specialty retail types anticipated within the landfill site also seems to apply here.

## 8. Environmental Compatibility

Despite the residential component included within mixed-use construction, the presence of ground floor retail and/or parking garages can be utilized as a way to cap environmentally sensitive areas.

## 7. OFFICES

*Conventional Office (up to 250,000 square feet); Professional Office (up to 20,000 square feet)*

### 1. Complements the Context and Character of Downtown Somerville and Surrounding Neighborhoods

Due to Somerville's position as county seat, a variety of small professional offices exist among larger county buildings. While the market for conventional office in Somerville is not especially strong, the prevalence of government activities in the Borough lends itself to smaller professional offices. Furthermore, office space of this design fits more appropriately to the scale of Main Street and the scale of the development anticipated near the train station, where upper-floor offices could be accommodated within a mixed-use building. Such offices are usually characterized as "Class B", and command less than premium rents in most cases. Small professional office space would provide some contribution to daily activity within the transit village site and would have a positive effect on transit ridership.

Although Route 206 is a major road that offers connection to I-287 and I-78, the current market for large scale office development seems to indicate that prospective tenants are drawn to office park arrangements with direct access from a major highway. Route 206 does not have the capacity to handle this type of traffic volume. Furthermore, a collection of large office structures with full office amenities – such as those associated with "Class A" offices --- appears to depart from the scale and nature of development anticipated by the community. It would also be hard to market, given the site's distance from major generators such as highway exits.

### 2. Community Implications

Somerville currently has an established office component to its downtown. However, the development of additional office space within the landfill site will enhance the land use mix crucial in developing a unique and active environment.

Office development would generate a growth share requirement per COAH regulations. If the Borough institutes a growth share ordinance, affordable housing could be constructed elsewhere in Somerville, or simply a payment in lieu of affordable housing could be collected for the Borough affordable housing trust fund.

### 3. Economic Compatibility

Office space well complements both existing and proposed retail/restaurant uses, in that office development provides a daytime population of workers and potential after work patrons in excess of the existing Borough population. The success of the Borough's current restaurant scene already highlights the importance of Somerville's work day population.

Considering the mixed-use potential of the proposed redevelopment and possible economic impacts on existing downtown businesses, each worker generates approximately \$3,000 per year in local expenditures, split equally between dining out and purchases (mainly for clothing, but also for books and sundries). Assuming just 30,000 square feet of office space, offices would generate approximately \$1 million in local expenditures.

#### 4. Fiscal Implications

Offices would have a significant positive fiscal impact. Obviously, offices do not generate any school-age children and place limited demand on municipal services. One of the principal benefits of offices is that they are a “tax ratable” form of development that would generate revenues but hardly any costs for the Borough. However, due to the increased police presence necessary to serve an office development, some increase in municipal spending should be anticipated.

#### 5. Order of Preference for location - the Heights versus the Hub

As indicated, small scale professional office development is well suited to the Hub while conventional office space would only work in an auto-accessible location such as within the Heights. Considering the likelihood that professional office space would be tenanted by county government related activities, it would complement Somerville’s existing downtown. Conventional office space would have a more visible impact on ridership by the sheer number of office workers. However, a collection of small offices would also increase transit ridership in its own right.

#### 6. Transit versus Auto Orientation

Offices will generate traffic during the morning and afternoon rush hour peaks. The site is well connected to the regional road network with direct access from Route 206. The train station provides an alternative mode of transportation, that some workers will utilize in their commute. However, based on general commuting behavior, the majority will arrive by vehicle. This issue, plus existing traffic problems associated with Route 206, present some problems when considering the dense, mixed-use environment envisioned for the TOD. Even in districts connected to a train station, office builders and tenants are wary of having any fewer than the normative number of parking spaces.

As stated in the residential section, the Borough and developer should consider unique parking arrangements for the Hub portion of the site. Whether this assumes a shared parking agreement or encouragement for the reduction of parking requirements, evolution of parking onsite is key in placemaking and promoting transit ridership. A residential to office shared parking arrangement may work based on typical 9AM to 5PM work day schedules.

## 7. Market Support

Overall, the landfill site contains a variety of positives factors for office development including site access to the regional road network, proximity to the Somerset Medical Center, proximity to Somerset County government operations in Downtown Somerville and proximity to high-tech/ pharmaceutical companies in the Somerset/Middlesex region.

Despite these factors several issues should be taken in mind. A market study completed by Cushman & Wakefield in 2001, specifically regarding redevelopment of the landfill site indicated the saturation of Class A office space within Somerset County. According to local market analyst Richard Reading Associates, this is still the case in Somerset County. At the time of the Cushman & Wakefield study, six significant Class A projects were underway for a total of 934,000 square feet. Thus, it appears demand has not caught up with the supply of Class A space during the past several years. Further, according to a report released in the Fourth Quarter of 2005 by GVA Williams, the average asking rent for office space in Somerset County was \$22.58. The report also indicated that average rent dropped since the Fourth Quarter of 2003 from over \$24 per square foot to its current level. This appears to be in response to high vacancy rates which leveled off from over 30 percent in the Second Quarter of 2004 to around 25 percent in 2005. Overall, average rents in Somerset County were reported to be slightly below Central New Jersey as a whole, while a 2005 vacancy rate of almost 25 percent in Somerset County exceeds the reported 19 percent office vacancy rate in Central New Jersey. This indicates that the market been saturated within Class A space, but as discussed previously, many potential tenants are drawn to established office parks off major interstate roadways.

Based on the above information, it appears office development in Somerville should be tailored to a specific market rather than trying to compete with the remainder of the Central New Jersey and Somerset County market. The Regional Partnership and others have been keen on the idea of spin-off office development attendant to the area's substantial biotech industry. However, the private market has yet to respond to public enthusiasm, and as such, this use is purely speculative at this time. Based on the example from other regions (e.g., Long Island), such uses are also usually associated with learning institutions and/or financially subsidized – neither of which are in the offing here. Furthermore, the state of the high-tech/pharmaceutical market has cooled in the region, making this segment of the potential office market even less than sure bet.

Nonetheless, as indicated above, the government presence in Somerville and the natural development of professional offices. The greatest demand appears to exist for small user spaces ranging from 2,500 to 20,000 square feet, averaging less than 5,000 square feet. Therefore, several small buildings of 10,000 square feet might be postulated—small enough to be anchored by a single tenant, and large enough to achieve economies of scale for the elevator, HVAC, etc. It is possible but unlikely that an individual business requiring more space will emerge once the site is marketed. For simplicity, we have adopted a benchmark of 30,000 square feet for offices—representing a capture of only a half-dozen office tenants based on the 5,000 square feet average cited above. Yet this figure could be quite lower or higher, depending on the particular space needs of particular tenants. Flex space or incubator space is, like

biotech, an idea that has been put forward by civic and government leaders, but thus far have not been proven profitable and widespread in the region.

Market sustainability depends upon the state of the overall economy and the nature of office technologies, at the time of vacancy. Fortunately, the location of the site provides many positives not necessarily found in suburban office locations. Not only is the site accessible, but the vibrancy of the proposed development provides an extra benefit in that such an environment enhances worker morale and shines a positive light on companies that choose to locate there. The Cushman & Wakefield report indicates that most office tenants in the market require less than 8,000 square feet of office space. It seems a variety of small office locations could be boon as far as enhancing daytime activity within the transit village, as well as generating a sense of place and proffering a unique identity. Although small professional offices would not generate as much transit ridership as a conventional office, by the mere presence of this type of land use within the transit village, there would obviously be some positive effect on ridership.

#### 8. Environmental Compatibility

Similar to commercial development, standards for environmental cleanup on proposed office sites require less stringent regulations than those for residential development.

## 8. INDUSTRIAL/TECHNOLOGY

### *Flex Industrial Space (up to 40,000 square feet)*

#### 1. Complements the Context and Character of Downtown Somerville and Surrounding Neighborhoods

The scale and nature of flex industrial space is best suited for the Heights. Considering that flex industrial development is somewhat self-sufficient, it does not appear that it is as capable of creating synergy between Downtown Somerville and the Hub as retail or professional office. Of course flex industrial development brings workers to Somerville that would inevitably provide positive economic impacts to existing retail and restaurant uses as well as increased ridership. However, it appears that this type of development is more complimentary to Route 206 than the existing form of Downtown Somerville and the anticipated density of development in the vicinity of the train station.

#### 2. Community Implications

The majority of industrially zoned land in Somerville is located within the southernmost portion of the Borough in proximity to the landfill site. Of note is an industrial area below Southside Avenue and east of Bridge Street that has not experienced anticipated industrial development. Considering that growth has not occurred within a zone that actually permits industrial land uses, it seems the market may be somewhat unstable for this type of development. As such, the sustainability of flex industrial space within the landfill site may not be a profitable proposition. Market analyst Richard Reading also indicated that the high-tech/pharmaceutical industry is in a state of flux and that a number of companies have downsized their operations to meet their current needs.

Flex industrial space would create a similar affordable housing impact as traditional office. However, if the use can be classified by way of the International Building Code (IBC) guidelines as manufacturing or warehouse, the COAH ratio regarding the production of jobs, and eventually affordable housing, is much less than traditional office space.

#### 3. Fiscal Implications

Similar to office development, flex industrial space generates tax ratables without school children, thus providing a positive fiscal impact. Secondly, flex industrial would have only a minor impact on Borough services.

#### 4. Order of Preference for location - the Heights versus the Hub

The model for flex industrial development, which requires considerable land area, generally includes a single story structure with a large floor plate. Industry will gravitate to the least cost space, which would likely be the Heights. Furthermore, any truck deliveries that may be necessary would likely be done more easily in an area of less density away from the train station.

## 5. Transit versus Auto Orientation

Flex industrial space would create morning and afternoon peak hour traffic impacts similar to traditional office space. Since the site benefits from connection to Route 206, it does not appear that these impacts would be problematic. However, flex industrial would likely generate additional truck deliveries not experienced within traditional office development. The importance of truck deliveries qualifies as another reason for the location of flex industrial space in the Heights. Similar to office, it should be assumed that a large portion of workers would drive to work, while a smaller amount would take the train. Considering the market characteristics, as well as the fact that this type of development may not as readily fit into a transit oriented development scheme, it appears that this type of use may not be well suited to the proposed transit village.

## 6. Market Support

The Somerset/Middlesex region has been recognized as one of the Northeast's major centers for high-tech business. In fact, the 2001 Cushman & Wakefield report indicated that the high-tech industry accounted for 7 percent of overall employment within the region, compared to 4 percent nationally. As noted by Richard Reading, however, it appears the construction of office space within the high-tech industry is reaching a slow down and some companies are even downsizing. Such behavior usually creates a ripple effect in which office vacancies increase and asking rents within existing buildings decrease. In many cases, tenants are then able to rent higher quality space than they normally would be able to afford.

One way to aid tenancy is through an "industrial incubator"—in which rents are started quite low and gradually increased to above-market rates, to encourage fast occupancy and then a turnover of tenants. Industrial incubators generally require flex buildings in good repair that lend themselves to subdivision. Industrial incubators are virtually always dependent upon start-up capital if not also operating subsidies. Of course, in a somewhat shaky market, venture capitalists are less likely to support business from the ground up and the incubator scenario is less likely to be pulled off.

Considering these factors, and the ripple effects associated with a shaky market, it appears the inclusion of flex industrial space may be too risky for the landfill site. Furthermore, the large amount of land area required for industrial style development carries an opportunity cost in that available land is utilized for a single land use rather than several land uses that may generate greater potential profits and may weather an economic downturn more effectively.

## 7. Environmental Compatibility

As with office and commercial uses, the opportunity to cap certain contaminants within an industrial project is one technique to reduce overall cleanup costs.

## 9. HOSPITALITY

*Small Chain Hotel (100 Rooms); Inn (30 Rooms); Conference Center (150 Rooms)*

### 1. Complements the Context and Character of Downtown Somerville and Surrounding Neighborhoods

An inn located within the fabric of the Hub would add diversity and vibrancy to the overall character of the transit village as well as provide an amenity for the entire Somerville community currently not present downtown. Furthermore, an inn would be in tune with the scale and ambience of Somerville's existing Main Street. While a small hotel/conference center would provide positive tax and economic impacts, the model is generally that of an isolated building surrounded by parking and connected to a major roadway. As such, a small hotel is better suited for the Heights and would not be as connected to downtown.

### 2. Community Implications

Downtown Somerville currently contains a hotel that can at best be described as "past its prime." The development of an inn within the transit village would provide a location for travelers to stay when in Downtown Somerville on business (i.e. several days stay for a court case). Furthermore, an inn would provide a nice location for small receptions or business meetings for the local population. A hotel would provide these same amenities at a greater scale. As described above, a small hotel would not fully complement the scale of Downtown Somerville or the feeling envisioned for the Hub. Especially within the Hub, potential exists not only to create a unique center of activity, but also a community asset for important community events and meetings.

COAH has devised an employment ratio for the hotel/motel use group. Similar to other non-residential land uses, inns and hotels would generate a growth share requirement.

### 3. Economic Compatibility

A small hotel/conference center or inn would entertain guests attending to business in Somerville or elsewhere. This would be perceived as an asset to downtown business and to local residents if a catering facility or large restaurant were included in the final design and product. Both a small hotel/conference center or inn would further complement the retail, housing, recreational and public uses contemplated within the transit village. Furthermore, guests would be an asset to restaurants and stores in the Hub and in Downtown Somerville. An inn developed within the Hub could become an interesting point of activity (assuming a restaurant is included) that adds to the diversity of adjacent land uses.

### 4. Fiscal Implications

A small hotel/conference center and inn would provide positive "tax ratables," i.e., generate more in taxes than they cost in municipal services, thus providing a positive fiscal impact on the Borough. As with the

other forms of commercial development under consideration, both the conference center and inn would place negligible demands on municipal services as neither use generates schoolchildren.

#### 5. Order of Preference for location - the Heights versus the Hub

A small hotel/conference center or inn could be included within the Heights portion of the site. Especially since the use requires a large building footprint and since parking requirements dictate a lower density location. Furthermore, many small hotel/conference centers create an isolated environment in which business colleagues (or wedding guests) intermingle both formally for meetings (or parties) and informally for creative contacts (or fun) and do not leave the premises. If placed adjacent to the Green Seam or wetlands areas this would create an inviting setting for picture taking and cocktail parties for example. If located in the Hub area, “where the action is,” provided it is able retain a private image (especially for parties and overnight guests), it could prove to be a real asset to the mixed-use character of the station area.

#### 6. Transit versus Auto Orientation

Most of the traffic generated by a small hotel/conference center or inn would be during odd weekday hours, weekday evenings or during the weekend. As noted, traffic for either use could very well relate to persons attending to county government matters in Downtown Somerville. In both cases, many patrons would likely travel by automobile to access the inn/hotel. Overall, it appears that each use would generate limited peak hour traffic and associated negative impacts. In fact, some of the guests may be able to walk to/from a downtown meeting or court appearance, thus limiting vehicular trips during the day. Other events may take place after normal business hours or on weekends, thus limiting traffic impacts. While a small hotel would have self-contained parking lot, it seems feasible that an inn could partake in a shared parking arrangement within a commuter deck near the train station, thus making it good location for the Hub area. If marketed regionally, the Hub location may further provide an incentive for patrons to travel via the train, thus providing an added bonus from the perspective of rail ridership. The placement of an inn within the vicinity of the train station provides a necessity for varied parking scenarios that emphasize the value of density at the train station.

#### 7. Market Support

A small hotel/conference center is a viable development option; but an inn with meeting room space is more plausible and more connected to the Hub. *(Note that the two easily blur into each other. Their key difference is that the small hotel/conference center model contains a lot of common areas and facilities, while inns are really restaurants with extra meeting facilities and some hotel rooms. Of course the model for inn identified within the report contains a much smaller amount of guest rooms.)* All the same, both a conference center and an inn would be entrepreneur-driven; i.e., each would be dependent upon a developer and lending source that may or may not materialize. Given these risks, yet potential community enthusiasm for this development concept, it may be prudent for the Borough to induce the

developer of more lucrative uses on the site to set aside space or funds for the meeting rooms and party spaces as a public amenity, not a privatized use.

Room occupancy rates are nationally at record highs, with the New York area's hotel market ranking first in the nation, according to Landauer Real Estate. At the same time, the hospitality business is more diverse than ever. Following are several potential development ideas along the lines of various products for various purposes, including:

- *Residency/suite hotels* with 100 to 150 rooms designed as suites, mainly for extended business travel, relocatees and other long-term stays (e.g., Marriott Residence Inn, the Chelsea Hotel, Guest Quarters). These hotels usually flourish in corporate downtowns or corridors where there is an upscale residential character as well.
- *Boutique hotels* (including "historic hotels" and "European hotels") with 50 to 150 rooms, mainly for sophisticated tourists but also some business travelers. These hotels usually flourish in high-image destinations with plenty of off-site amenities to match, like South Miami Beach and SoHo.
- *Transient and "economy" motels/hotels* with up to 200 rooms (e.g., Marriott Courtyard, Motel 6, Howard Johnson's, Best Western). These hotels must have highway visibility and/or a location at a highway exit, and specifically a highway that serves as a long-distance travel route as opposed to a commuter route (i.e., Interstate 95 not the Saw Mill River Parkway)
- *Inns* featuring a restaurant but also offering under 50 rooms with one or several party spaces and meeting rooms (e.g., the Red Lion Inn, the Griswold Inn). Inns generally flourish in high-image places (not necessarily resorts) within two hours of a metropolitan center, where additional meeting rooms are used to generate a weekday and off-season trade for the restaurant.
- *Innovative formats*, such as timeshares or "exclusive-use" centers, have been tried by various entrepreneurs who have been willing to experiment (e.g., Seascape in California, which combines an inn, residency hotel, time-share and conference center). These unique facilities are often successful for a time only, generally coincident to the wealth, vision, fame and/or availability of their founders.

As the site location criteria in the above list portray, it appears Somerville is better suited to a small hotel with conference facilities or an inn. Somerville does not have the resort feel or urban cachet that usually make the boutique/innovative format work. A smaller scale economy hotel, and especially an inn, would fit well within the anticipated densities and character of the transit village. Further, it appears that a definitive hole exists in Somerville regarding locations for short business trips, business events and private/social gatherings.

The hotel business is notoriously fickle. As the list above testifies, the sector is in constant flux (not unlike restaurants), with boom-bust cycles affecting the amount of travel, changing economics

affecting the way people travel, changing tastes affecting the type of places people like to frequent, etc.—all prompt a need for *most* hotels to re-market, refurbish, expand and evolve creatively.

A conference center or inn might be profitable, and might not. These are very expensive uses: money must be lavished on architecture, decor, landscaping, kitchens, public bathrooms, private bathrooms, recreational amenities, HVAC, etc. In order to stay in the black, hospitality facilities generally need an *average* 70+ percent room occupancy for the year—a ratio that is easily thwarted by one slow season a year, or two slow nights a week. The reason why the hospitality business goes through such swift bust-to-boom cycles is in fact because hospitality accommodations are prohibitively expensive to build except when room occupancies and room rates are at their highest.

And what goes up can come down. Thus, in their financing and development, for-profit conference centers and inns are analogous to restaurants. They are generally built by individuals who get their financing from non-traditional sources (i.e., from family, friends, and/or their own savings or assets). Their success depends upon the talent of the builder and manager to create just the right combination of marketing, decor, room-to-facilities ratio, etc. Thus, these are highly risky ventures, which is precisely why banks and conventional lenders eschew them.

One of the most important attributes of a small hotel/conference center is the absence of off-site distractions. As indicated above, a conference center would likely develop by way of a certain model or format, which includes a definitive corporate design and abundant parking spaces. For the conference center, a ratio of 1½ parking spaces per room would be appropriate; conference centers involve fewer trips off premises and more staff attention than other types of hotels.

An inn is better suited to a building that offers some privacy, and a single structure, or a single structure with an annex for rooms. An inn might be particular about having parking at the premises, and about having a design image that matched their business and marketing program. For the inn, a ratio of 1 parking space per 3 seats, plus 1 space per hotel room, would apply. As discussed, to preserve the integrity of the transit village, a shared parking arrangement would be well suited to this type of use rather than providing an individual parking lot for the building.

Revenue from a small hotel/conference center cannot be counted upon. It would depend upon how lucrative an individual entrepreneur would view the site to be. It is reasonable to assume that the small hotel/conference center will generate only enough capitalized value to pay for its own on-site improvements.

Revenue from an inn is more likely but not so significant, since it would essentially substitute for one or another of the existing or prospective restaurants to be located on the site.

On the assumption that a small hotel/conference center or inn could fail, the Borough should also consider the likely impacts of fallback uses: this would be housing for the conference center, and a

conventional restaurant for the inn. Conceptually, neither poses much of a problem in terms of impacts; but both should be kept in mind in terms of zoning and site design.

#### 8. Environmental Compatibility

Environmental cleanup standards for a small hotel or an inn would not be as strict as those associated with residential properties due to the commercial component associated with most hotels.

# APPENDIX

## **Initial Evaluation of Proposed Uses**

### ***Slide 1 – Land Use Key***

Overall land use program areas and specific land uses were determined in public meetings commissioned by the Somerville Landfill Stakeholder Group. The goal of these meetings was to provide a starting point in the land use visioning process for the landfill site. Public input is essential in order to determine the most viable and publicly supported redevelopment ideas for the landfill site.

In the following slides, the uses are evaluated in terms of the criteria developed in the Stakeholder meetings. The slides are organized into columns to suggest whether a particular uses ranks high, medium or low in terms of the criteria. Obviously, uses may appear in multiple columns on the same slide. For example, a particular use may both “Reinforce Downtown” and “Fill a Need” (see slide # 5).

To give a quick visual sense of where on the charts the different kinds of land uses fall, they have been assigned standard planning colors: red for commercial, blue for institutional/civic, yellow for residential, etc.

### ***Slide 2 – Location Bias***

The physical conditions onsite (i.e., wetlands) as well as the connection of certain portions of the property to man made features (i.e., the existing train station and Route 206) suggest that there are three distinct zones within the study area. These have been branded as the Heights, the Hub and the Green Seam.

The Hub consists of land adjacent to the existing Somerville train station. In general, land uses well suited to the Hub can be constructed at a greater density than highway commercial uses and not only complement the train station, but also serve as an extension of Downtown Somerville. The concentration of activities around the train station and the proximity of this area to Downtown Somerville work to promote a mixed-use environment. Residential land uses are especially suited to the Hub.

The Heights contains land located within the southwest portion of the site adjacent to Route 206. Thus, it can accommodate larger-scale, auto-oriented uses. Although mixed-use development is still possible, land within the Heights is generally suited to uses that require large floor plates and abundant parking (i.e., movie theaters, regional retail, offices). For these uses, the benefits associated with access to/from Route 206 are essential, while location near the train station is of secondary importance.

Between the two districts (almost down the middle), and creating the link between the Hub and the Heights, is the Green Seam, which consists in part of natural wetlands. The Green Seam is a likely location for passive recreational trails and greenways that take advantage of the site’s natural features.

### ***Slide 3 – Market***

Based on analysis of the market and through community and stakeholder input, the overall viability of specific land uses were identified. It appears that a strong market exists for residential development and retail development on floor plates larger than that which currently exists in Downtown Somerville. Furthermore, an intermediate niche market may exist for specialty retail, small inns and boutique office space that would complement Downtown Somerville. The public also showed interest in a variety of civic and recreational uses that do not necessarily correspond to market conditions, but may have an effect on surrounding land uses through the development of

activity or the creation of site identity.

**Slide 4 – Transit Friendly**

Considering Somerville’s suburban location, residential development centered on the train station will pose the only dramatic impact on transit ridership. In respect to the overall quality of the project and the opportunity to provide a unique sense of place, a variety of land uses, ranging from civic and recreational, to retail and office, have the best ability to sustain a unique environment. However, as discussed, the size of the landfill site and the asset of Route 206, provide an opportunity to develop two distinct nodes of activity, one (the Hub) that provides a unique connection to the train station and opportunities for shared parking and the other (the Heights) that provides a location for auto-oriented land use development

**Slide 5 – Community Benefit**

A number of uses discussed in public meetings can provide a positive impact to Somerville. Of course, a major concern is to find a way to reinforce Downtown Somerville rather than provide competition for current businesses. As such, a safe mixture of market/fiscal analysis and an assessment of community needs is required to make a proper decision.

**Slide 6 – Scorecard**

Land use scores should not be considered decisive, but as a tool to help the community identify those land uses that may have provide a potential positive impact for existing and future residents.

Market –

- Strong – 0.75 point
- Intermediate – 0.50 points
- Weak – 0.00 points
- Loss Leader – 0.25 points

Transit Friendly -

- Ridership – 0.75 points
- Placemaking – 0.50 points
- Shared Parking – 0.50 points
- Can support the cost of structured parking – 0.50 points

Community Benefit -

- Reinforces Downtown - 0.75 points
- Fills/Provides a Need - 0.5 points
- Fiscal Implications –
  - *Positive* - 0.5 points
  - *Neutral* – 0.25 points

# Land Use Key

<p><b>1. Civic/Institutional</b></p> <p>A - Municipal Library B - School</p>	<p><b>2. Open Space Uses</b></p> <p>A - Active Recreation B - Passive Recreation/Trails &amp; Greenways</p>	<p><b>3. Recreation/Entertainment</b></p> <p>A - Recreation Center B - Movie Theater</p>
<p><b>4. Residential</b></p> <p>A - Attached Townhouses B - Small Apartment Buildings C - Senior Housing</p>	<p><b>5. Retail/Restaurants</b></p> <p>A - Specialty Retail B - Intermediate Scale Retail (up to 30,000 sf) C - Mid-Size Box (over 30,000 sf)</p>	<p><b>6. Mixed-Use</b></p> <p>A - Retail/Apartments Above</p>
<p><b>7. Office</b></p> <p>A - Conventional Office (up to 250,000 sf) B - Professional Office (up to 20,000 sf)</p>	<p><b>8. Industrial/R&amp;D</b></p> <p>A - Flex Industrial (up to 40,000 sf)</p>	<p><b>9. Hospitality</b></p> <p>A - Small Chain Hotel B - Inn</p>

# Location Bias

Hub	Heights	Green Seam
1A - Municipal Library	1B - School	2B - Passive Recreation/Trails & Greenways
4B - Small Apartment Buildings	2A - Active Recreation	
5A - Specialty Retail	3A - Recreation Center	
6A - Retail/Apartments Above	3B - Movie Theater	
7B - Professional Office (up to 20,000 sf)	4A - Attached Townhouses	
9B - Inn	4C - Senior Housing	
	5B - Intermediate Scale Retail (up to 30,000 sf)	
	5C - Mid-Size Box (30,000 sf to 50,000 sf)	
	7A - Conventional Office (up to 250,000 sf)	
	7B - Professional Office (up to 20,000 sf)	
	8A - Flex Industrial (up to 40,000 sf)	
	9A - Small Chain Hotel	

# Market

( ) = Sustainable/Adaptable

Strong	Intermediate	Weak	Loss Leader
<p><b>(4A) Attached Townhouses</b></p> <p><b>(4B) Small Apartment Buildings</b></p> <p><b>(5B) Intermediate Scale Retail (up to 30,000 sf)</b></p>	<p>3B - Movie Theater</p> <p><b>(4C) Senior Housing</b></p> <p><b>(5A) Specialty Retail</b></p> <p>5C - Mid-Size Box (30,000 sf to 50,000 sf)</p> <p>6A - Retail/Apartments Above</p> <p><b>(7B) Professional Office (up to 20,000 sf)</b></p> <p><b>(9B) Inn</b></p>	<p>7A - Conventional Office (up to 250,000 sf)</p> <p><b>(8A) Flex Industrial (up to 40,000 sf)</b></p> <p>9A - Small Chain Hotel</p>	<p><b>(1A) Municipal Library</b></p> <p><b>(1B) School</b></p> <p><b>(2A) Active Recreation</b></p> <p><b>(2B) Passive Recreation/Trails &amp; Greenways</b></p> <p>3A - Recreation Center</p>

# Transit Friendly

Ridership	Placemaking	Shared Parking	Can Support Cost of Structured Parking
4A - Attached Townhouses	1A - Municipal Library	3B - Movie Theater	4A - Attached Townhouses
4B - Small Apartment Buildings	2A - Active Recreation	4A - Attached Townhouses	4B - Small Apartment Buildings
6A - Retail/Apartments Above	2B - Passive Recreation/Trails & Greenways	4B - Small Apartment Buildings	6A - Retail/Apartments Above
	3A - Recreation Center	5A - Specialty Retail	7A - Conventional Office (up to 250,000 sf)
	3B - Movie Theater	5B - Intermediate Scale Retail (up to 30,000 sf)	7B - Professional Office (up to 20,000 sf)
	5A - Specialty Retail	6A - Retail/Apartments Above	9A - Small Chain Hotel
	6A - Retail/Apartments Above	7A - Conventional Office (up to 250,000 sf)	9B - Inn
	7A - Conventional Office (up to 250,000 sf)	7B - Professional Office (up to 20,000 sf)	
	7B - Professional Office (up to 20,000 sf)	9A - Small Chain Hotel	
	9A - Small Chain Hotel	9B - Inn	
	9B - Inn		

# Community Benefit

Reinforces Downtown	Fills/Provides a Need	Fiscal Implications
1A - Municipal Library	1A - Municipal Library	3B - Movie Theater <b><u>Positive</u></b>
1B - School	1B - School	4C - Senior Housing
2A - Active Recreation	2A - Active Recreation	5A - Specialty Retail
2B - Passive Recreation/Trails & Greenways	2B - Passive Recreation/Trails & Greenways	5B - Intermediate Scale Retail (up to 30,000 sf)
3A - Recreation Center	3A - Recreation Center	5C - Mid-Size Box (30,000 sf to 50,000 sf)
3B - Movie Theater	3B - Movie Theater	6A - Retail/Apartments Above
4A - Attached Townhouses	9B - Inn	7A - Conventional Office (up to 250,000 sf)
4B - Small Apartment Buildings		7B - Professional Office (up to 20,000 sf)
4C - Senior Housing		8A - Flex Industrial (up to 40,000 sf)
6A - Retail/Apartments Above		9A - Small Chain Hotel <b><u>Neutral</u></b>
7A - Conventional Office (up to 250,000 sf)		9B - Inn
7B - Professional Office (up to 20,000 sf)		1A - Municipal Library
9A - Small Chain Hotel		1B - School
9B - Inn		2A - Active Recreation
		2B - Passive Recreation/Trails & Greenways
		3A - Recreation Center
		4A - Attached Townhouses
		4B - Small Apartment Buildings

# Scorecard

Scores should be taken with care, but some of us want to know anyway!

Land Use	Market	Transit Friendly	Community Benefit	*Score
9B - Inn	0.50	1.50	1.75	3.75
4A - Attached Townhouses	0.75	1.75	1.00	3.50
4B - Small Apartment Buildings	0.75	1.75	1.00	3.50
6A - Retail/Apartments Above	0.50	1.75	1.25	3.50
3B - Movie Theater	0.50	1.00	1.75	3.25
7B - Professional Office (up to 20,000 sf)	0.50	1.50	1.25	3.25
7A - Conventional Office (up to 250,000 sf)	0.00	1.50	1.25	2.75
9A - Small Chain Hotel	0.00	1.50	1.25	2.75
1A - Municipal Library	0.25	0.50	1.50	2.25
2B - Passive Recreation/Trails & Greenways	0.25	0.50	1.50	2.25
3A - Recreation Center	0.25	0.50	1.50	2.25
2A - Active Recreation	0.25	0.50	1.50	2.25
5A - Specialty Retail	0.50	1.00	0.50	2.00
1B - School	0.25	0.00	1.50	1.75
4C - Senior Housing	0.50	0.00	1.25	1.75
5B - Intermediate Scale Retail (up to 30,000 sf)	0.75	0.00	0.50	1.25
5C - Mid-Size Box (30,000 sf to 50,000 sf)	0.50	0.00	0.50	1.00
8A - Flex Industrial (up to 40,000 sf)	0.00	0.00	0.50	0.50