
DHCD Downtown Initiative:
STRATEGY for PARKING for the
BOOKLESS BUILDING SITE in LEE, MA



Submitted to:
The Town of Lee

Submitted by:
The Cecil Group

7/17/07

FINAL STRATEGY FOR LEE: PARKING FOR THE BOOKLESS BUILDING

Overview

The Town of Lee is in need of strategy to facilitate the development of a key downtown building (Bookless) and to spur development of the downtown center. An extended process has been underway to advance the property so that it can be a productive asset in the downtown. A potential developer is interested in purchasing the Bookless Building a investing \$3 million into renovation of this facility, but will not go forward unless adjacent parking is developed. Currently parking is adequate in the downtown center to accommodate the existing capacity and uses.

The DHCD's Massachusetts Downtown Initiative (MDI) grants funding for the services of the Cecil Group to be provided to the Town of Lee. This program offers a range of services and assistance to communities seeking help on how to revitalize their downtowns. The primary mission of the MDI is to make downtown revitalization an integral part of community development in cities and towns across the Commonwealth. MDI's guiding principles are that the most effective approach to downtown revitalization is a holistic one; that it addresses economic and community development needs; and that it provides a framework of interrelated activities that promote positive change in a downtown to keep it healthy and prosperous.

The Downtown Technical Assistance Site Visit component of MDI provides assistance to communities targeting specific issues related to a community's downtown revitalization efforts. The goal of this technical assistance is to address and overcome obstacles to a community's downtown revitalization efforts. In the case of Lee this issue is the lack of parking available in the downtown center to enable redevelopment of the long-vacant Bookless Building.



Study Area

The downtown center of Lee is similar to many small town centers in Massachusetts. The center faces the market realities of a changing retail environment that has led to the development of concentrated retail centers or big box opportunities that are limiting the use of the current opportunities on Main St. for this use. It is denoted by physical structures and architecture that is a mix of old and new. The current uses on the Main St. are retail, office and professional space and some housing. What distinguishes the Lee Downtown Center from some of the others is sense of connection and infrastructure amenities that bind the physical structures together.

In this report the study area refers to the Bookless Building site and to the downtown area that adjoins this property on the backside. The primary property owners involved in this study were the following: St. George's Church; First Congregational Church; Dr. Cerutti; and the Verizon Corporation.

The target area of this analysis is the land located behind the buildings on the properties owned by Verizon, Dr. Cerrutti, St. George's Church and the First Congregational Church. On each parcel there is significant empty land located behind the building that fronts their respective street: Main, Franklin, High, and Park.

The Lee Community Development Corporation was the lead entity involved with this study in partnership with the Town.



Services Provided

The purpose of these services is to provide the Town of Lee with an evaluation of the physical capacity of the block between Main St., Franklin St., High St. and Park St. to accommodate parking options. The services consisted of recommendations that will be specific to the target block and will be intended to assist the Town with creating additional parking to serve the downtown center and increasing the likelihood of development of the Bookless Block. The goal is to increase parking access in the downtown center, which will spur development.

The Cecil Group completed the following tasks in order to accomplish the purposes of this study over a six-week period.

1. Review of Existing Conditions: Previous Studies and Reports

The Cecil Group completed two site visits and reviewed existing conditions through a review of previous studies and reports. The purpose of this review was to generally familiarize The Cecil Group with the Bookless Building site and the downtown characteristics and conditions that are likely to effect the overall capacity of the site to absorb development. The Cecil Group also reviewed the opportunities and constraints of the target area and the downtown center. The Cecil Group prepared a brief summary of the constraints and opportunities for shared parking options available within the target area.

The Cecil Group met with other Town representatives, representatives of the adjacent property owners to gather perspective on constraints and opportunities for the site.

2. Meeting to Review Redevelopment Options

The Cecil Group met with the Town's representative, the Lee CDC, and the property owners that owned the property under consideration to review parking concepts for site. The Cecil Group prepared for the meeting by undertaking preliminary sketch studies to indicate



the likely site capacity based on typical density and parking ratios. The original conceptual diagram was based on the MacIntosh Plan that was designed in 1983 that maximized parking spaces on the land under review.

The meeting was used to review the characteristics of the parking, and to test the possibility of developing a municipal parking lot on the land owned by these entities. The meeting was also utilized to discuss various approaches to moving the concept forward with the proposed developer, the Town, the State and the property owners. Verizon representatives discussed their interests, needs and reviewed the conceptual diagrams with the Cecil Group via phone and e-mail discussions.

Comments from the property owners and Town representative were integrated in the development of an alternative conceptual diagram labeled Owner Plan.

3. Findings and Recommendations

The Cecil Group is providing a report that includes the following elements:

- Conceptual diagrams for the proposed parking layout options and provided consultation to determine the best option.
- Written recommendations on the tools, costs estimates and resources required for the parking lot to be accomplished. This includes a strategy that will improve the development viability of the Bookless Block site and will positively impact the downtown center to meet the stated objectives in the Town's application.
- Strategies that can be utilized to facilitate desired development that brings additional revenue to the Town. This strategy includes the ability to partner with the adjacent property owners in creating a shared solution that resolves the Town's specific issue.



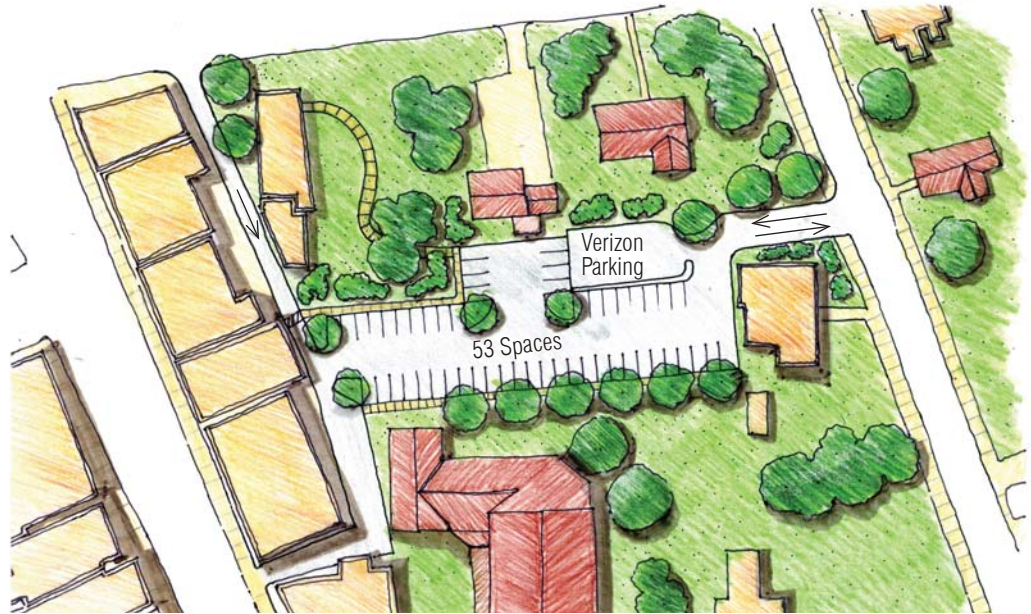
Site Capacity and Options

An investigation of site capacity was undertaken to provide the basis for discussions and evaluation of development potential of parking on the property behind the Bookless Building site. The sources of information do not include an accurate base plan that can be used to provide calculated land areas, building footprints and the like; however, working assumptions have been used by approximating measurements using graphic scales that appear on the town assessor's source documents.



MacIntosh Plan

The first conceptual diagram was based on the MacIntosh Plan that was designed in 1983 that maximized parking spaces on the land under review. This plan was refined to include the needs of Verizon Corporation to retain parking for 6-8 25,000 gross vehicle weight trucks that would need to park in close proximity to there building. The MacIntosh Plan provides for 53 vehicle spaces plus the Verizon truck spaces.

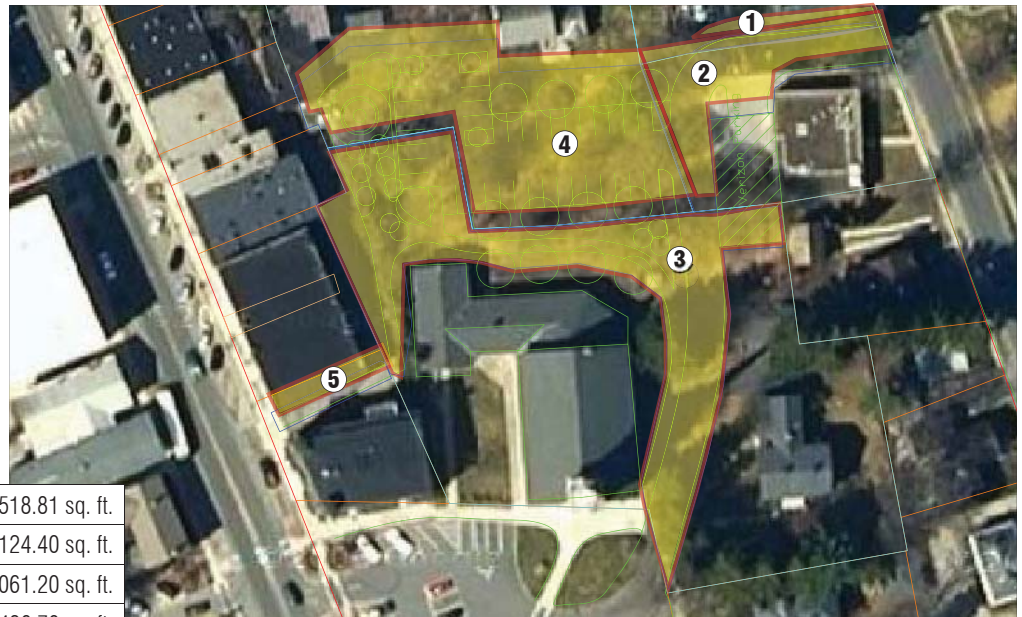


1.	8,360.09 sq. ft.
2.	11,344.00 sq. ft.
3.	7,452.5 sq. ft.
4.	1,349.50 sq. ft.
5.	3,492.00 sq. ft.

The second graphic depicts the footprint of the proposed parking lot and its impact by square footage on the land of each property owner.

Owner Plan

The second conceptual diagram was based on the MacIntosh Plan that was designed in 1983 that maximized parking spaces and was revised through discussions with the property owners. The other property owners shared their desires if they were to agree to a parking lot on their current property. The Owner Plan provides for 38 vehicle spaces plus the Verizon truck spaces located directly adjacent to their building.



1.	518.81 sq. ft.
2.	6,124.40 sq. ft.
3.	20,061.20 sq. ft.
4.	18,426.70 sq. ft.
5.	1,002.50 sq. ft.

The owner plan loses 15 parking spaces but accommodates the desires of the property owners to explore a different access way from the South off of the municipal parking lot. This change would enable a landscaped passive recreational or quiet space to be designed between the backs of both churches and could be a positive amenity to be used as a front entrance for the Bookless Building.

These conceptual diagrams would need to be further refined after additional feedback received from the proposed developer, the Town and the property owners.

Findings

This section summarizes the findings of the preliminary analysis on the costs required to develop a parking lot facility on land held by four property owners in the downtown center.

This property may be able to be acquired, leased or provided through shared use agreements developed with the owners that would enable approximately 34,000 square feet to be used for the necessary parking lot in the downtown center. This memorandum provides cost estimates for the development of a new parking lot that are outlined in the two conceptual diagrams provided previously; the MacIntosh Plan and the Owner Plan.

The following assumptions have utilized during this preliminary analysis:

- The numbers provided for the cost of acquiring the land and constructing a parking lot represent the high end of predictable costs associated with this estimate based on the very preliminary review of the existing data provided to us.
- The estimated dimensional layout of the parking lot was based on the information provided, which included the conceptual sketch and the Assessor's map for the target area. The numbers may change slightly depending on the final conceptual diagram utilized. The size of the drawings is approximate, and not reliable for accurate budgeting.
- The paved parking lot space was maximized to accommodate the maximum density of spaces and represents a total asphalt area of 33,709 square feet.

Estimate for Land Value

The estimated value of a portion of the land held by each of the four property owners was calculated utilizing the following assumptions.

- The land would be acquired through a process that will calculate a cost for the purchase and the soft costs necessary to complete this process.
- We utilized an estimated value per square foot of land in the target area and multiplied this by a multiplier that represents total cost of land acquisition to determine the calculations.

Please note that there is a significant difference in the land value per square foot between the church properties and the Verizon property. Also, the amount of square footage for the Bed and Breakfast is not divided out in this calculation. The total amount of square footage and cost would not change, but we would need to develop a relationship with that property owner to enable the property owner conceptual diagram to be developed. No discussion occurred between the consultant and the owners of the bed and breakfast do to the timing of the development owner plan conceptual diagram.

The assessed value for the land of each parcel was determined utilizing two different land values per square foot. One utilized an average value per square foot for land in the target area and the other utilized the actual assessed value per square foot for the respective property. Each value per square foot was multiplied by the amount of square footage required for acquisition from each property. We utilized a multiplier of 2.2 to estimate the costs associated with all aspects necessary (legal, purchase price, and other necessary actions) to obtain the rights to the property.

The cost estimates for the acquisition of the desired land are included in Table 1 on the following page. The Table documents the amount of square footage per property owner and the estimated acquisition costs.

The estimated costs for land value utilizing both methods provides a range of \$175,000 to \$250,000.

Estimate for Project Costs

The estimate for construction costs includes the typical components necessary to The range of the costs is based on a fairly simple parking lot with some landscaping and on the high-end a parking lot with significant amenities. Project costs consist of construction costs, design costs, and other typical soft costs and include a contingency.

An additional cost that has been determined during the strategy sessions with the property owners is the need to address a drainage issue on the southwest edge of the property under review. The estimate for storm water improvements and construction costs would be \$100,000.

These costs are all current costs; they would need to be escalated to the midpoint of expected construction. An estimate of a five percent increase per year may be an appropriate trend estimate.

The total estimated project costs are 425,000 to \$750,000.

Total Estimated Costs

The options for agreements with the property may include long-term lease opportunities that reserve development rights for the owners, a purchase agreement, shared use agreements, or other options. After meeting with the main property owners it appears that most of the owners are interested in a purchase agreement for the amount of property utilized by the final design.

The Town would always be able to utilize the eminent domain provision to acquire the desired portion of each of these properties. It is assumed that this process would incur significantly more time, costs, and expertise than the estimated costs provided.

Combining the estimated land value and projects costs provides a **total of \$600,000 to \$1,000,000.**

Additional costs of up front design, ongoing project management, grant administration and contingencies may increase this estimate.

Table 1. Lee MDI: Cost Estimates for Possible Improvements

Alternative 1: MacIntosh Concept

Lot	Total land sq ft.	Land Value	lot avg val	Sq-Ft Req'd		Cost for Taking
Method					lot spec val	avg
Cerutti	24026	58143	2.42000333	0	0	0
Verizon	15000	90295	6.019666667	8361	50330.433	19334.23
St. Georg	41400	73059	1.764710145	11345	20020.6366	26234.52
1st cong	48787	77299	1.58441798	7453	11808.66721	17234.54
Bookless			6.01	3492	20986.92	8075.005
Other			6.01	1345	8083.45	7110.218
Totals	129213	298796	11.78879812	31996	111230.1068	73988.51
AVG	9229.5	21342.57143	2.312429864			
Multiply by 2.2 to estimate cost of land and taking					244706.235	162774.7

Assumes maximum land takings under expanded concept for parking lot

Alternative 2: Property Owner Concept

Lot	Sq-Ft	Land Value	lot avg sf val	Sq-Ft Needed		Cost for Taking
Method					lot spec val	avg
Cerutti	24026	58143	2.42000333	519	1255.981728	1200.151
Verizon	15000	90295	6.019666667	6125	36870.45833	14163.63
St. Georg	41400	73059	1.764710145	18247	32200.66601	42194.91
1st cong	48787	77299	1.58441798	20061	31785.0091	46389.66
Bookless			6.01	1003	6028.03	2319.367
Totals	129213	298796	11.78879812	45955	108140.1452	106267.7
AVG	9229.5	21342.57143	2.312429864			
Multiply by 2.2 to estimate cost of land and taking					237908.3194	233789

Recommendations

The recommendations listed in this report cannot all be achieved simultaneously. There are a series of actions that should be considered initially to begin the process of implementing these recommendations. The actions that the Town of Lee should consider immediately are:

1. The Town should continue the discussions with the property owners and the developer to develop a shared vision for the proposed parking facility. All of the property owners involved in this matter have expressed a sincere interest in enabling a parking facility to be developed. The owners have different needs and desires but fundamentally they all want to be supportive of the Town's effort to get the Bookless Building redeveloped. Each owner also has different requirements to gain approval for acting on this opportunity. For example First Congregational Church will need to get approval of the congregation and St. George's needs Diocese approval. These processes may require numerous presentations and discussions prior to the Congregation voting or Diocese approval. Whereas, Dr. Cerutti will be able to make a decision based on his desires and opportunities. The momentum that has been generated through this process should be maintained to enable each property owner to gather the appropriate approvals necessary to enable the project to proceed to the next phase.

The owners do not appear to be interested in donating or granting long-term lease arrangements for their property. Therefore efforts to acquire the property appear to make the most sense in this circumstance. Utilizing a system that develops a value per square foot of land acquired that is fair and consistent (similar to those methods utilized in this report) should be pursued.

2. The Town should devote time and resources to secure state funding and allocate appropriate Town resources for improvements, including targeting a combination of CDAG, CDBG, or DHCD funds, and special legislative allocation, in view of the importance of these improvements to the Town and region.
3. In an effort to move this discussion forward, the Town should consider the following implementation steps.
 - *Adopt a Policy Directive* – The Selectmen should lead the effort and establish town policy so that further actions and initial discussions can be advanced with the non-town entities to support this business plan for development and infrastructure improvements.
 - *Designate an Implementation Team* – Success requires a team of individuals committed to completion of the redevelopment plans, such as concluding contracts, agreements, and negotiations. Town designation of a lead entity, Lee Community Development Corporation, to act as its representative and to lead the team would be encouraged.
 - *Approach the State* – The Selectmen or their representatives should then approach the State to establish joint interests in the outcomes for the redevelopment of the center, as a model for village center parking and redevelopment. This may include requesting that a fund be established to support a matching amount of the capital costs associated with the infrastructure improvements needed for the redevelopment.
 - *Coordinate with the State Legislature* – Similarly, the State legislative body should be approached to ensure that they are familiar with the plan of redevelopment and with their potential roles in ushering supporting legislation.

4. The Town, through its representative and in coordination with the partners, should secure the required services for the strategy, design, survey and engineering work to be completed to 25 % construction design. Based on responses and criteria, the most appropriate firms should be selected to complete the strategy, design and approval process to enable additional support to be secured.

Tools

There are a series of “tools” or programs that will assist or advance the actions, either with policy and program support, or, through direct or indirect financial support. A number of these area local decisions to adopt sections of the state law and apply them to the plan. The others are funds and programs managed by state authorities under the regulations established for those laws.

Local Powers

The town is presumably familiar with many of the powers that are available to it through state laws. There are some relatively new state laws that may also apply, and there are ways that previously enacted legislation may be used to support the strategies. These tools may be useful in securing the necessary funding to enable this project to be completed.

- *District Increment Financing (DIF)* – District increment financing is one tool that could be used to leverage the new development that will occur in Colrain over time. DIF is a mechanism that allows an incremental increase in private tax dollars that result from new construction in a specific area to be directly invested into infrastructure improvements, such as roads, utilities, land acquisition and construction of infrastructure improvements. Typically, the municipality posts a bond in order to leverage initial funding. To utilize DIF a Development District (from one parcel to 25% of total land in municipality) is designated and a development program must be created. The program must examine existing conditions and zoning, proposed conditions and zoning change if necessary and a financial plan. Applications are available from the Massachusetts Office of Business Development (MOBD), and if certified by the EACC, a DIF district can operate for up to thirty (30) years.
- *Tax Increment Financing (TIF)* – Establishment of a TIF creates tax relief for developers / land owners, catalyzing redevelopment and investment. Specifically, landowners within a TIF zone may be granted exemptions of up to 100% of property tax increments that result from investment. These exemptions may be granted for a periods of up to 20 years. Initiation of a TIF commences upon certification by the Economic Assistance Coordinating Council (EACC) of a “TIF Plan”, which has been approved by municipal vote. Such a plan includes a detailed planning study designating the area, identifying landowners and their agreement with the establishment of the TIF zone, a thorough financial plan outlining parameters of costs and benefits, and delegation of authority to a municipal agency, board or officer to enter into development agreements. For an official list of TIF Plan requirements, refer to the State’s Smart Growth Toolkit. Additionally, a TIF Zone must be located in an “Economic Opportunity Area” as designated by the EACC or identified as an area “presenting exceptional opportunities for economic development” by the Director of Economic Development. Under TIF zone development, projects may qualify for additional incentives such as Investment Tax Credits, Abandoned Building Tax Credits and Research and Development Tax Credits.

- *Bonding* – Securing short-term bond could cover some portion of the capital costs of the infrastructure upgrades. If this tool is utilized, the Town should earmark any dollars returned by the State or acquire through sale of town property to the removal of this debt.

State Programs

The Town should explore the opportunities for support for all phases of this effort. The following list provides a brief description for many of the funding opportunities that may be applicable for the Town to pursue as a component of the resources necessary to make this a reality.

- Public Works Economic Development Grant (PWED) - This program is offered through the Executive Office of Transportation to invest in transportation infrastructure that stimulates economic development. The level of grants has typically been one-half to over a million dollars. Review of PWED application focuses on three subjects. First, the project must meet basic requirements involving information and cost estimation accuracy, and consistency with sustainable development principles. Second, the economic opportunity of the project is examined, considering the potential of job creation, increased tax revenues and the degree to which the project would leverage private investment. Last, the application is reviewed for its ability to support state infrastructure and transportation policy goals, which include promotion of smart growth development within town centers, brownfields or underutilized commercial/institutional land. Review of application also considers whether or not other avenues of state funding opportunities have been explored. The program guidelines have changed in recent years to make decisions on applications faster.
- Community Development Block Grant (CDBG) – These funds are available from the state for communities, even without ‘entitlement’ as defined by the federal program that provides these funds to the state. This DHCD program is designed to give aid to small cities and towns of populations under 50,000. CDBG eligible activities that might be of particular interest to Colrain include: infrastructure, downtown revitalization, planning, and rehabilitation and/or development of housing. The program is divided into five components, each of which service a different need and have a separate application and process. Three of these components serve all eligible activities, but are organized based a level of need determined by statistical formula (Community Development Fund (CDF) 1, CDF 2 and Mini-Entitlement Program). The other component of this funding that may be pertinent is the Economic Development Fund (EDF) that targets job creation/retention.
- Community Development Action Grant (CDAG) - This grant provides funding for publicly owned or managed projects, with the intention of stimulating private sector investment, job creation/retention for low and moderate-income persons, and reinvesting in deteriorated neighborhoods. Eligible projects cover a wide array of infrastructure, redevelopment, rehabilitation and transportation projects. Of particular interest to Lee may be the eligibility of water and sewer line projects under the grant. All CDAG projects must be publicly owned or managed for at least 30 years (the life of the bond). Application for CDAG funds must meet a list of statutory and program thresholds. These thresholds assure projects: are consistent with sustainable development principles (ex: Redevelop First), represent a sufficient level of public need and benefit and generally in the public’s best interest and that in public projects match CDAG funds by a minimum ratio of 1:2 or in private projects (but publicly managed) the match meets a minimum ratio of 2.5:1. CDAG application, rolling application, requires an Initial Project Meeting, a Notice of Intent to Apply and a formal CDAG application.



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