

Mixed Use 128 Needham, MA



May 6th, 2021

Meet the Team



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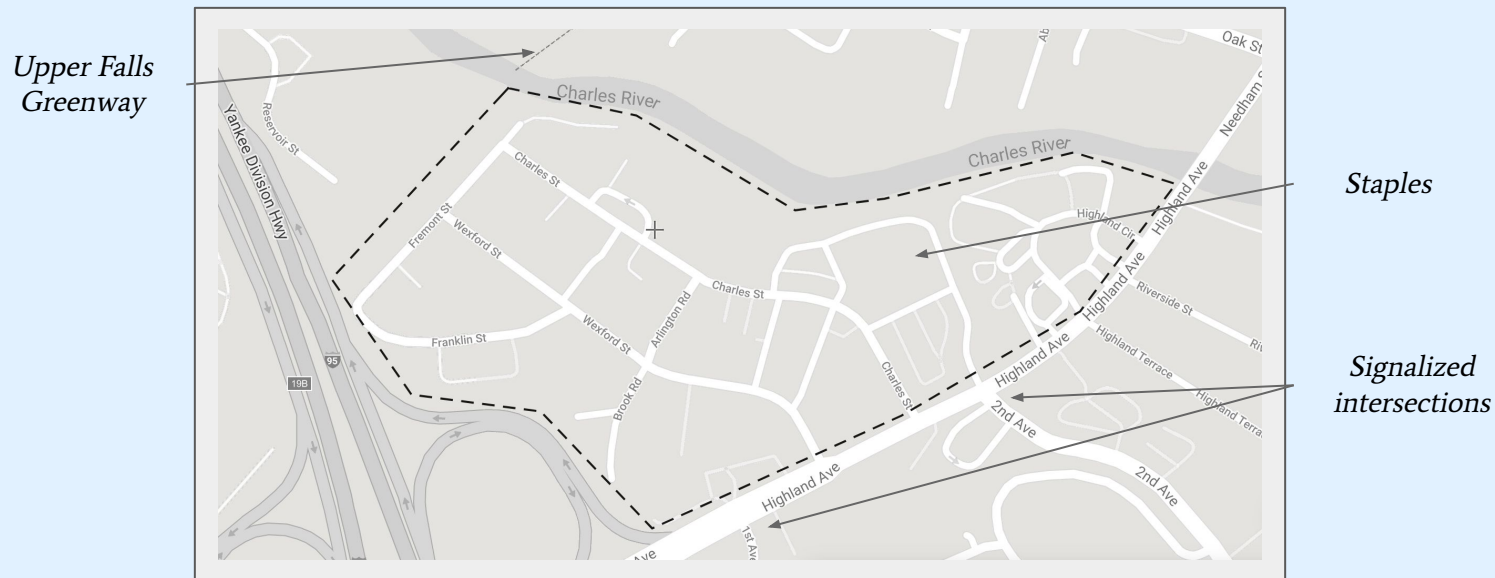
Little Silver,
New Jersey

Agenda



1. Overview of the Site
2. First Impressions
3. Client and Methodology
4. Demographics of Needham
5. Nearby Influential Properties
6. Interviews
7. Case Studies
8. Development Proposal
9. Site Branding
10. Potential Designs and Tenants
11. Architectural Renderings
12. Property Tax Analysis
13. Challenges and Opportunities
14. Conclusion

Overview of the Site



- ~27.9 acres
- Bordered by the Charles River, Highland Avenue and Route 128
- Northern Needham, bordering Newton on the other side of the Charles

First Impressions of the Site



Initial Opportunities

- Proximity to Charles River with easy access to the river along Charles St. and behind
- High visibility from Route 128
- Quick ability to get on and off of Route 128 from the site



Site Overview



Route 128 Visibility

Initial Challenges

- Disjointed buildings with no real cohesion to one another
- Flow of roads isn't natural; hidden back roads throughout
- Elevation and grade changes throughout the site

Client & Methodology



Client: Town of Needham

Market Research

Demographic analysis, developer and broker research

Site Visits

Site visits to better understand the layout of site and Needham environment

Interviews

Phone and Zoom interviews were completed with developers, brokers, professionals in key industries, and other fundamental stakeholders

Massing Plan

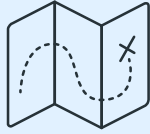
Arrangement of the buildings on the sites, renderings, tenant mix

Feasibility Analysis

Property Tax Analysis, Funding Sources, Economic and Social Benefits

Demographics of Needham

Needham Overview



Total area
12.3 sq. miles



Median
Age
43.5 years



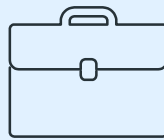
Median
Household
Income
\$165,500



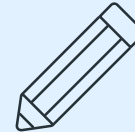
Poverty Rate
2.7%



White Ethnicity
85.3%



Unemployment
Rate
2.6%

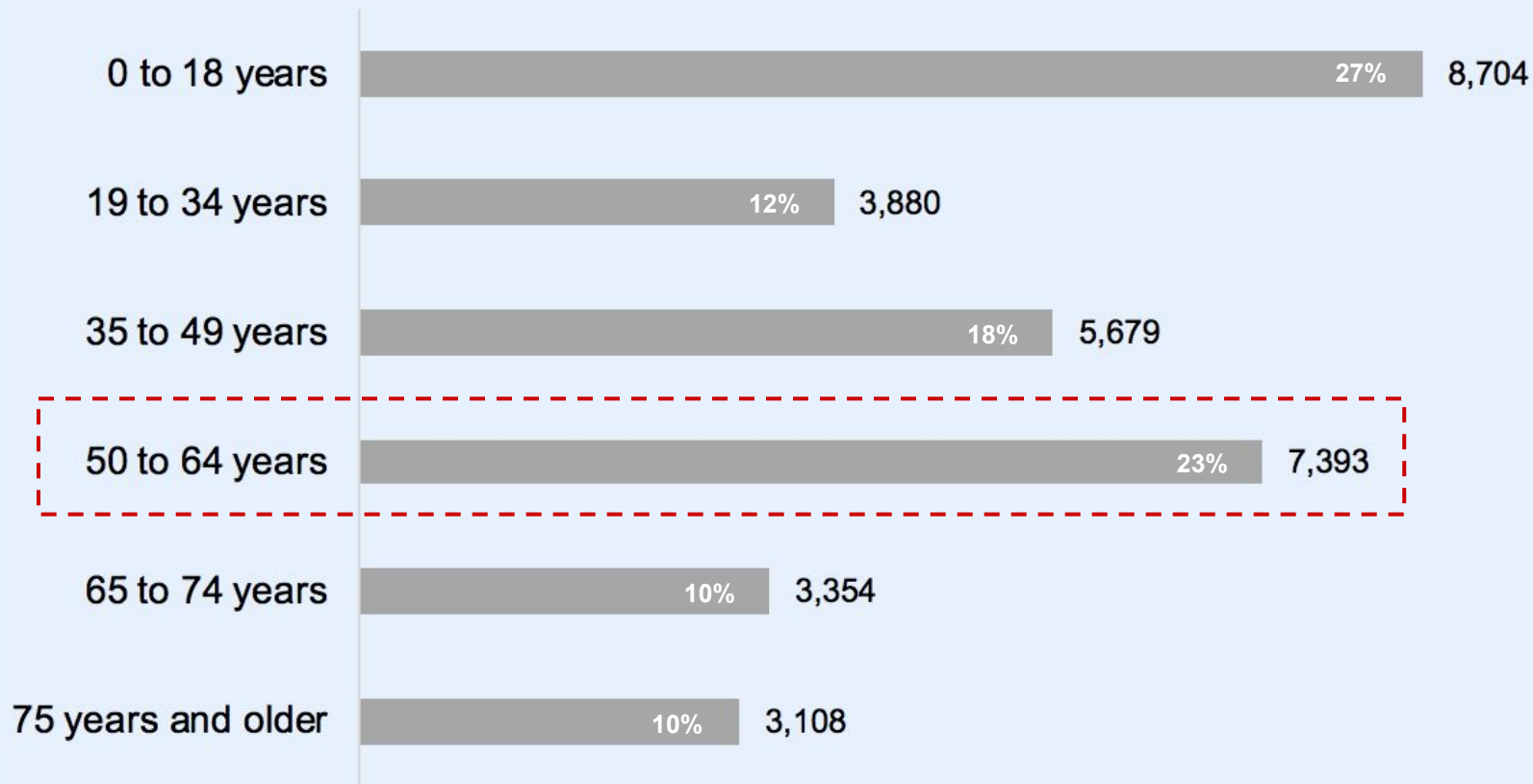


Residents with a
high school
diploma
98%



Residents with a
bachelor's degree
76%

Age Breakdown



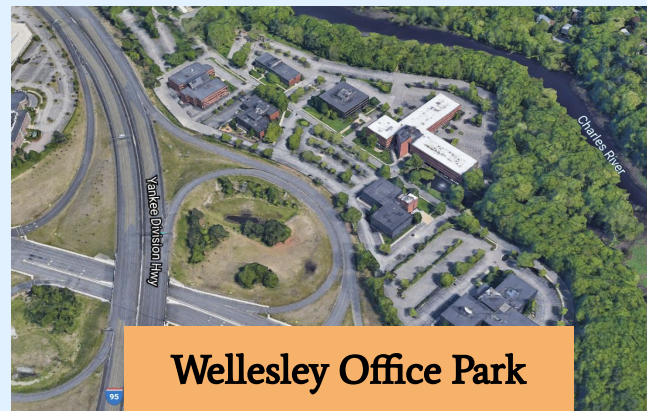
Nearby Influential Properties

Nearby Influential Properties



Wellesley Office Park

- Currently Office buildings, would be replaced with a mix of housing, retail, and other amenities.
- Located near Route 95 and Route 9, also along the Charles River
- Will include affordable housing units as a part of the redevelopment.
- Traffic concerns have been cited by the city of Newton who's town boundary borders this development.

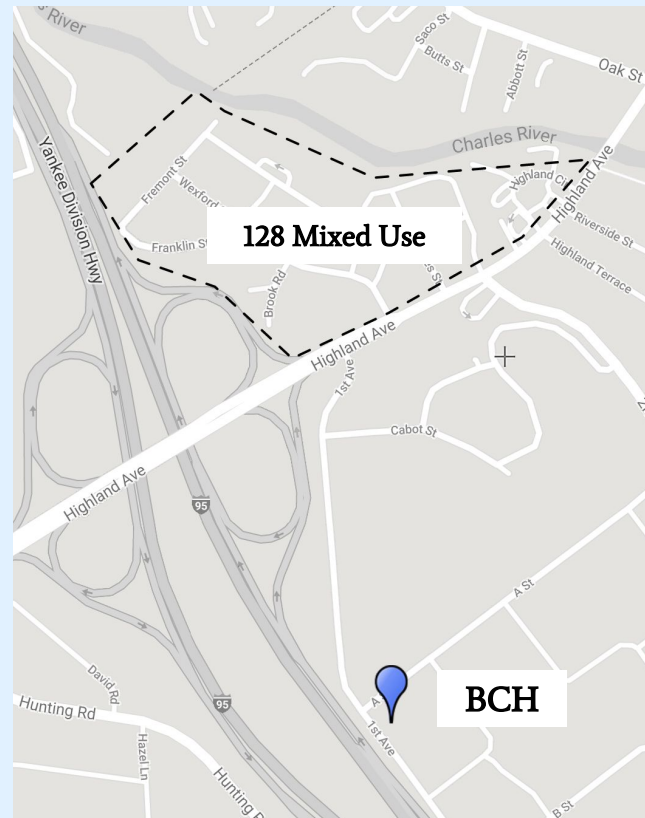


Nearby Influential Properties



Boston's Children Hospital - Needham

- BCH is looking to build a pediatric ambulatory surgical facility
- To be located at 380 First Avenue in Needham, Massachusetts
- Currently in planning and regulatory stages



Nearby Influential Properties



Riverside Development Project

- Positioned between Route 95, Route 9, and the Riverside T stop
- Mark Development will build almost 600 housing units over the 13 acre parcel
- 400,000 SF of Life Sciences
- Plans include affordable housing, \$3 million for upgrades to nearby trail network, and \$2.7 million for city and neighborhood improvements



Nearby Influential Properties



Wingate Senior Housing

- Continuing Care Retirement Community (CCRC)
0.48mi from the site
- Located across the highway next to the Muzi Ford site
- A mix of independent and assisted living with options for memory care
- Total Open Spaces
 - 52 IL Units
 - 73 AL Units
 - 28 MC Units
 - 142 NC Beds

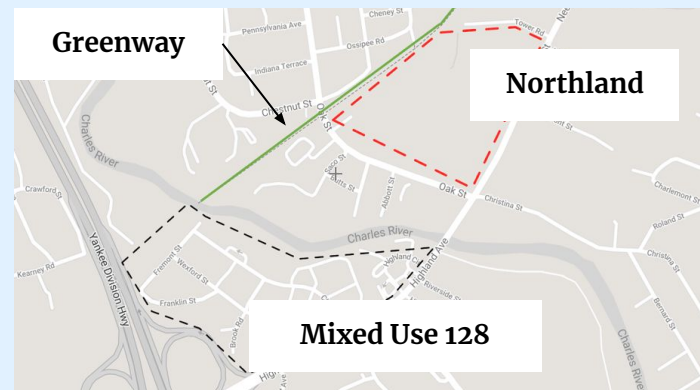


Nearby Influential Properties



Northland Newton Development

- Located within 1 mile of the site
- Will include:
 - 800 new housing units (140 affordable)
 - 180,000 square feet of office space
 - 115,000 square feet of retail space
- Traffic is a major concern as the road system (Highland Ave) already sees much congestion



Key Takeaways: Nearby Influential Properties



- There are many mixed use projects in recent development that are relevant to our focus:
 - Medical Office, Life Science Office, Senior Housing, Multi-family housing
- Demographics: pressure on schools, community receptive to senior communities
- Close to key roadways
- Pressure on infrastructure
 - Transportation: traffic concerns
- Proximity to the Charles River



Interviews

Interviews



Developers

Len Conlin - EVP/Director at Boston Global Investors

Matthew Mendonca - Development Manager at Brookfield Properties

Michael Kenary - Senior Associate at Redgate

Damien Chaviano - Principal at MARK Development

Elyse Hanson - Director of Investments at Blue Moon Capital Partners

Dennis Murphy - VP of Asset Management at Benchmark Senior Living

Interviews



Brokers

Justin Smith - Director at Atlantic Capital Partners

Cole DiRoberto - Associate at JLL

Bill Bailey - Managing Director at JLL

Katie Bailey - Brokerage Assistant at JLL

Jeremy Fried - Senior Partner at 128 CRE

Jason Reginis - Vice-President at Colliers International

Interviews



Neighbors & Community Groups

Jamie McElaney - Associate Director of Real Estate at TripAdvisor

Meghan Jop - Executive Director of The Town of Wellesley

Emily Norton - Executive Director of Charles River Watershed Association

Allison Burson - Program Manager at The Solomon Foundation

Jane Knetzger - President of Needham Concert Society

Greg Reibman - President of Newton Needham Regional Chamber of Commerce

Monica Tibbits-Nutt - Executive Director of 128 Business Council

Marian L. Knapp - Writer (Huffpost) and Former Chair of Newton Council on Aging

Interview Takeaways

- Life Sciences, Office Space and Senior Housing are all favorable uses within our site
- Activate the Charles River as much as possible
- Community space would be well-received
- Light Retail recommended
- Be conscious of traffic



Case Studies

The District Burlington, MA

- 1.3 million SF
- Mixed Use
 - Office, Hotel, Restaurants
 - Walkable Open Space
- Revitalized previous space
- “Life Beyond 9 to 5”



3rd Ave / Northwest Park

Burlington, MA

- Tech Office Park accompanied with Lifestyle Retail
- Transformed to Mixed-Use Community
- Location



University Station Westwood, MA

- 2 million SF
- Mixed Use
 - Retail, Office, Residential and Hotel
 - Brigham and Women's Health Care Center
- At Intersection of Route 128 and I95
- Public Transportation





Key Takeaways

- Rebranding
- Proximity to 128
- Complementary Mixed Uses
- None of these are on the Charles River

Development Proposal

Development Summary



Parcel	Type of Building	# Floors	SQFT	Parking Ratio	# Parking Spaces	Parking SQFT	FAR	Land Area (SQFT)	Land Area (Acres)
B1	Life Science	4	100,000	0.003	300	90,000	0.9183	108,900	2.5000
B2	Senior Housing	3	86,100	0.001	90	27,000	1.3105	65,700	1.5083
B3	Multifamily with Grocery	5	113,400	1.75	140	42,000	0.7297	155,400	3.5675
B5	Medical Office	3	75,000	0.003	225	67,500	0.8108	92,500	2.1235
B6	Performing Arts Center	1	10,000	0.002	20	6,000	0.6250	16,000	0.3673
B7	Restaurant	1	7,000	0.005	35	10,500	0.4000	17,500	0.4017
B8	Brewery	1	9,000	0.005	45	13,500	0.4000	22,500	0.5165
B9	Ghost Kitchen / Fast Casual	1	4,500	0.004	18	5,400	0.4545	9,900	0.2273
<i>"Commerical District":</i>									
B4	Staples (EXISTING)	1	40,000	0.002	80	24,000	0.6250	64,000	1.4692
B10	Relocation Building	1	40,000	0.002	80	24,000	0.6250	64,000	1.4692
B11	Relocation Building	1	10,000	0.002	20	6,000	0.6250	16,000	0.3673
B12	Relocation Building	1	10,000	0.002	20	6,000	0.6250	16,000	0.3673
<i>Open Space & Roads</i>									13.0148
			384,500		1,073	321,900	0.3164	648,400	27.9000

Site Overview



B1: Life Sciences

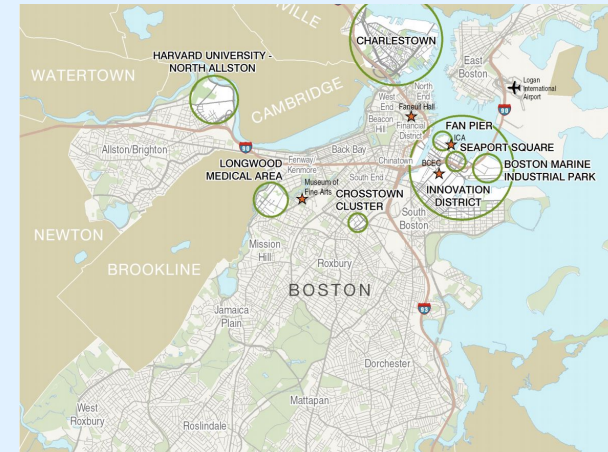
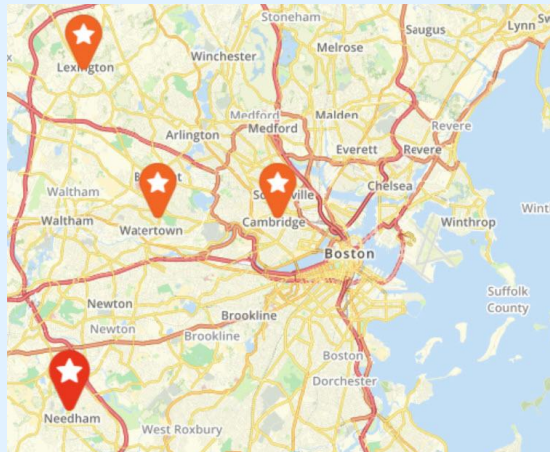


Opportunities

- Would help with traffic mitigation because lab hours would be spread throughout the day rather than the typical 9-5
- Other life science developments occurring in the area, complement each other well

Challenges

- Very expensive to build out the space
- How to attract talent away from the city (Cambridge) to the suburbs



Life Science Market Conditions



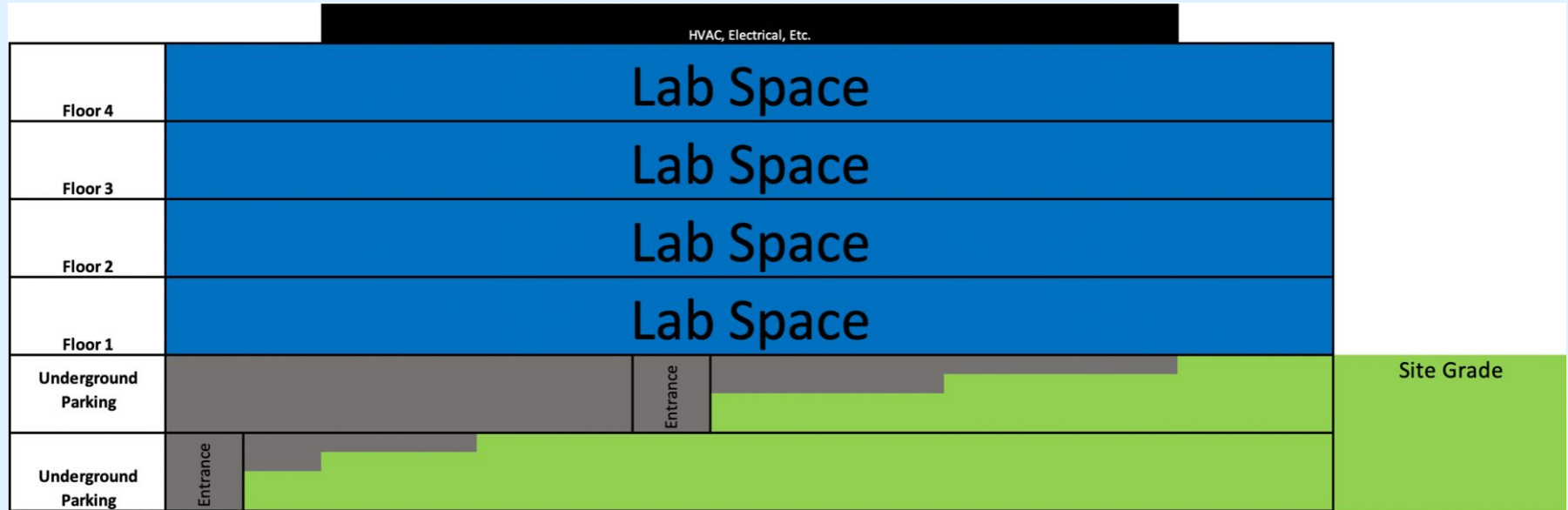
- Limited Cambridge/Boston Supply (1.5%)
- 53 & 115 Fourth Street (45,275 sqft 100%)
- Riverside Life Science
- 275 Grove Street Newton
- Watertown/Newton over 2M sq ft in development or pipeline
 - Gold or Platinum MassBio
- Potential Tenants:
 - Moderna, Bluebird Bio, Crispr Therapeutics, Affinia



B1: Life Science



B1 Stacking



B2: Senior Housing



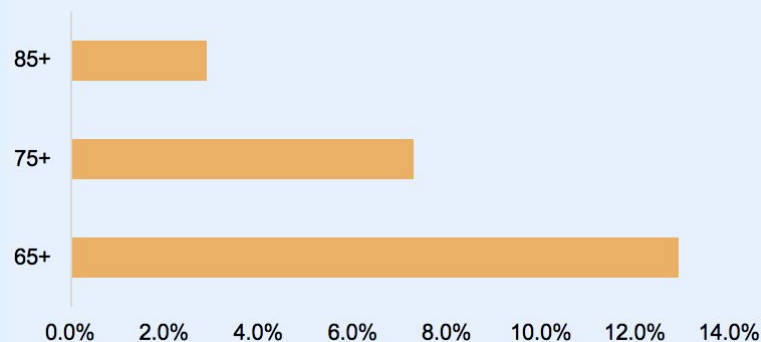
Our Proposition

- Continuing Care Retirement Community (CCRC) will allow access to IL, AL, and MC all in the same location
- Plan to build out 90 units
- Demographics are very desirable → within a 5 mile radius of the site, there is anticipated growth of both the target resident and adult child population
- Would pair well with other uses on the site (medical offices, small grocer, mixed-resident apartment buildings with age-friendly accommodations)

Senior Housing Trends

- Pandemic has shifted focus of senior living facilities to enhanced care and safety
- Out-migration from major cities has led to demand in smaller markets with less density
- Growing population in seniors around the country will create more pipeline demand

5-Year Population Growth Rate Within a 5-mile Radius



B2: Senior Housing



B3: Mixed-Resident Apartments with Grocer



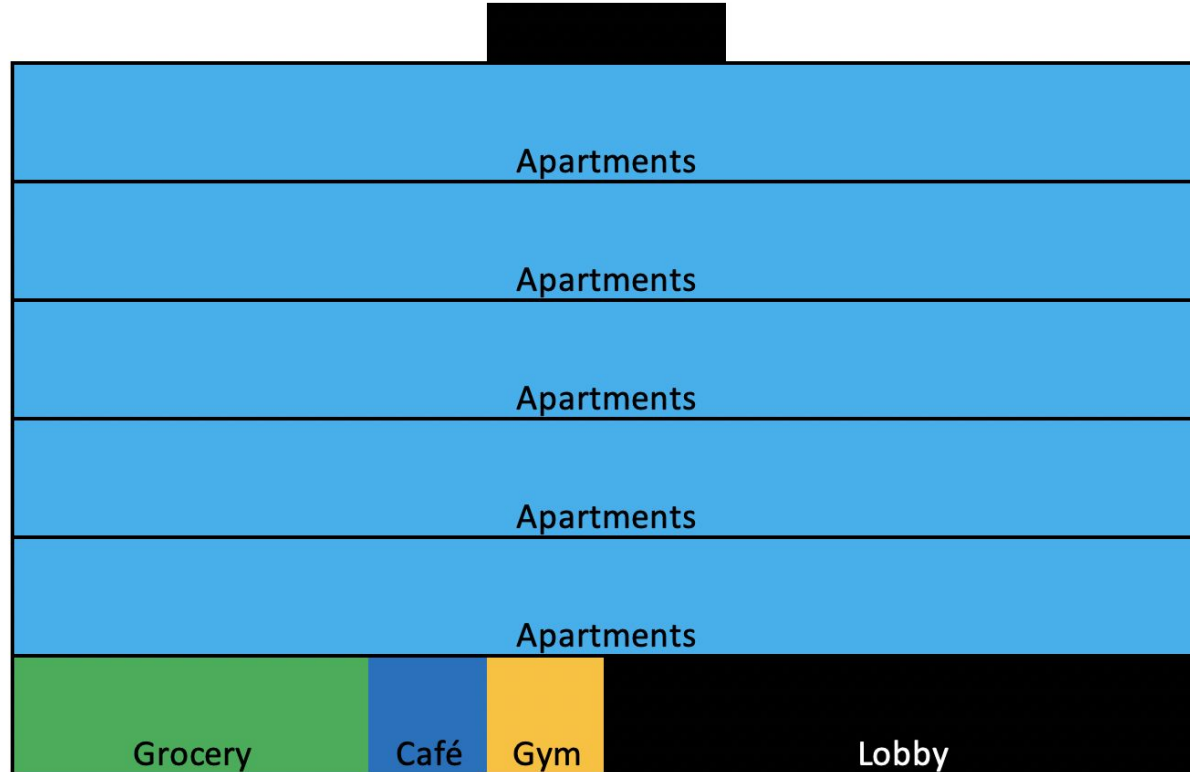
- Apartments
 - 1Br, 1Br+ and 2Br
 - Prioritize Young Families
 - Age Friendly Housing
 - Limit exposure to schools
- Small Footprint Grocer
 - Brother's Market, Trader Joe's
 - First Floor Space
- Fitness Center
 - Orange Theory, Purebarre
 - First Floor Space
- Café
 - Can be within the grocer or as a standalone facility



B3: Mixed-Resident Apartments with Grocer



B3 Stacking



B5: Medical Office



- Natural synergies between Life Science and Medical Office space
- Demographic shift of companies leaving urban for suburban areas creates need for Medical Office space within the area
- Pairs well with not just Life Science but also with Senior Housing and Mixed Residential



B5: Medical Office



B7: Restaurant

Demand: Northland Development, Local Apartments, Local Offices

Locations: Commercial District, Brewery, Outdoor Space

Potential Tenants: Branchline, Oak Barrel, Bodega, California Pizza Kitchen



B7: Restaurant



B7: Restaurant



B8: Brewery



Our Proposition

- Craft beer market expected to grow
- The site is currently zoned for industrial
- Needham is missing a brewery
 - Town approached by potential tenant
- 9,000 sq ft with spacious indoor and outdoor dining with river views



B8: Brewery



B9: Ghost Kitchen



Opportunities

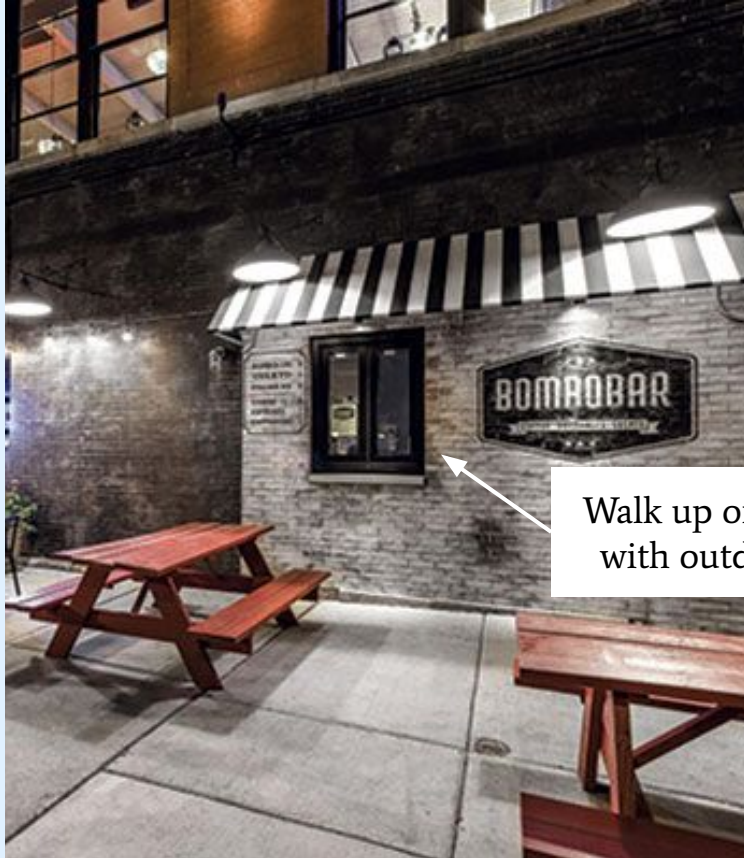
- Strong market for delivery only
 - 300% increase since 2014
 - Proximity to many large companies
- Strong current investments
 - Google, Doordash, BGK, Uber
- Current users
 - Chains to Celebrities
- Low cost to enter
 - \$5,000 per US Foods
- Market Projections
 - \$1T by 2030 per US Foods
- Boston Ghost Kitchens
 - Nicholas Makris

Challenges

- Traffic congestion
 - Many Drivers (in and out)
- Growth projections
 - Is COVID the driver
- Early Stage
- Cohesion of property



B9: Ghost Kitchen / Fast Casual Restaurant



Walk up order window
with outdoor seating

CAVA

DIG INN

sweetgreen

THE little BEET

CHOPT
Creative Salad Company

ODD FELLOWS



pressed
juicery

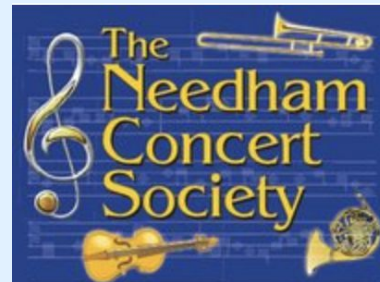
B6: Performing Arts Center



- Desperate need for Performing Arts/Theater space
- Approximately 12 performing arts groups in the area
- Small space is ideal – big chamber hall not needed
- Without this asset a continuation of loss of art and tradition will continue with closures of performance groups due to lack of rehearsal space.



B6: Performing Arts Center



Outdoor Flex Space



- Communal space for outdoor dining
- Offers ample seating for the ghost kitchen and brewery
- Amphitheater - for community groups to perform



Outdoor Flex Space



Green Space & Riverwalk & Bridge



- Have a 50-100 foot setback from river to create green space/pathway for the enjoyment of public use.
- Connect Upper Falls Greenway and Charles River Pathways
- Create other open areas for the enjoyment of stakeholders near the site



Walking and Biking Path along the River



Walking and Biking Path along the River



Revitalized Bridge



Commercial District with Relocated Businesses

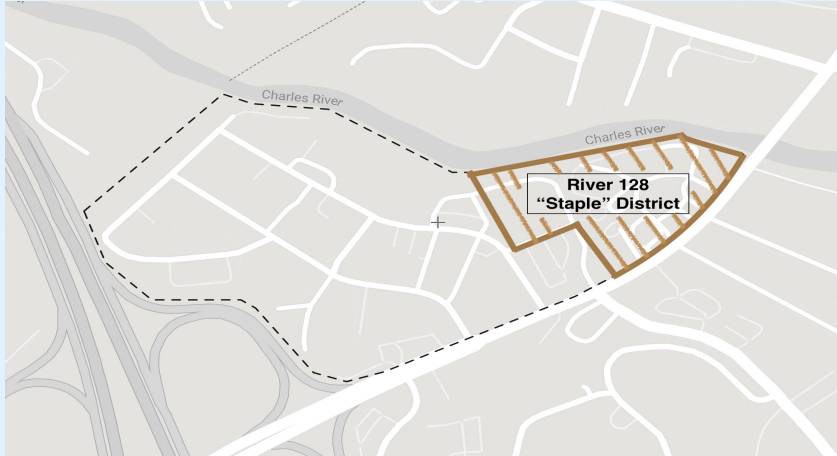


B4: Existing Staples/PetCo → Keep in Place

B10: Multi-Client Warehouse / Distribution Center (40,000SF)

B11 & B12: Flex Office / Light Industrial (10,000SF Each)

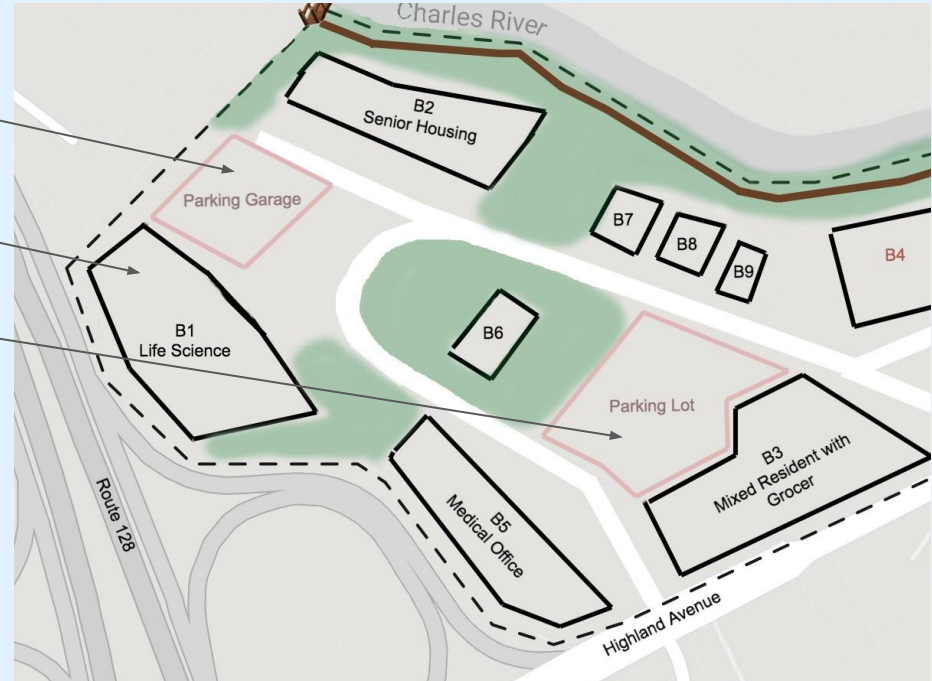
→ **Combat Displacement of Current Businesses**



Parking Garages / Allocation

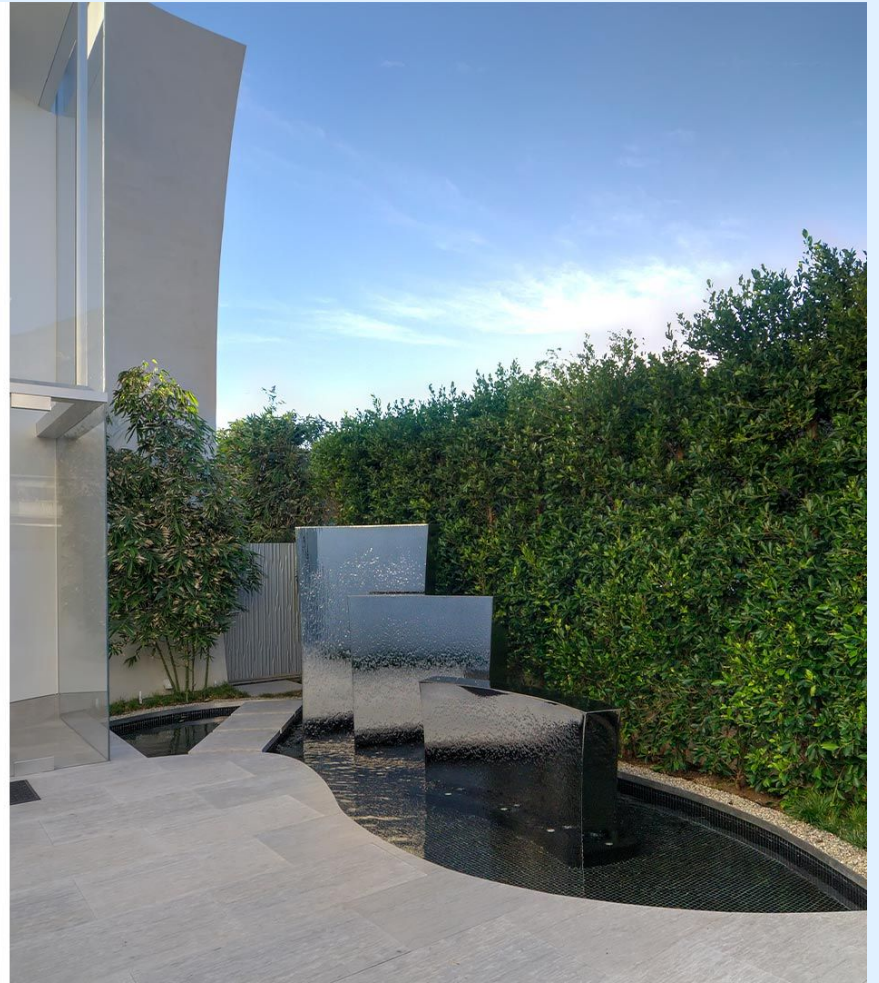
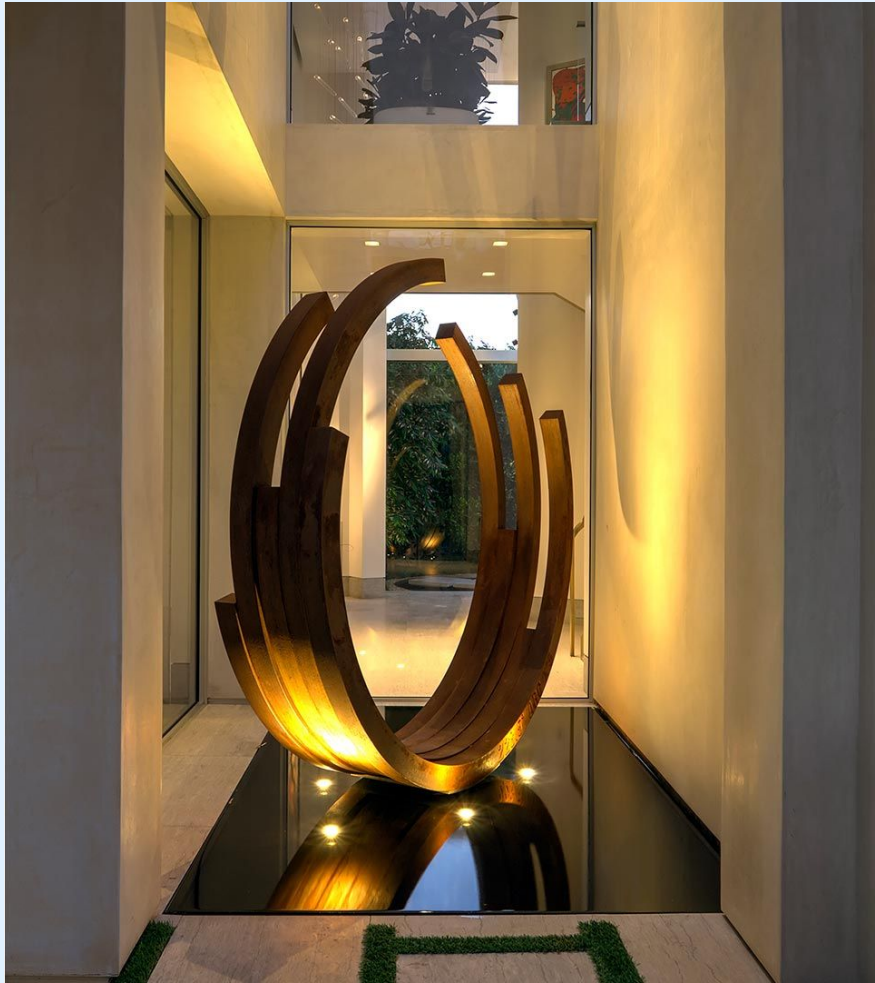


- B1 Garage:
 - 180 Parking spaces
- Rear Above-Ground Structure:
 - 615 Parking Spaces
- B3 Surface Lot:
 - 258 Parking Spaces



Site Branding

RIVER 8
2
1

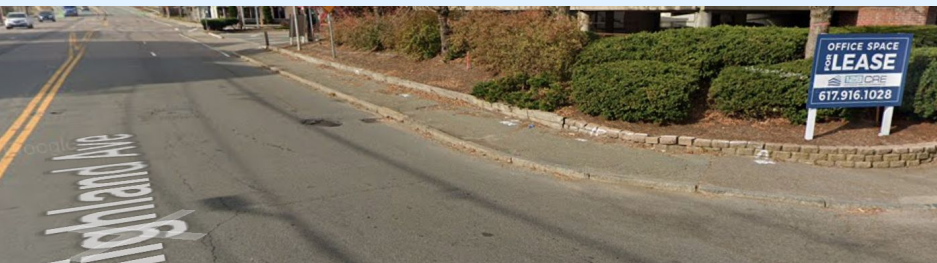


Recommended Traffic and Road Improvement Plan

Scope of Improvements



1. Upgrade the Traffic Signals at Site “Access Points”
2. Upgrade the Site frontage on Highland Ave
3. Revisit the Existing Bike Lane and Possibly Extend Eastbound
4. Possibly Expand Sidewalk on to Property Line for Better Right-of-Way
5. Provide a Shuttle Service for Two Large Office Buildings
6. One Lane Road (Each Direction) with Landscaped Median



Upgrade Asphalt Sidewalks & Widen

Recommended Plan



River128 Shuttle Service:

Life Sciences Building

Corporate/Retail Member Level I:

\$1,000 Base Rate + \$10 / Employee = \$5,000 Monthly

Medical Office Building

Corporate/Retail Member Level I:

\$1,000 Base Rate + \$10 / Employee = \$4,000 Monthly



Perks:

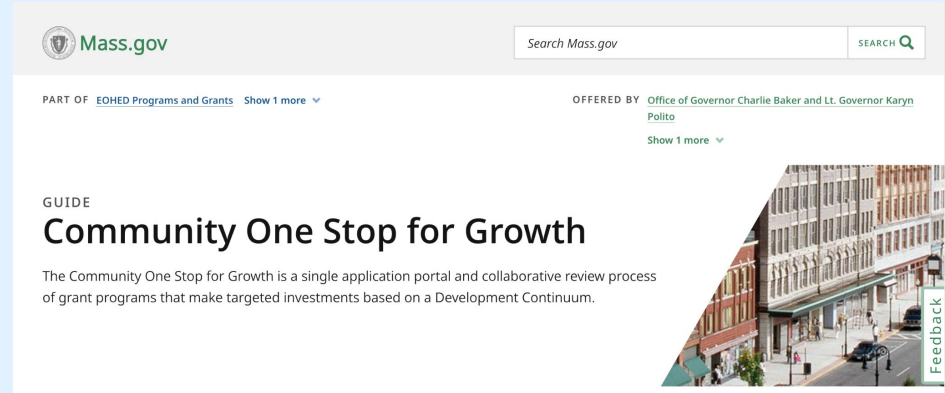
- 7 Morning Departures / Day
- 7 Evening Departures / Day
- Operates 5 Days / Week

TOTAL COST ESTIMATE: \$55,000

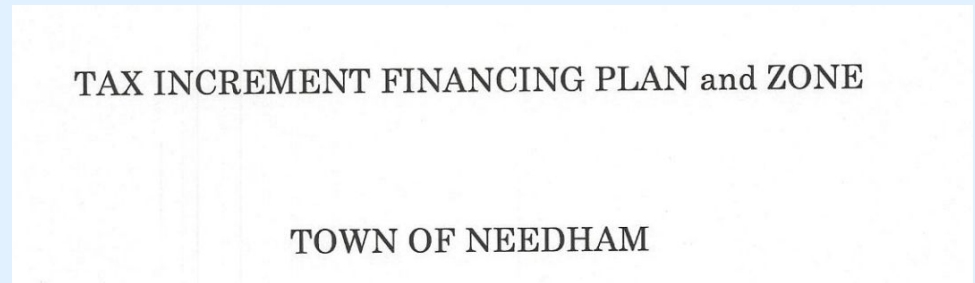
Sources of Funds



“Community One Stop for Growth” (MassWorks 2021 Program)



Tax Increment Financing (TIF)



Source of Funds (cont.)



MassDevelopment - Cultural Facilities Fund



Needham Community Preservation Act

**Community Preservation Committee
Town of Needham, Massachusetts**

Private Capital



Funding Sources



Roads

MassWorks
TIF

Site Improvements

MassWorks
Community Preservation Act in
Needham

Buildings

Private Capital

Property Tax Analysis

Estimated Tax Benefits to Town of Needham



Parcel	Type of Building	# Floors	SQFT	Parking SQFT	Land Area (SQFT)	Estimated Cost PSF	Estimated Total Cost	Estimated Property Tax
B1	Life Science	4	100,000	90,000	108,900	\$ 700	\$ 70,000,000	\$ 1,801,800
B2	Senior Housing	3	86,100	27,000	65,700	300,000	27,000,000	694,980
B3	Multifamily with Grocery	5	113,400	42,000	155,400	275,000	22,000,000	566,280
B5	Medical Office	3	75,000	67,500	92,500	500	37,500,000	965,250
B6	Performing Arts Center	1	10,000	6,000	16,000	300	3,000,000	77,220
B7	Restaurant	1	7,000	10,500	17,500	200	1,400,000	36,036
B8	Brewery	1	9,000	13,500	22,500	200	1,800,000	46,332
B9	Ghost Kitchen / Fast Casual	1	4,500	5,400	9,900	200	900,000	23,166
<i>"Commerical District":</i>								
B4	Staples (EXISTING)	1	40,000			-	-	-
B10	Relocation Building	1	40,000			125	5,000,000	128,700
B11	Relocation Building	1	10,000			125	1,250,000	32,175
B12	Relocation Building	1	10,000			125	1,250,000	32,175
			384,500	261,900	488,400		\$171,100,000	\$ 4,404,114



10-Year DCF for Taxes

Estimated Property Tax / Year		
1	\$	4,404,114
2		4,580,279
3		4,763,490
4		4,954,029
5		5,152,190
6		5,358,278
7		5,572,609
8		5,795,514
9		6,027,334
10		6,268,427

Assumptions	
Growth Rate	4.00%
Discount Rate	5.00%
Present Value	\$40,191,246

Main Takeaways

Economic & Social Benefits



Economic Benefits

- Tax benefits for the town of Needham
- Provide a potential space for displaced businesses to relocate to



Social Benefits

- Making use of the Charles River through programming will connect the community
- Benefits of addressing various needs within the community (performing arts center, age-friendly housing, mixed residential apartment space)

Risks & Opportunities



Risks

- Displacement of current businesses
- Remapping roads within the site
- Mitigating traffic concerns
- Lack of public transportation
- Public approval
- Permitting
- Assembling parcels
- Construction near the floodplain

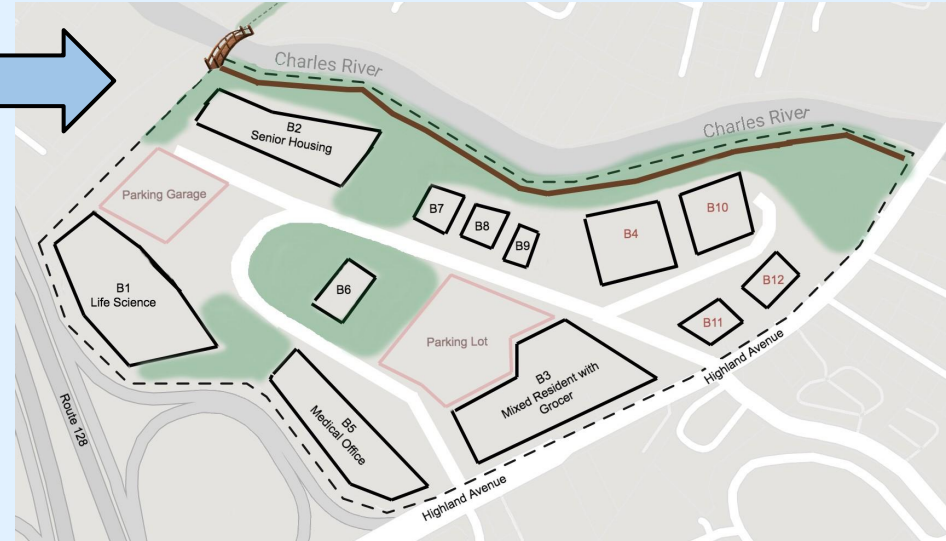
Opportunities

- High rents for various uses
- Accessibility to Route 128
- Accessibility to the Charles River
- Northland Newton Development
- Proximity to amenities
- Strong demographics

Mixed-Use 128 Today & Tomorrow



TODAY



TOMORROW

Thank you!