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Technical Assistant Panel Report Summary

**Kiley Barrel Site Project
Somerville, MA
June 19, 2002**

ULI – the Urban Land Institute Boston District Council *A Local Advisory Services Panel Report*

Consistent with the Urban Land Institute's (ULI) mission to provide responsible leadership in the use of land, ULI's Boston District Council (ULI Boston) will periodically convene Technical Assistance Panels to assist public officials or non profit groups with opportunities to enhance their communities. These panels are comprised of ULI members who volunteer their expertise over a full day to the specific opportunity under review. During April 2002, ULI issued a request for applications, which produced 12 specific responses. The Kiley Barrel site in Somerville, Massachusetts was selected for the inaugural ULI Boston Panel, which met on June 19, 2002.

The Kiley Barrel site, located in the southeastern part of Somerville close to the center of Union Square, was acquired by the Somerville Redevelopment Authority (SRA) in February 2002. When combined with a contiguous City-owned parking lot, the 32,680 square foot parcel represents one of the few opportunities for new development within Union Square, which Somerville considers to be one of its two central business districts. The Panel was charged with providing observations and insights regarding potential short and long-term use, utilizing its experience in land use design & planning, market feasibility of various development options and financial structuring.

The panel consisted of seven ULI members with relevant experience in the aforementioned disciplines:

Glenn Burdick (chair), UBJ Ventures LLC
Peter Bekarian, Spaulding & Slye Colliers
Kevin Boyle, Citizens Bank
Scott Dumont, Lyme Properties
Andrea Foertsch, Melrose Investment Strategies
Fred Kramer, ADD Inc
Anita Molino, Bostonia Partners LLC

Somerville's Office of Housing & Community Development provided an extensive pre meeting briefing package of relevant materials regarding both the Kiley Barrel site and the revitalization of Union Square. Panel activities during the June 19 session consisted of; a) due diligence during a site market tour and discussions with representatives from the city of Somerville and the Union Square business community; b) an internal Panel discussion of attributes and challenges relative to possible uses of the site and; c) a presentation and discussion of the Panel's insights with representatives of the City of Somerville.

In performing its analysis, the Panel found it essential to consider specific recommendations for Kiley Barrel within the broader context of activities within Union Square. As such, its debriefing commentary is segmented into the components discussed below.

Commentary on Union Square. Union Square enjoys several attributes which the ultimate usage of Kiley Barrel should be focused on enhancing:

- Excellent *proximity* and *connection* to Boston and major area universities.
- Substantive *population density*, which can be positively channeled into greater foot traffic and retail activity.
- *Diversity* of economic, demographic and cultural outlooks, which provides Union Square both a local and an international heritage.
- *High traffic counts* which, if cogently routed, can further fuel Union Square's vitality. In melding the commentary of civic and business leaders, it became evident that a) Somerville is prepared to proactively enhance the Square's traffic flow and that; b) the business leaders look at traffic as more of an opportunity than a challenge.

Amidst these attributes, the panel noted that Union Square currently lacked strong physical or architectural definition, which was accentuated by a limited "sense of place" regarding landscaping, public space and smooth pedestrian flow. Further, there was insufficient critical mass of retail and other activity to synergistically meld the Square's activity. Finally, the timing of substantive public transit enhancement appeared sufficiently uncertain that actions regarding Union Square and the Kiley Barrel site should not presume rail transit orientation as a material factor in any short/intermediate term revitalization strategy (which the Panel arbitrarily defined as the remainder of the decade; ie, seven years).

In sum, the Panel noted that Union Square is a focal point for a diverse mix of "home grown", university and international residents, as well as a confluence for significant cross-town traffic flow. Improved definition of its physical identity and circulation patterns will enhance Union Square's vitality, as well as leverage its proximity to the business and academic activity of Boston, Cambridge and other sections of Somerville. The benefits of these improvements can be further leveraged by embracing uses which both celebrate and connect the local community's diversity.

Commentary on Kiley Barrel site. The Panel then shared its impressions of the Kiley Barrel site, noting the following attributes:

- Excellent *street frontage and visibility* from multiple thoroughfares.
- *Strong traffic flows* from these thoroughfares, which should be enhanced by Somerville's planned circulation changes.
- A *viable development site*; that is, a dry, level and virtually unimproved lot. Further, Somerville has stated that the site's environmental remediation needs are relatively straightforward.

Challenging these attributes, the depth and irregular shape of the site will limit the size of the development footprint. As such, the site will not support a project scale that could be a defining usage from which the rest of Union Square will immediately benefit. Further, the

eclectic mix of adjacent parcels (equipment storage, fast food and two/three story housing) does not allow the site to benefit from its neighbors. If supported through economic analysis, the Panel noted that acquisition of the adjacent parcels along Somerville Avenue and Prospect Streets could enhance both the potential development scale and community impact.

Given that the Fitchburg rail right of way is only a few hundred yards behind the site, the Panel agreed that the Kiley Barrel parcel is in the logical path of potential rail transit enhancements to Union Square. Nevertheless, it appears that rail oriented transportation enhancements are unlikely during at least the intermediate term. As such, Somerville should focus its design efforts towards the front of the site (particularly Somerville Avenue) and the center of Union Square. This focus would remain complimentary with potential bus transportation initiatives, which could be implemented more quickly.

In considering potential uses for the Kiley Barrel site, the Panel considered the overall market feasibility for office, special activity (such as health club), housing and retail uses. The panel first determined that current and anticipated office market conditions, plus the limited current concentration of office space within Union Square, made office development infeasible during at least the intermediate term. The panel further noted that membership levels and pricing necessary to support new development of a specialized facility such as a health club were questionable. Finally, the panel commented that selective retail uses and/or housing at moderate rental levels (say, \$1,500-2,000 per month) may be possible, supported both by the population density and demand for both student and workforce housing.

In summarizing its assessment of the Kiley Barrel Site, the panel made several observations that are relevant to determining appropriate usage:

- The Kiley Barrel location is a gateway to Union Square and can effectively support Union Square's revitalization; however, site parameters limit the scale of potential development and a usage that can proactively lead such revitalization. Assemblage of contiguous parcels would enhance the potential scale, although such assemblage should be subject to further economic analysis.
- While future development plans should consider potential rail transportation enhancements, site usage should remain focused on the primary surface roads (particularly Somerville Avenue) which meet at the front of the site.
- The most viable economic uses during at least the remainder of the decade involve retail and/or housing alternatives. Retail development probably would have more direct impact on the revitalization of Union Square's commercial base.

Potential uses of the Kiley Barrel site. The Panel then focused on potential uses which could be both viable and complimentary to Union Square's revitalization. In this regard, the panel was particularly interested in uses that could strongly serve the diverse mix of local, university and international residencies, as well as potentially capitalize upon cross-town traffic which utilizes Union Square thoroughfares. Further, the Panel felt that the Union Square revitalization was very much a work in progress, which could permit different uses of the Kiley Barrel site later in its revitalization than it could over the next several years. As such, the Panel considered alternatives that might generate maximum

interim benefit at a reasonable cost basis. With this context, the Panel suggested several alternatives for Somerville to consider in its upcoming planning.

1. ***International Marketplace*** concept which promotes retailing within an open, airy and appealing environment. Inside someone might find kiosks with items such as fresh meats, seafood, produce and flowers, wine, breads, and/or cheese. Ideally, there would be a wide range of specialty ethnic items available in order to attract the different ethnicities residing in Somerville, as well as to provide a reason for those passing through to stop on their way home. In addition, this marketplace concept could provide an ideal incubator climate for retailers who could mature sufficiently to occupy more traditional retailing locations within Union Square. Further, this project could accommodate the relocation of the popular Ricky's Flower Market from a building across the street which Somerville wishes to renovate as part of a project to construct a new Public Safety Building. (see comments below on staging) A usage such as Ricky's would add an established merchant as a draw, add visual vibrancy and absorb some of the site's depth and irregular design. Finally, entertainment and dining uses could be included as part of the design.

A marketplace structure could portray a requisite sense of permanence and quality while still being relatively cost effective to build and maintain. The primary building materials could consist of a concrete foundation slab, glass panels and steel support trusses. The "open air" nature of the marketplace could be further enhanced by utilizing flexible entryways that open like garage doors.

Attracting an appropriate operator is essential to leasing and managing the marketplace effectively. Potential financial structure might include having the operator capitalize the improvements under a lease structure, in return for receiving an appropriate return for operating the facility. The marketplace could be positioned as a unique destination with an international flair, serving the diverse, substantial residential population around the Square as well as vehicular traffic interested in such a convenient and interesting retail mix. Marketplace projects have been done in San Francisco, Montreal, Portland (Me) and Washington, DC. The concept could have several inherent advantages for Somerville to consider:

- It can create activity and vibrancy which capitalizes on the area's inherent characteristics and strengths.
- It is a straightforward development scenario which could be implemented relatively quickly and with rather modest cost basis.
- It could be an effective land bank, which provides short/intermediate term benefits while preserving some long term flexibility for site usage.

The panel recommended that Somerville conduct further study on the viability of this usage, as well as potential operators that might be appropriate for this site. By way of follow up, the Panel will endeavor to provide descriptive materials to Somerville on other marketplace concepts that have been implemented.

2. ***Retail/Housing initiative.*** In considering a more traditional, longer term usage of the Kiley Barrel site, current and anticipated market conditions make some combination of retail and housing uses a feasible alternative to consider. One design option would

involve establishing service oriented retail on the first floor, with housing on two/three upper floors. Alternatively, a cluster of three story row houses/townhouses could be located within the site. University or work force oriented housing are potential options, although regular shuttle service would be needed to supplement public bus transportation.

Given the site configuration and probable usage of surface parking, the total development footprint probably would not exceed 15,000 square feet. As suggested earlier, the scale and efficiency of a potential development would benefit from a combination with contiguous parcels. While reasonably priced housing usage certainly is a positive use, a more commercially oriented development may have a more catalytic impact on the revitalization of Union Square. Freestanding retail operators may be attracted by the local population density and high vehicular traffic counts, although such uses are unlikely to directly complement Union Square's revitalization. Further, the economics of such a freestanding usage probably do not optimize the long term value of the land.

3. ***Swing space*** for other important uses within Union Square which may be at least temporarily displaced by other revitalization initiatives. Such initiatives could include the staged redevelopment of Somerville's Public Safety and Fire Building plus the use conversion of the historic SCAT building, which is a major focal point of Union Square and a potentially important visual and pedestrian traffic link to the Kiley Barrel site. Viable existing uses which may require at least temporary relocation include the Somerville Community Access Television operation, the Massachusetts Association of Portuguese Speakers and Ricky's Flower Market.

As mentioned previously, the Panel believes that Union Square would benefit from enhancing both the definition and appeal of its central area, particularly to pedestrians/shoppers who either walk from the local communities or park nearby to utilize Union Square's offerings. Specific elements of this transformation could include pedestrian friendly access, as well as complementary retail uses and public space which invite extended usage.

Though it was agreed that transformation of other key elements of Union Square could be facilitated by utilizing the Kiley Barrel Site for swing space, the Panel recognized that determining the ultimate feasibility of this option would require close co-ordination with other redevelopment initiatives within Union Square.

Appendix

Questions raised during the Panel Debriefing

What is typical of an International Market?

- steel trusses
- lots of glass
- open to outside
- shed/hanger like design
- Portland, ME example – more designed that this would need to be

How do we create a retail use on that corner that is not a Dunkin Donuts, quick type use, while working with traffic counts as a welling point?

- Find a retailer that has a style that lends itself to occupants staying in the store awhile

Is there any precedent for owner-occupied housing with retail below?

- There are instances, like in Chinatown where retail space was required to be built into the design on the first floor where the housing filled up very quickly, but the retail failed and has stayed vacant for some time.
- The investor has a much larger exposure since the basis is on fewer tenants since the owner occupied unit would be the renter/leasee/owner for the retail.

What types of Institutions are looking for Student Housing?

- Although some of the traditional larger Universities, with large endowments may not want housing this far from their campuses, eventhough it is relatively close, but other Schools, like a Bunker Hill Community College, which found that to be competitive it had to start to provide housing, may be interested in a site that is on a bus line and is fairly close to the school.

Design of retail can benefit the site and the Square, in terms of defining the street edge as well as providing the retailer the perception of front parking.

Interest in seeing a Health Club in Union Square

- Challenging due to traffic generation
- Does not command high rents
- Doesn't work as well for new construction

Is there a way to design a structure that can support commercial or office use in the future, but be used for residential until the office market turns around?

- It is very hard to do this
- Different system needs
- If the housing market were to decrease enough to eliminate need, then there certainly wouldn't be an office market

Regarding student housing and the present transportation issue do you believe that Union Square makes sense for students?

- Students are often willing to accept more challenging public transportation.
- The Square already has bus service that is strong and is likely to be enhanced.

- Urban Schools looking for land large enough and close enough to campuses.
- Community Colleges expanding market to include students not living at home