

**Town of Wayland
Economic Development Committee
August 27, 2012
Meeting Minutes**

In attendance:

Rebecca Stanizzi, Chair
George Uveges
Nick Willard
Sam Potter

Presenter:

Pam McKinney

Guests:

Bill Sterling
Harvey Montague
Kurt Tramosch
Barbara Holtz
Molly Upton
Alice Boelter
Sarkis Sarkisian

The Chair called the meeting of the Economic Development Committee (EDC) to order at 7:05 PM in the Hearing Room at the Town Building and reviewed the agenda, a copy of which is attached:

I. Public Comment

None

II. Minutes

The approval of the minutes of the August 14, 2012 meeting was deferred.

III. New Business

- Ms. McKinney, who is the consultant performing the Wayland Senior Housing Market Study, reviewed her preliminary finding with the Committee. A discussion ensued that included topics such as the impact on age restriction on the market for the project, the market area the development is likely to draw from, the income and asset levels for the affordable units and the impact that has on the value of the property, the anticipated absorption rate of the units and the impact that has on the optimum size of the development, competing developments in the market area and alternatives available to manage concerns of a potential developer. Ms. McKinney will consider the aforementioned comments of the Committee and additional feedback after the EDC has had the opportunity to digest her initial report before finalizing her Market Study.

- Mr. Willard introduced Ms. Holtz who is considering assisting the EDC with administrative efforts. The Committee reviewed the areas where assistance would be beneficial and the anticipated time requirements. Ms. Holtz will review her schedule and decide whether the position is a fit with her other responsibilities.
- Ms. Stanizzi led a discussion of potential candidates for the 2 open positions on the EDC committee. Ms. Stanizzi and one other current EDC member (depending on the schedule) will meet with the candidates and review the priorities of the committee and the time requirements to ensure that the candidates are informed on what they would be signing up for. Based on those discussions, Ms. Stanizzi will provide feedback to the Board of Selectmen who are responsible for making the appointments.
- Mr. Potter updated the Committee on the environmental work completed to date and the remaining requirements before the environmental report can be issued. Mr. Potter anticipated the work to be completed by mid-September.
- Ms. Stanizzi and Mr. Potter led a discussion on the process and learning from an economic development perspective of the Design Review Board's interaction on the Finnerty's site.
- Mr. Potter updated the Committee on the Wastewater treatment efforts and the challenges in assisting the Route 20 businesses with their issues with the cost of using the waste water treatment plant.
- Mr. Willard discussed the draft EDC report to be included in the Town's Annual Report that is due Sept 28th. Mr. Willard will email a copy of the draft report to the members for their review and comments should be sent back to Mr. Willard. The report is to be finalized at the next meeting.
- Next Meeting – September 13, 2012.

IV Mr. Willard moved and Mr. Potter seconded a motion to adjourn the meeting at 9:35 PM, the motion passed unanimously.

**Wayland Senior Housing Market Study
Preliminary Market Findings
August 27, 2012**

Market Area Definition - Rental housing development at the site has the potential to draw a spectrum of consumer types including young professional singles and couples (households age 24 to 34 years), empty-nester/downsizers (aged 50-75) and seniors (aged 75+). The study has explored the demographics of the rental market with an emphasis on the 55+age brackets with a market catchment area defined as a Primary Market Area (PMA - mostly Wayland, Sudbury and Weston) consisting of the area within a 10-minute drive time of the site and a Secondary market Area (SMA) consisting of an area within a 15-minute drive time of the site (additional areas extending west to Rte. 495-Marlborough, north to Rte. 2 - Concord, Lincoln and Maynard, south to Framingham and Natick and east to Rte. 128 - Wellesley, and parts of Needham, Newton and Waltham).

Unit Mix and Sizes - Program focus (based on both supply survey and demand study) suggests a 216 (could be 220) unit development focused on age-restricted apartments with a mix of 22 Studio/Jr. 1-bedroom units (0% to 10% of mix averaging 750 SF), 108 1-bedroom units (40% to 50% of mix averaging 1,000 SF) and 86 2-bedroom units (40% to 50% of mix averaging 1,250 SF). The analysis assumes that 25% of units (54 units) would be affordable.

Unit Finishes - The standard finish package should offer a high-end look but not high-end branding based on consumer preferences for style and materials rather than quality. Competitive new rental projects provide excellent finishes that now typically include hardwood flooring throughout the living area and kitchen, carpeting in the bedrooms, tile in the master bathroom, granite kitchen countertops, quality wood cabinets and stainless steel appliances. Most aspire to clean-lines and a contemporary appearance, although with an older market target more traditional features such as crown molding, etc. are likely to appeal.

Unit Features - Other features desired by the market include gas cooking or ceramic stove tops, recessed lighting, multiple high-speed telecommunication lines (every main room), and large closets (plus sufficient storage space). Either laundry machine hookups or full-size stackable washer and dryers may be provided (there is variation within the competitive market; with the latter more desirable). Gas fireplaces are a bonus, but not expected.

Outdoor Space - Private outdoor space is generally desirable, but must be of sufficient size and have real utility (able to fit a small table and chairs or more) to command a premium in pricing. And, some renters prefer to pay for furnish-able, year-round interior space. Consideration should be given to roof-top terraces and balconies as these features can be expected to deliver a premium value and price.

Parking - Renters in this market own cars - often more than one - and thus the availability of secure, designated parking is important to marketability. The provision of a mix of garage and surface parking is the typical approach (though not the only approach) in the competitive market and there is acceptance of a surcharge for parking above the monthly rent levels. In this location,

and for the targeted older renter, covered parking availability will be essential – with the potential to house a second car on surface. The availability of visitor parking will also be important.

Storage - Private storage space is always sought-after in apartment living and will be especially important for empty-nester/senior downsizers. Apartments should have access to some amount of private storage.

Building Features and Services - The most important amenity will be handsome and substantial lobby areas that convey a sense of place and identity for the project overall. Second will be security. Front desk personnel with security camera monitoring and package drop-off service will be important. Other services should be offered a la carte including housekeeping, dog walking, local transportation, etc. Ground floor (such as a library, lounge, wi-fi café, fitness center, etc.) and outdoor common area (gardens, pool/sun deck, etc.) will also be important for marketability of a project at this scale and price point.

Market Pricing - The market in this location is likely to be value seeking – which constrains the absolute monthly rent a consumer is likely to spend for the end product - estimated to be between \$1,600 and \$2,200 per month for a small Studio/Jr. 1-bedroom unit, to \$1,800 to \$2,600 per month for an typical 2-bedroom unit and up to \$3,000+ for a larger 2-bedroom den unit. In this context, the size and rent per SF are inversely proportional with smaller units commanding higher rents per SF (and improved feasibility margins) and larger units commanding lower rents per SF (with more challenging feasibility margins).

Absorption Pace - Absorption is estimated at an average of 10 to 15 units per month, beginning at the onset of marketing, with full lease up expected within 18 months.

Depth of Market Capture - The vast majority of prospective 55+ renter households are 1 to 2 person households. As a result, the greatest depth of demand and the core of the market opportunity is concentrated in the smaller one and two bedroom unit typologies which are able to satisfy a broad range of renter types. While larger 2+ bedroom units also have the potential to draw demand, this market niche is relatively shallow and comes with more challenging economics (high unit costs drive prices above what the current market can easily shoulder). Likewise smaller studio unit demand also exists but this market niche is also narrow and less able to meet the demands of the downsizer market.

Assuming market rents for 75% of the inventory, the analysis shows that a capture of 5% of overall (combined PMA and SMA) rental demand would need to be drawn to support a *non-age restricted* rental project at the proposed scale (a blended average consisting of 8% from the PMA and 2% from the SMA).

Narrowing the target market to *55+ renters only* shows the need for a higher capture at 12% of the combined PMA-SMA, 55+ renter demand (a blended average consisting of 19% from the PMA and 3% from the SMA).

Ratios in this range are viewed as ambitious but not out of the question – our final report will discuss various approaches that might be used to temper the risk including strategies such as for reducing the age-restriction to 50+, reducing the overall size of the project and layering in some element of non-age restricted units.