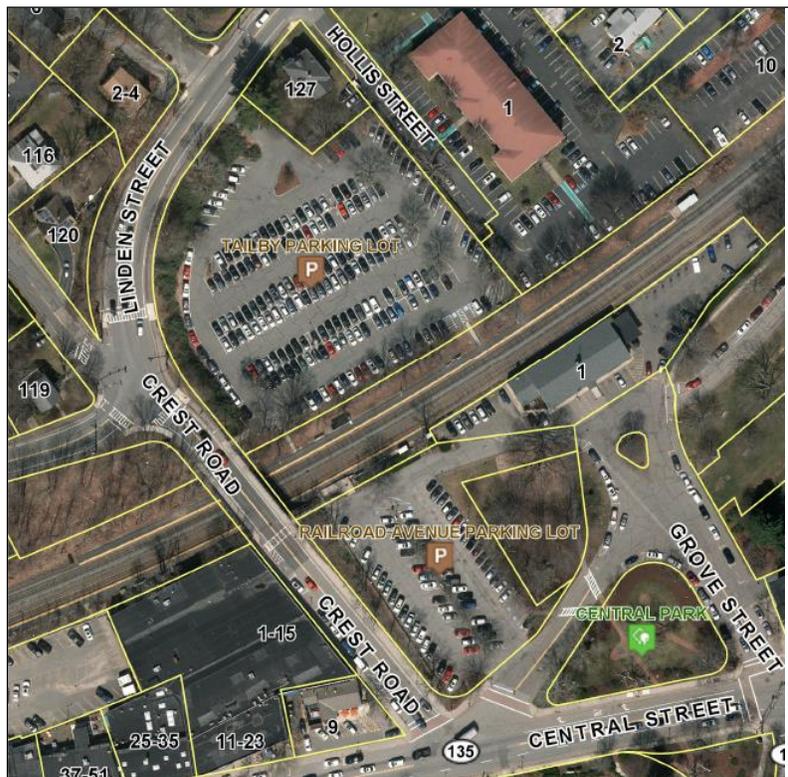


# TAILBY LOT & RAILROAD LOT - WORKING GROUP



## FINAL REPORT

Sept. 6, 2018

Review of the RFP Responses



# Tailby Lot & Railroad Lot - Working Group Final Report

## REVIEW OF THE RFP RESPONSES

### EXECUTIVE SUMMARY

### WORKING GROUP (WG) MEETING OUTCOMES

The WG had representation from a variety of Town Departments and Town Residents with expertise in architecture, construction, sustainability, real estate development, and finance. The WG initially was intended to meet once to review and rank the responses received. At the close of the RFP process, the Town had received 6 responses for well-established commercial development firms. The synergy of the members and the high participation at the 5 Working Group meetings contributed to the success of the process over the past 8 weeks. Due to the unexpected duration of the review, several WG members could not attend all of the meetings and their scores have not been used in the final product. The WG members whose scoring has been eliminated, but whose contributions have been valuable, include Mr. Grignaffini and Mr. Carley. In between each meeting, members reviewed the responses, summary of discussions, shared input for document accuracy, gathered feedback from within their own departments or constituencies, and completed action items asked of them.

Meeting Date	Meeting Outcome
June 25, 2018	Discussed the following responses: <ul style="list-style-type: none"><li>• Aura-Pritzker</li><li>• Berkeley Financial</li><li>• Boston Development Group</li></ul>
June 28, 2018	Discussed the following responses: <ul style="list-style-type: none"><li>• Federal Realty</li><li>• Pennrose</li><li>• Trinity Financial</li></ul>
July 11, 2018	Reviewed a comparative analysis of all 6 responses. Determined the WG should interview candidates. <ul style="list-style-type: none"><li>• Initially contemplated 3-4 interviews, after discussions with Town Counsel offered interviews to all respondents</li></ul>
July 31, 2018	Interviewed 5 of 6 respondents (Boston Development Group withdrew response)
August 20, 2018	Discussed status of RFP and established strategy to finalize the ranking of responses

## WORKING GROUP MEMBERS

In a memo dated May 16, 2018, the Assistant Executive Director recommended a review team be formed to analyze the Comparative Evaluation Criteria of the RFP and to assist the Selectmen Staff in recommending to the Board of Selectmen the top three (3) or four (4) respondents for interviews. The Assistant Executive Director formed the Working Group (WG) which is comprised of Town staff and residents. Throughout the process WG members have participated as they could accommodate into their schedule. Representation has varied, but each WG member has contributed through comments, questions, and participation in at least 2 meetings, most of the members have participated in all of the meetings. The timing of this review has been challenging due to summer vacation schedules.

Town Staff	Board/Community Representative
Executive Director – Blythe Robinson	Selectmen Liaison – Beth Sullivan Woods
Assistant Executive Director – Meghan Jop (WG Facilitator)	WHDC Representative – Tim Barrett
Planning Director – Michael Zehner	Merchant Representative – Demian Wendrow
Senior Planner – Victor Panak	DRB Member- Sheila Dinsmoor
DPW Director – Michael Pakstis	Planning Board Member- Catherine Johnson
Assistant DPW Director – Dave Cohen	College Heights Neighborhood Representative – <b>Annie Newman</b> (architect)
Town Engineer – Dave Hickey	Linden Street Merchant- <b>Joe Grignaffini</b> (former TMM, Builder, Designer)
NRC Director – Brandon Schmitt	Town Meeting Member - <b>Steve Fessler</b> (Real Estate professional)
Building Inspector – Michael Grant	Resident with Real Estate Development Expertise <b>Ed Chazen</b> (former PB member, Professor of Real Estate at Boston College)
Assistant MLP Director – Don Newell	Resident with Real Estate Development Expertise <b>Robert Carley</b> (WHC member, attorney at Massdevelopment)
	Resident with Sustainable Design Expertise – <b>Ellen Watts</b> (former HDC member, architect, Chair, Massachusetts Governor’s Zero Net Energy Buildings Task Force, real estate professional)

COMPARATIVE ANALYSIS OF RESPONSES

**PLEASE SEE ATTACHED MATRIX – ON JULY 27, 2018 BOSTON DEVELOPMENT GROUP RETRACTED THEIR PROPOSAL.**



	AURA-Pritzker Wellesley	Berkeley	Federal Realty; Option A	Federal Realty; Option B	Pennrose	Trinity Financial	
Housing	Total Units	150 + 30 (@ 148 Weston Rd)	180	266	234	139	90
	Total Units Added to SHI	125 + 5 (@ 148 Weston Rd)	36	167 + 99 (@ 231 Linden St)?	135 + 99 (@ 231 Linden St)?	139	45
	Total Rental Units	120	180	167 + 99 (@ 231 Linden St)	135 + 99 (@ 231 Linden St)	139	45 incl. 10 live/work units
	Number of Affordable Units	30	36	42 + 25 (@ 231 Linden St)?	34 + 25 (@ 231 Linden St)?	57	23
	Percent Affordable	25%	20%	25%?	25%?	41%	51%
	AMI Affordability	80% of AMI	80% of AMI	unspecified? 80%?	unspecified? 80%?	80% of AMI, with units restricted for lower tiers down to 20%	
	Units Added to SHI	120	36	167 + 99 (@ 231 Linden St)?	135 + 99 (@ 231 Linden St)?	139	45
	Total For-Sale Units	30 + 30 (@ 148 Weston Rd)	0	0	0	0	45
	Percent Affordable	16.60%	0	0	0	0	0
	AMI Affordability	80% of AMI	N/A	N/A	N/A	N/A	N/A
Units Counting Towards SHI	5 + 5 (@ 148 Weston Rd)	0	0	0	0	0	
Parking	Total Parking Spaces	540 + 60 (@ 148 Weston Rd)	559	470 + 180 (@ 231 Linden St)	405 + 180 (@ 231 Linden St)	476	450
	Residential Parking Spaces	240 (5 visitor spaces) + 60 (@ 148 Weston Rd)	224	235 + 150 (@ 231 Linden St)	203 + 150 (@ 231 Linden St)	183	135 + 22 flex
	Residential Parking Ratio	1.6 at Tailby/RR; 2.0 at 148 Weston Rd	1.24	1.4 at Tailby/RR; 1.5 at 231 Linden St	1.5 at Tailby/RR; 1.5 at 231 Linden St	1.3	1.5-1.75
	Public Parking Spaces	300	335	235 + 30 (@ 231 Linden St)	202 + 30 (@ 231 Linden St)	293	293
	Parking Garage/Underground Spaces	540 + 60 (@ 148 Weston Rd)	559	470 + 120 (@ 231 Linden St)	363 + 120 (@ 231 Linden St)	476	450
Buildings	Open Air Parking Spaces	0	0	60 (@ 231 Linden St)	42 + 60 (@ 231 Linden St)	0	0
	Total Buildings Square Footage*	352,500	419,362	~370,000	~320,000	292,300	202,000
	Residential Area	198,000	201,166	198,550	166,550	141,148	192,000
	Retail Area	3,500	0	4,500	5,300	0	10,000 (arts space)
	Parking Area	150,000	211,486	~160,000	145,800	178,800	
Community Space**	1,000	10,000	1,000	2,500	>500 SF, unspecified	10,000	

\*square footage numbers are often estimates or are inconsistent, but these are generally close to accurate

\*\*not including open space

Financials	Total Cost of Construction	\$97,188,600 (w/148 Weston)	\$74,275,986	\$68,795,376	\$72,896,845	\$102,337,980
	Total Hard Costs	\$47,514,300 + \$14,899,300(@148 Weston)	\$52,498,885	\$57,036,000	* Unable to determine	\$80,482,500
	Construction Loan	65%-75% interest only (RR), 55%-65% interest only Tailby	50% Loan to Value. East Boston, Peoples, BofA and Santander; End would be 65% Debt and 35% Equity	unclear	65% Construction loan. Series of tax credit programs including Low Income Tax Credit, MassHousing, Mass Works and an assumption of 1.75M of CPC funds.	65% Debt/35% equity
	Equity	30% of Condo and 45% of Rentals	35%	unclear	unclear	35%
	Estimated Real Estate Taxes	\$757,500 + 337,500 (@148 Weston)	\$720,000	\$896,250	\$291,900 (assumes 40% abatement for affordability)	\$1,614,780
	Cash Flow Assumption	Positive year 2	Positive year 4	Positive year 1	Positive year 1	Positive year 1
	Payments to Town	\$ 11,850,000 (infrastructure) and \$1/year rent	\$4,200,000 (cash) and \$10 annual rent grown at 3% every 5 years, OR \$200,000 annually grown at 3% every 5 years	9,400,000 (infrastructure) and \$50,000 annually	\$10,970,000 (infrastructure), \$315,692 (cash), and \$1,500 per market rate unit (total: \$102,000)escalating at 3% annually	\$15,690,000 (infrastructure) and 25% of the development management overhead and fee paid to Trinity (est. \$1.2 million)
	Parking fee compensation from construction	unclear	Lost revenue limited through phasing of construction and upfront cash payment	unclear	covered by upfront ground lease payment (\$315,692)	600,000 over two years
	Suggested Term of Lease	99 years w/ negotiated extensions	99 years	99 years w/ two 50 yr extensions	99 years but open to shorter term	99 years
	Proposed Rents		\$3,299	\$3,200		
	Studio	\$2,300				
	1 - bed	\$2,850			\$2,500	\$2,764
	2 - bed	\$3,779			2800/3300	\$3,853
3 - bed	\$4,925			\$4,600	\$4,858	
Parking	Parking Revenue 300 covered spaces	NOI \$152,204	unclear - 20% reduction in spaces	Shared parking with residential - remaining information in proce proposal	Town parking structure	



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## RFP PROCESS TO DATE- SUMMARY OF WORKING GROUP MEETINGS

### JUNE 25, 2018 MEETING

At the June 25, 2018 meeting the group had an overall discussion of the responses, and then had a more specific discussion of the first 3 responses to be reviewed which were Aura-Pritzker, Berkeley Financial, and Boston Development Group.

#### General Comments included the following:

- Traffic is a driving factor of success for all of the projects. It was suggested that the Selectmen consider doing a preliminary traffic study to consider the existing conditions prior to assessing new projects.
- The WG discussed the creation of a matrix to easily compare proposals. (This has been completed and is attached as Appendix A)
- The WG was largely supportive of having one developer that is a confident builder, not just an investor. The Town wants an experienced builder and working capital to put this in the ground.
- Some felt there was a disconnect with the architecture, mass, and scale of the proposals. Overall, the WG found elements of all 6 responses intriguing.
- The WG was impressed with all of the proposals noting that all of the respondents are capable of completing the projects as proposed. The WG was further impressed with the various urban design proposals including the fact that 2 of the proposals are relying or incorporating land in addition to the Tailby and Railroad Lots. There are also of the 6 proposals, 4 different approaches to the Railroad Lot.
- The WG discussed how the proposals differentiate themselves including the transit oriented designs and improvements to increase walkability. The WG had some reservations about the Town's long-term role in maintaining parking structures proposed. The location of access to the various garage proposals was discussed and distances from garages to shops/restaurants was a concern.
- The WG discussed housing in general and noted the Town's aging population and lack of step down housing. The Town does not have enough starter housing and having step down units, condos or apartments on these sites provides an alternative to the aging population, which in turn increases starter home potential.
- In review of the Railroad Lot, the Station Oak was discussed. Many of the proposals bring some portion of traffic through the gap between the Station Oak and the Post Office, which could impact the tree. The Station Oak's location also hinders the design potential for the area. The WG discussed whether it would be possible to include the Post Office parcel into the proposal. Town staff indicated the Post Office Square was studied several years ago, however the Post Office parcel is privately owned.
- Several members of the WG discussed timing and the construction cycle noting the market will have a shift and this project could get tabled if the Town does not keep moving forward with the project.
- The cost of building the parking structures was a concern, but many found the yield of housing units appropriate. It was noted construction costs are rising based on demand, so the Town needs to diligently keep going through the process.

## Aura-Pritzker

There was some concern about the team concept verses one entity moving forward with the project. With regard to design, there was concern over the circulation of parking and parking lot design. One level has 33 compact car spaces. Many liked the bridge connection option. The WG noted the density of the Delanson project would be downsized with this project only. The WG discussed having to weight proposals against the fact that something will be at Delanson Circle. The WG did find the Townhouse proposal at Delanson much more favorable to the 40B proposal. The density at 148 Weston Road continues to be a concern. The site planning proposed by Aura was not optimal. Many felt the design missed the mark with an urban scale. The landscaping and open space was found to be an afterthought, and the design style did not fit the surrounding neighborhoods, Wellesley Square or Linden Street. Many also felt the parking ratio was high at 1.5 per unit given the amount of town parking. Staff indicated the 1.5 has been considered an optimal threshold as part of the 40B proceedings. The aspects that were successful were the combination of rental units and condominiums, and the proposed connector bridge.

## Berkeley

The WG noted the quality of the team. The WG real estate experts noted they are good developers with a strong money partner from Germany. The industrial design style was found to be inappropriate, especially along the Railroad lot. Many found the curved access along Crest appealing along with the scale and geometry, others found the curve to create a wall along Crest Road which forces pedestrians to the interior of the site. The WG commented that more green space is needed or must be reconfigured to allow more public access. The public space is internally focused with a core that doubles as the entry to the garage. The open space amenities, do not give a sense of public accessibility. The proposed orientation also has all public spaces entirely in shadow. The WG noted the proposed community space.

The WG discussed the Berkeley proposal and was concerned over the singular use of the Railroad lot as a parking structure. The WG liked the availability of parking closer to Wellesley Square, but found the stand alone garage proposal would create a further division between the upper and lower areas of Wellesley Square. Rather than linking the two areas, the parking structure approach was considered to be deactivating the area. The WG were not supportive of adding additional retail in Wellesley Square. There were suggestions of minor restaurant uses such as a breakfast/lunch use, but no retail. The WG discussed the potential change to parking in the next 5-10 years and were concerned over the long term impacts of the large parking garage in the specific location. The WG was further concerned that a singular parking structure would cause a large traffic load at a difficult intersection.

## Boston Development Group

(Discussion included in the report however response was retracted on July 27, 2018)

The WG found this proposal of the three was the only one that uses solar. The concept for the Railroad Lot was unique with a small boutique hotel with a discreet entrance off of Railroad Ave. The WG in general found the building mass was much more approachable and the proposed landscaping components were complimentary to the design. The mass is the skinniest of the proposals which maintained view corridors. The proposal has all of the units being built in the same year, which could impact the parking for merchants and commuters significantly albeit for a shorter duration. Of the 3 proposals reviewed today, many found this

proposal to have the best design, but was lacking specificity and information. There was some concern that the company has not been actively developing for some time and that the Town needed someone who was used to constructing from the ground up, rather than taking over ownership on existing structures. Members of the WG noted a financial partner has not been identified in these materials. The WG noted additional information was needed on the proposed eight furnished apartments serving as rental property within a hotel. There was concern over the appropriateness of the location for a hotel and the economics working long-term. Hotels have high fixed operating, and if the hotel fails, what is plan B. The WG thought the concept could be better explained.

The WG found the proposal focused on connectivity and liked the notion of a pedestrian access across the train tracks. The existing sidewalks are narrow and to enhance pedestrian activity wider sidewalks on either side of the bridge would be helpful. Some members of the WG considered a free standing pedestrian bridge connecting the two sites as the best accessibility option that would also improve traffic flow on Crest Road.

## **JUNE 28, 2018 MEETING**

At the June 28, 2018 meeting the group had an overall discussion of parking, general comments on the responses, and then had a more specific discussion of the second 3 responses to be reviewed which were Federal Realty, Penrose, and Trinity Financial.

### **Parking Discussion**

- The WG had considerable discussion on parking and the evolution of parking demands. This will be something the Selectmen must consider as technology evolves. The parking discussion was the initial basis for consideration of the issuance of a second RFP. There was substantial discussion on the fact that reduction in parking would only improve the financial feasibility of the projects, therefore on its face that should not require a secondary RFP. The bullets below highlight the main discussion points on parking as related to the development of the Tailby and Railroad lot sites.
- Parking is a problem. Concept of parking is changing. Parking decks and parking structures are antiquated. Do we consider ride shares? What is the benefit to the town?
- The RFP has asked for too many things including Affordable Housing, Parking, and Community space. To accommodate the parking requirements and other uses, the projects have increased the scale of the buildings.
- Parking ratios are too high. The Town having to operate and maintain a parking garage is concerning.
- Parking is needed to accommodate visitors, merchants, employees, commuters who add to Wellesley's economy. Signage needs to be improved to direct drivers to appropriate parking.
- Parking as designed should be adaptable and convertible to other uses as the need for parking is changed over time.
- The proposal is seeking parking for residents and parking for shoppers. The parking for shoppers is concerning as it is unclear whether shoppers would park and walk. Parking for commuters will change and there will be more drop off and ride sharing. Drop off and ride sharing can produce more traffic.
- WG discussed potential for alternative locations for commuter parking such as Linden/Weston Road.
- Should there be dedicated area for employee/merchant parking?

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- Train ridership is not static. When gas prices increase, ridership increases. If a carbon tax is created, ridership will increase and the focus should be on MBTA platform amenities and access.
- Ride shares have increased. There have been 193,000 rides that originated in Wellesley in the past year.
- Storing 300 cars from 9 am – 5 pm all day does not revitalize the downtown. Could a shuttle bus be provided from an alternative location?
- Town should look at best practices from elsewhere. Perhaps Urban Land Institute could be engaged for technical assistance.

### General Comments included the following:

- Designs could be more positive on sustainability. If correctly massed, some of the density would fit. The designs have more building than is needed. An example would a lobby space with 3,000 – 4,000 square feet. Is that space convertible later?
- High priced condominiums are needed to offset the cost of the parking structures.
- 40B has stimulated the work on this project. The fundamental issue with the site is that the below grade topography only has certain uses that can be placed there. What is the highest and best use for the site and parking? On the Railroad Lot there is a programmatic issue.
- How will Delanson 40B and Wellesley Office Park impact the need for affordable housing on these sites. Is affordable housing still the driver for the RFP?
- These two proposals have hired local counsel and include Steve Langer for Federal and Larry Shind for Trinity. Aura-Pritzker has hired David Himmelberger.
- Responses did not indicate how the improvements on the MBTA will be made. High level platforms should be a consideration that run the full length of the waiting areas.
- Continued interest in the Post Office parcel to assist with the developments.
- After review of all the projects, it seems the Town might want to consider restructuring the RFP.
- Continued discussion of eliminating retail from the two lots.

### Federal Realty

The WG found the Federal design to be too dense and poorly executed. The architecture was found to be chaotic. The WG was not opposed to development of the Volkswagen lot in connection with the project, but found the design at Tailby and Railroad lacking. The WG did find Federal to be the strongest developer financially. The WG overall found that Federal could do better.

### Pennrose

The WG found the Pennrose proposal thoughtful and noted its review and consideration of the Unified Plan and the 2007-2017 Comprehensive Plan. The WG was concerned over the complex funding scenario that includes state and federal housing tax credits and local CPA funds. The grants being sought under this proposal are very competitive, and Wellesley is a community that could face difficulties. Some members of the WG noted that tax credits are a risk as corporate income tax has dropped. Tax credits are worth less and may pay less per dollar available. The more an applicant relies on tax credits, the more risk for the

project. There was also concern as to the team's experience in comparable communities in Massachusetts as the company is more Pennsylvania based.

The WG did like the programming which included a 55+ component. The 55+ component was intriguing and assists with the Town's empty nester population. The WG found the respectful development of the MBTA platform appealing. Many liked the open space design, but found the modern architecture stylistically inconsistent with the surrounding commercial and residential districts.

Pennrose had a strong sustainability design with the use of passive house standards. Passive house standards make super insulated buildings that are extremely well ventilated and operate at about 90 % of energy loads. Structures have complete resiliency with power outages. Heat/cool can maintain climate for week or more.

## Trinity Financial

Many thought Trinity's proposal was the best proposal from a design and density perspective. The 4 story structures were designed to feel 3 stories in height with the setbacks. The differentiating between brick materials assisted to break up the mass. Some WG members thought the apartments could have slightly more density. The proposed theater was well liked and was to found to reactivation to the area and met the public amenity request in the RFP. The open space proposed that leads into Wellesley Square is welcoming.

Concerns with the Trinity proposal were that it had the least amount of affordable units to be placed on the Subsidized Housing Inventory compared to the other proposals. The Trinity proposal also separated the affordable and market rate units on the Tailby and Railroad lots. The WG did believe the mixed affordability works best. The proposal included condominiums that were to be sold for over \$2 million, which in Wellesley there is a demand.

The WG also noted that Trinity had a strong sustainable design with the indication of passive house standards, but not a clear explanation.

## JULY 11, 2018 MEETING

At the July 11, 2018 meeting the group had an overall discussion on the interview process and potential next steps in the RFP process.

## General Discussion Items

The discussion centered around all six proposals including Aura-Pritzker, Berkeley Financial, Boston Development Group, Federal Realty, Pennrose, and Trinity Financial. A matrix has been created so more easily compare the responses received.

The WG had a general discussion on whether to narrow the field for interviews. There was variation in terms of the "right" number of respondents to interview. The WG discussed the benefits of shortlisting. The process for the interviews was discussed and it was recommended that a series of questions be prepared and submitted to the respondents prior to the interview date. It was determined that the Working Group members would submit a ranking of who they would prefer to interview to Ms. Jop.

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The WG questioned if following the interviews whether the WG could open the cost proposals for the land lease. The WG strongly believed that the financial information is integral in understanding the total proposal. Ms. Jop noted she would discuss the matter with Town Counsel.

The WG discussed whether a secondary RFP should be issued. Many of the WG found reissuing the RFP is not going to change the proposals and would not substantially alter responses.

Additional comments on the responses included the following:

### **Sustainability**

Two proposals stand out, but there are tremendous differences in the development teams including design teams.

### **Aura-Pritzker**

The WG noted this proposal is a realistic proposal that addresses the Town's primary concerns with the Aura part of the team's 40B proposals at Delanson Circle and 148 Weston Road. It was agreed the existing 40B projects are not favorable. There was concern whether the team had the wherewithal to execute the proposal. The WG also found the relationship with Pritzker unclear, noting partnerships can generate additional risk. The splayed design shape of the structure on the Tailby Lot raised concerns. Many of the WG found the open space component of the proposal to be an afterthought.

### **Berkeley Financial**

The density of the project was a concern. The standalone parking garage on the Railroad Lot, would provide ample parking to the merchants, but the WG was concerned would significant deactivate the connection between Upper Wellesley Square and Lower Wellesley Square.

### **Boston Development Group**

The WG found the response did not stack up to the other 5 responses in terms of detail and depth of information provided. The WG had concerns over the integration of a boutique hotel with residences and public parking on the smallest component of the site. Members of the WG questioned the viability of a boutique hotel at the density proposed.

### **Federal Realty**

The WG noted that Federal Realty has been a long term financial partner and the WG found the team would make sure the project was built and designed in a responsive way. It was noted that Federal has built projects like this in a lot of communities with mixed housing types. The WG questioned why Federal included the development of the VW parcel with this proposal. The WG overall did find that Federal had significant experience in development, design, and financing projects.

### **Pennrose**

The WG continued to find the submittal a creative proposal, but were concerned as the WG found Pennrose has not built anything like this in the Boston area. The funding proposal included layers of capital, debt financing, grants, and tax credits. The WG was concerned over the complexity of the financial proposal. The

WG found Pennrose had the lowest property tax component. The grants proposed including a Massworks grant were noted as being competitive grants to win. The WG found the equity proposed unclear. A true benefit to the project is it is a highly sustainable proposal.

## Trinity

The WG in general liked the proposal, many suggested the project have more rental apartments as the 45 proposed seemed light in terms of density.

## Town Counsel Follow up

Ms. Jop followed up with Town Counsel who verified that the RFP includes the price proposals as a factor of the comparative evaluation criteria, so the WG is able to review the price proposals. With regards to the interviewing the top responses, Town Counsel disagreed. Town Counsel advised the WG to commit to interview everyone who meets the minimum criteria or no one at all to maintain equity between the responses that have met the minimum qualifications. Town Counsel advised the WG should ask the same questions of all respondents.

## INTERVIEWS – JULY 31, 2018

Interviews were conducted in the order of the WG response to whom individual members wanted to interview. The respondents were interviewed in the order of highest preference to lowest preference. Each respondent gave a presentation and had 50 minutes to address questions that were provided in advance of the meeting. The interview instructions were as follows:

For the first 20 minutes please focus on the development program – housing, parking and public open space/amenity.

1. It is possible that the Town's affordable housing stock will soon be expanded by 90 proposed units at Delanson Circle (current 40B in permitting) and 54 units at 148 Weston Road (current 40B in permitting) and 300-350 newly proposed units at Wellesley Office Park (Selectmen informed on June 5, 2018). With this in mind, would you change the unit mix, ownership models or density proposed in your project? If yes, how? If not, describe the different market segments you anticipated in your original proposal.
2. The RFP required existing parking counts to be maintained, causing parking to dominate many of these proposals. In anticipation of expanding on-demand rideshare services as well as enhanced bike paths and pedestrian routes, the Town is interested in hearing ideas about how to create a more innovative / flexible car management system, especially for the commuter capacity. How would you envision that structured parking could be transformed or adapted if reliability on personal cars is reduced in the next 10-15 years?
3. Describe how the open space component of your proposal interacts with the streetscape, residents, and community at large? How do you believe you have enhanced the commuter experience? How do you believe you addressed the public amenity component?

For the next 30 minutes, explore the "how" with a priority on money and sustainability?

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4. Please discuss your proposed financing of this project – including pre-development costs, participants, debt, equity, tax credits, phasing. What are the key financing challenges? What affect will a possible market downturn have on your performance? In general, why do you believe your proposal is financially advantageous to the Town? [Payments to the Town will be reviewed separately.]
5. Describe a project or two in the recent past that encountered unexpected delays and how the delays were addressed? Has the firm abandoned a project during pre-development in the past 5 years?
6. How will exemplary sustainability be achieved as part of your proposal? What standards do you propose to meet? Who are your LEED accredited team members? Describe your experience with Passive House standards and/or net zero buildings
7. What do you think are the greatest challenges with the viability of your proposal, and how do you intend to meet them if you are selected?

## Trinity Financial

In attendance from Trinity Financial were Patrick Lee, Dan Drazen, Aaron Horne, Tim Smith, Peter Dane, John Martin, Chris Jones, Johnathan Law, and Lauren Baumman.

Patrick Lee, Principal of Trinity Financial introduced the team and project. Dan Drazen, proposed project manager began the presentation identifying the proposal. Trinity's proposal includes 90 units, of which 45 market rate units are proposed for the Tailby lot, and 45 mixed income (affordable and market rate) units are proposed on the Railroad lot. Total parking for the development includes 450 total parking spaces. The project includes a 200 seat black box theater that is intended to share parking. Mr. Drazen reviewed previous art gallery spaces that have been developed by Trinity.

The project architecture was reviewed by John Martin, Principal of Elkus Manfredi Architects. Mr. Martin reviewed the design proposal indicating the project is on an urban site in a suburban setting. Mr. Martin reviewed the massing proposed of the project elements, the scale, and density proposed.

Mr. Drazen indicated the project is currently projecting \$1 Million annually in property tax.

A member of the Working Group (WG) asked how the design program was determined. Mr. Martin stated the mass of a four-story structure fit the site. The team noted they reached out to various Wellesley constituencies including the College Heights neighborhood, Wellesley Square Merchants Association, the Wellesley Art Alliance, Sustainable Wellesley, and Wellesley Chamber of Commerce. With regards to the unit mix, the proposal is capturing both rental and condominium needs. Many residents currently in Wellesley are looking to downsize, like the area and amenities and want to stay. The condominiums (approximately 2000 s.f.) capture that segment of the market. The rental component creates alternatives to single family residential. The affordable units are able to capture working to retiree populations.

Mr. Drazen introduced Peter Dane, the team's parking consultant. In answering question #2, he thought it wise for the Town to consider the number of spaces. He stated the proposal delivered the 300 replacement spaces requested. It is possible that the Town might not need all the spaces due to ride share. Should the team be selected, the first step would be to do a parking study right away and jointly determine what number of parking spaces needs to be develop. The whole parking design would be the most flexible optimal design. Half of the parking, not underground, could be developed in an independent garage that could be designed to be taken down or redeveloped. Precast concrete is an example. The parking could be modified to any configuration over time. The project can build spaces with options for over the course of time. The Town could

have 280 spaces and go down further to 150 spaces. The entrance and exit designed is independent and could work jointly to modify the garage. With a precast garage there is minimal cost to demolish. The project has flexibility. The proposal would be to do a study at the outset and see what makes sense. The upper deck could also be converted to additional open space.

WG member Catherine Johnson stated Howard Stein Hudson did an off-street parking study for the town. She indicated Trinity might choose to pay attention to that study in terms of a baseline parking in Wellesley Square followed by the most recent analysis for parking management.

WG member Steve Fessler stated there is an increase in rideshares and having the ability to easily go in and out of site is helpful. How would your concept work for that type of activity?

Mr. Dane stated the same amount of access as is currently proposed would be needed. If we can accommodate 300 vehicles coming in the issues are the same. We think we have accommodated the ability to approach the site in addition to the improvements to the accessibility.

Mr. Lee stated he is not a traffic consultant, and a traffic consultant would be better able to answer the question. If a car means one person going to the train station, there is little change in whether Uber or a car parking can access the site.

Selectmen Beth Sullivan Woods asked about the strategic decision to the location of parking.

Mr. Dane stated there is parking on Railroad lot for tenants in the rental units. All of the commuter parking was aggregated on the Tailby lot for better access in and out onto Linden Street rather than Central Street. With better accessible platforms it allows us to aggregate the parking at the larger site to the rear of the site. Not all parking has to be for residents in the rental units, it gives us flexibility.

Mr. Jonathan Law, landscape architect, discussed the connectivity and open space design. Widening the sidewalk and engaging a plaza and will have hardscape areas and allows a pedestrian to continue to the shops down on Washington Street. The proposal is to remove a section of Railroad Avenue and make it one-way. The plaza provides extra space as an amenity on Central Street. The design tries to reduce the scale to not be imposing on the neighborhood like Delanson 40B was imposing.

Mr. Martin described several theater spaces and the art gallery space that Elkus Manfredi has designed to give a flavor of what the proposed theater would look like.

The WG asked whether the proposed pocket park will be utilized or whether it was needed to break up the massing on Crest Road. Mr. Martin stated the design could flip the U and have more open space on Crest Road. Defining the street edge is an appropriate scale for this part of Wellesley. The front doors have stoops and front yards to separate the residents.

The team discussed the project financing noting Trinity Financial has done 2.4 Billion worth of development. Funding sources include 65/35 debt equity. The team believed they have conservatively underwritten the transaction. It was noted they understand the challenges with retail space so there is not a retail component here. On the black box theater, this is seen as a public amenity, not a large part of the revenue stream. Mr. Lee indicated the concern for the project is that construction prices are rising. The impact of tariffs is already being seen in the construction industry with steel and lumber. Mr. Lee did not think in the next period of time that interest rates will increase, but rising construction costs are the greatest concern.

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Mr. Larry Shind, Counsel, briefly discussed the potential use of zoning the site as a 40R district.

Mr. Drazen discussed a challenging past project completed by Trinity, the Avenir in North Station. Trinity was in predevelopment in 2006 and 2007 and originally programmed the project as condos, and had to reprogram to rental as the market changed. The project was able to go to construction on schedule, was completed and is performing above anticipated rent.

Ms. Lauren Baumann, Sustainable consultant from New Ecology, Inc. a Boston based Nonprofit that partners with development. She stated this project is focusing on energy load reduction and making that building envelope as air tight and insulated as possible. Health and resiliency is a balance. Ms. Baumann discussed the air system designs and other sustainable elements of the building.

## Pennrose

In attendance from Pennrose were Charlie Adams, Ed Hodges, Michelle Crowley, Karmen Cheung, Philippe Saad, Alejandra Menchaca, Jessica Knapp, and Sapir Ng/

Mr. Charlie Adams, Regional VP of Pennrose and project manager gave a brief introduction. He stated Pennrose's approach was to look at what elements of the current 40B proposals are abhorrent to the Town. The proposals were incredibly dense. Pennrose did not max out the density, the proposal maintained less than 50 units per acre. It seemed the Town was interested in multi-family condos. The second thing was commuter parking for residents. A tremendous cost to the proposal is parking. Themes of the proposal include open space and building sustainable energy design. Pennrose projects are about creating places. Mr. Adams stated the team feels it created a flexible and robust financing plan, that is a benefit to the project and not a detriment.

Mr. Ed Hodges, principal at Dimella Shafer Architects stated they want to make designs more beautiful, functional, and sustainable. The team is committed to a project with the art of balance. To get balance right you have to be a listener.

Mr. Philippe Saad, associate at Dimella Shaffer Architects, stated over several months a lot of thought has been put into a design to provide the best project to respond to the RFP. The team is inspired by the context of what the Town needs. The site is deeply rooted in Wellesley Square and consideration was given to how to position the project to better serve the community. This is the first pass as a team. Project proposal includes two large buildings on each parcel and 12 townhomes that border Linden Street. The buildings have been sited to minimize impact. The Townhomes are located across from College Heights. The Townhomes have been setback 25 feet from the street. The larger building points the narrow sections of the building towards the street to minimize impact. Two concepts to enhance community to celebrate diversity. The design is acknowledging the marathon route and MBTA plaza and considers how to make them accessible and celebrate transportation while enhancing green space. Connectivity is a main concept with T, Platforms, and how development will connect various areas in the Town. Created a connector for the Crosstown Trail and Wellesley Square. Sustainability is a core value to the project. The team will be working with the Town and will look with sustainability as an overall approach. Our plans are showing bike lanes and pedestrian connections between Wellesley Square and Linden Street. Curb cuts have tried to be maintained. On lower end of site, L shaped building with green roofs are proposed. The design has purposefully closed Railroad Avenue completely and made it into a public space that will enhance traffic.

Ms. Michelle Crowley, Principal Crowley Cottrell, discussed parking. She stated because parking is all underground the design is able to maximize the open space. The concept is to consider all open spaces as multipurpose. Townhouses have some semi-private space for each of them. As we move down to the entrance of the building there is also a MBTA access point which is proposed to have a green roof and access. On the south side of the MBTA a café/coffee shop is proposed at the track level with seating at track level. From Crest Road on the Tailby lot the density has been minimized. At the street is a T plaza with farmer's market. The structure proposed is of wood, masonry, and siding materials. The building is designed with 3 stories with a 4<sup>th</sup> story in a darker shade. Units will have a lot of natural light and balconies. Another perspective was created for the meeting. Commuter platform is below. The design emphasized verticality of the building with direct access from the street. The platform has been re-imagined with a covered space for people to wait, and possibly with the café.

Buildings are stepping down and allow for roof decks and green amenities. With closing of Railroad Avenue, the parks and open space can be rethought. The proposal is to use Railroad Ave as the access to the site. We have enhanced the oak tree and eliminated the road by the post office. Topography has been added by the tracks to separate the park from the MBTA and to buffer the units and the park. A connector to the Crosstown trail has been proposed. Ms. Crowley, presented an alternative for the parking and access to the Railroad lot.

Ms. Crowley discussed the proposed forum space, which is both indoor and outdoor and can be used for public use. The residential units on top of the Railroad lot building have decks and terraces and integrate with the public space. Under option 2, which eliminates Railroad Ave, the forum space can get deeper for different groups in the community including theater, art, etc. The forum would work well as one level with the retail space.

Mr. Adams reviewed the financing of the project. He noted the tax credit funding is one stop shopping. One application is used for multiple funding avenues. Pennrose completed a deal in Eastham and is getting the same type of financing as proposed for the project. Any combination of the subsidizing resources is available for the type of money needed. To make this project more appealing to the State, if the Town submits funds such as CPC it assists the project. This proposal fits into the box and Pennrose has started to have conversations with DHCD. We did research on CPC allocation proposed, and would make the funding open to additional state and federal funding. The workforce funding from MassHousing is similar to other locations. Massworks grants might be able to leveraged to assist with the MBTA. At the end of the day the 3.1 million in tax credits and grants are able to come from multiple sources. The sources are not critical to the development. Pennrose gets tax credits all the time and have a great relationship with DHCD. The financing plan is flexible and robust. In this proposal, only 50% of the units are market rate. This allows us to deliver on the plan. Pennrose did review volatility of the market, noting that tax credits have remained. Pennrose when proposing multi-family both owns the units and manages the units. †

Pennrose is based in Philadelphia, but have been in Massachusetts for 20 years. Pennrose has completed one passive house development in Pennsylvania, and we just broke ground on 76 units in Meridan Connecticut that will be passive house.

Mr. Adams noted Pennrose is a true partner, and the plans can be modified to fit Wellesley. He noted the Town wants someone to get the project through town meeting and that Pennrose could do just that. Pennrose has flexibility and options.

Mr. Adams reviewed the interview questions that Town had transmitted. He noted Pennrose are not going to change the plans based upon the 40Bs in the area. The projects suggested rents have not been very aggressive. The project creates income bands for a number of residents.

Mr. Adams discussed parking. He noted there will be opportunity to further study parking. Is there a way to make parking adaptable? Mr. Adams suggested the plan could accommodate that by making the parking convertible. He stated the project team thinks it could be a resource for other parking as you move forward. For Wellesley there will be more of a need for parking and the team is happy to look at that.

As for the Financing plan, Pennrose will self-fund the project and does not have to bring in an investor. The proposal is to sell tax credits. Another important factor is that Pennrose will provide guarantees. There will not be a partner on the project and Pennrose has never defaulted.

With regards to construction delays, Mr. Adams said most delays can be avoided. It requires proper due diligence. Pennrose would do due diligence on the site, environmental, geo tech, ledge. Our design standards are to bring in a contractor right away with the design team. The team has check-ins every 2 weeks to continually have contractor price the deal. The weather has created delays in the past, and Pennrose worked with contractor to work longer hours and were able to make up the time. Mr. Adams gave an example where the Town they were working in lost several inspectors. IN that instance, Pennrose was able to work with department to find additional resources to bring in a temporary inspector.

Mr. Adams identified the greatest challenges of the project as the Town Meeting process. We need the proposal to be championed. The Town is looking for a thoughtful design which is a big obstacle. Pennrose does a lot of community outreach and we think that is the greatest challenge. We feel that we have a viable design and viable finance plan.

WG member Ellen Watts asked the team's experience on passive house with renewable components.

Mr. Adams stated Pennrose routinely does a lot of solar and geo thermal. We try to look to build those components in to projects. There are not a lot of resources. This comes down to vision. Pennrose worked in CT to support the elements through tax credits to bring additional energy components. For solar we will design a base amount and will set up a contingency for additional solar. In terms of passive house, Pennrose has just finished one at Sacred Heart. We don't have data yet. We are not going to set our rents based on passive house. All our benefits are ancillary, and we are not taking an energy risk. For cost we think it adds 3-5%. On Townhouse style developments it is a challenge.

WG member Steve Fessler stated the project as a differed development fee. What are you looking for returns on?

Mr. Adams stated more conventional gains are through sales. So our return will be a development fee. \$49.9M will be to get them built and would have a 15-year tax credit compliance period. Pennrose is responsible for the operating expenses as well and intends to maintain ownership.

WG member Ed Chazen stated with the unit mix the return is at about 3.5%, not uncommon but low. You are deferring a fee. What is the incentive to move forward with the project?

Mr. Adams stated the team would get a development fee of \$2-3 million and then cash flow. A low income tax credit are investors are only concerned about the tax credit and not the cash flow. At the end of 15-year period there is a buyout. Banks invest to meet requirements of the Community Reinvestment Act, as well as credits. Tax credits still have a price. Tax credits are valued at \$1 and we believe in Wellesley they will trade higher.

WG member Annie Newman stated the project is at 130 units, all rental, and she was unsure whether Town Meeting would find the density to high without any homeownership. She asked if the unit design would change?

Mr. Adams stated Pennrose does do homeownership and can do a percentage of the project as homeownership if the Town prefers to do that. We would not propose 130 condos, but could do 10-20. We arrived at 130 because it is less dense than other projects. We could do more units; the drivers are parking. We have lots of open space. We didn't think that is where the Town wanted to go.

## Federal Realty

In attendance from Federal Realty were David Webster, Patrick McMahon, Bryan Furze, Andrea Simpson, Liz Ryan, Michael Binette, John Copley, Brian Beisel, and Stephen Langer

Mr. David Webster, Director of Development, gave the opening remarks and stated Federal's proposal was based on priorities in the RFP and what they understood to be the priorities of the Town to maximize housing and maintain 300 parking spaces. The VW site was included in the proposal to allow the Town to maximize the number of affordable units in a phased manner. The team thought it was a creative approach. Based on conversations, it is understood that is not something that the group wants to consider at this time. Linden Street is a big property at the far end of the street and the Town should consider what they would like to see.

Mr. Webster stated the team considered the question of whether they would change their proposal. The team is interested in working with the Town on whatever the Town wants to achieve on these 2 parcels. An alternative plan with a simple alternative has been provided that reduces the overall density and reduces the density of the Tailby Lot.

Mr. Patrick McMahon, VP of Development, discussed parking. Mr. McMahon stated Federal Realty has been studying parking for some time and understands where technology might intersect with parking. Federal is invested in car and parking technology to track parking. We have installed pucks all in our Somerville garages that track cars and lights for tracking open space. We have been innovative for the better part of 10 years. With regards to autonomous vehicles, Federal has worked for 2 years with Audi funded research in public realm and real estate development for autonomous vehicles and have looked at Somerville, Germany, and Mexico City and how real estate can be designed for in this area. In Somerville at Assembly Row, Federal has designed the garage for driverless technology and it allows us to shrink the garage for conversion. Most garages are sloped. It is the quickest and cheapest way to construct. We designed our garage with flat plates and speed plates so we can begin to convert that space to some other use. Garages do not need floor to ceiling height. We have instituted an increased floor to floor for future uses. Parking and drive aisle widths can be reduced and dimensions can be reduced. Our focus to be innovative.

Mike Binette, Principal of The Architectural Team, stated Wellesley's downtown is inviting, warm, with pedestrian activity. The design initially had buildings contiguous to the streetscape. Initially there were 15

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units on the curve to Linden Street and engaging the walk. That was used to mask the parking and to compliment the bigger building up against the back portion of the site. The intention moving forward would be to have an intensive community process, but based on some of the feedback, we took another look at introducing a significant open space. The new open space encourages the public into the site. Away from the sidewalk, a pedestrian does not ever have the same view. A revised plan provides significant open space along Linden with 2 decks of parking underground. On Railroad Lot, design is reconnecting down Central Street and having access to the garage below and to finish building with residential above. The plans are conceptual designs, but have familiar forms like balconies, detailing this with elements from Wellesley. From Crest Road, encouraging food trucks in a designated area, creating a few grade changes, and a dramatic monumental stair.

Mr. Binette discussed sustainability noting Massachusetts is leading the country with stretch energy code, so to get from the Stretch Code to LEED is not so much of a reach. When you look at the market and how alternative energy and stormwater are integrated it begins to form a comprehensive approach to sustainability. Affordable housing is leading that charge where funding programs require net zero energy and sustainability. Funding is requiring passive house design in PA and NJ. We expect to have an innovative process for this design.

John Copley, Principal of Copley Wolff Design Group, reviewed the proposed landscape. He put the parcels in context to trail system and Wellesley Square. Mr. Copley recognized the village church and Linden Square to bring elements together. Take trail system and new open space and make part of project and name it Crosstown Trail Park. Enhance the trail with 2 public realms that take materials that can be seen through rock walls and create a new park for Town. The goal is to make it a town public space on Tailby, it will be a continuation of the street. Gathering space and a small plaza for food and some play structures. Infrastructure improvements can slow down water and filter the water quality on the Tailby site. Alexander Golob, Federal's public artist would design art sculpture. Mr. Copley highlighted the elements brought into the new open space plan. Federal is very familiar with place making and examples from Bethesda, Maryland and Somerville were shown.

Mr. Webster stated Federal is a \$9 Billion company and this project will be self-financed and Federal did not envision any debt. Federal historically and traditionally have done our projects. The portfolio over the last 3 years is \$276M to \$337M. This year the development spending is over \$300M. Federal did not anticipate a market downturn would have any impact on the project. In Somerville, Federal began demolishing and acquiring assets in 2008. The project started and didn't collect rents until 2014. Federal invested funds to the project throughout the recession and built out the infrastructure at the front end of the project so it was done and could develop of all of the land. We do not believe a downturn would create a problem.

With regards to lease payment, Federal proposed a \$50K annul payment that is calculated based on the development priorities. Subsidizing the development cost and the rent, and constructing 300 public parking spaces drives the residual value and that is what we can pay to the Town. If the development priorities change, it allows us to pay the Town more.

Federal projects are not typically delayed. The team has not put the shovel in the ground and then abandoned a project. Once Federal starts a development project, we finish it.

Mr. McMahon discussed sustainability noting all recent developments are designed to achieve LEED certifications. What is important for the Town is a holistic approach. The project would be LEED certifiable. Most of what we do is LEED Certifiable. Federal has constructed a LEED Gold office building in Somerville, and has installed PV panels in Maryland. Federal is one of the top 10 companies of solar in the United States that goes back to the grid. We generate 1800 KW hours a year which is 30 million of carbon offset. Federal produces 10,000 pounds of agriculture a year and work to farm to table in Bethesda Row. Mr. McMahon detailed the review of a site. Federal focuses on the spaces between the buildings as much as we focus on the buildings. We took a brownfield site with AULs and have granite that has been found and reused on site. Pulled steel from the building we torn down and made place making elements and then created a 6-acre waterfront park. We also have a team that actively programs the park and does outdoor activities on the site and ties into our realtors and food/beverage.

Mr. McMahon detailed challenges on the site noting there are a lot of objectives including affordable housing, parking, sustainability, net revenue positive for the town, good design for the Town, programming at the street and neighborhood. There is a lot of objectives. To balance that takes a partnership between the citizens, development team and Town. To maximize each one of those takes time and trust. It can't be created in a 2-month response to a RFP. Specifically, how the team thinks and how we approach projects, an example is Bethesda, Maryland. In Bethesda we still own the project and are still evolving. We are still developing and evolving. That is what we want to do at Linden. In order to do so and balance the expectations of the Town takes time and we are a long-term owner and developer. We are hoping to be here in 10 years and saying we no longer need the parking and figuring out how we will convert those spaces. Our intention is to balance the objectives and we look forward to forming a partnership.

Mr. Webster addressed questions on retail. There was generally a consensus that the WG did not want retail. Federal started out as a retail developer, but we have divided our company into two portfolios which includes retail and mixed use divisions. Development of the Tailby site creates connectivity all the way down Linden Street, and around the corner onto Central Street. We did include a small retail component with 4500 sf of retail to improve connections to the east and west on Central Street. We programmed that as a restaurant use and are open to working with the Town. It could be entirely community space or a mix.

Mr. Bryan Furze, VP Asset Management, stated one of the things we have thought to do is to find compatibility. By taking a barrier, the bridge/railroad, to create a bridge to bring people to Linden Street and Wellesley Square together. That is our goal. These two parcels speak to the long term objective.

WG member Steve Fessler stated the WG have had a lot of questions on traffic. We notice Federal has a traffic expert here and asked for his initial recommendations.

Mr. Brian Beisel, Traffic Engineer, Howard Stein Hudson, stated a lot depends on the parking. If we reduce the parking, we are reducing the existing traffic. There are different ways we can clean up the Crest/Central/Washington intersection, but without finalizing the project program it is difficult to say.

The WG asked if the plan is to keep Railroad Ave a two-way street. Mr. Beisel stated closing Railroad Avenue would allow for the creation of a softer entrance to the site, but that would impact the Grove Street intersection. Railroad Ave. could be a one-way roadway that could soften it and improve traffic flow.

WG Member Catherine Johnson asked about the total unit count. Mr. Webster stated the proposal includes 266 total units with the VW site. If the Townhomes are removed the project scope is 150 units.

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Ms. Johns asked about the affordability.

Mr. Webster stated the proposal would follow Chapter 40B and would be at 80% of AML. Federal Realty would work with the Town in setting the rents between 70% to 80% of AML.

Ms. Johnson asked for Federal to discuss the connectivity through the wall on the train tracks.

Mr. Webster stated Federal has good experience working with the MBTA in several locations. There are clear discussions that need to be had with the MBTA – from a Wellesley perspective. Converting the stop to more of a hub and historical location. By orienting the park and train it would allow the hitch and ride and drop off. From a pedestrian connection between the two it takes more thought. My initial comment would be to keep the pedestrian activity on the sidewalk. How do you make the track side more inviting? We have track connections on the back edge. Bringing the track population back to the sidewalk is a logical move.

Mr. Furze noted Federal is working with an artist to contribute local art on sidewalk and in proposed park. On August 26<sup>th</sup> a new mural will be unveiled between Wellesley Bank and CPK. We do engage with local artisans to bring in the local favor. We have also had murals on our building.

WG member Steve Fessler asked how Federal would envision reusing the parking at this location.

Mr. McMahon stated the speed ramps are located closest to One Hollis Street. Driverless vehicles will evolve. The need for parking will shrink over time. The parking that is below grade, and therefore the conversion would be to either dark space or residential in two forms –deep units could be created which are good for live/work or art space. The alternative could be townhouses. Townhouse could be less deep and less wide, and more units could fit along the One Hollis Street edge. It would create a liner of residential around the perimeter of the structures.

WG member Annie Newman asked with the current proposal of 150 units of all rentals, whether condos were considered.

Mr. McMahon stated condos is not something Federal does, but we have done it in large master plans. Federal does not do it because condos are a one-time capital event. We are retailers, so we are based on annualized cash flow. It doesn't impact the value of our company. As a Wellesley resident, I agree there is not a diversity of housing for the demographic that is not a family or does not have large down payment. There are not a lot of apartment products for the young or the elderly in Wellesley. There are no options.

WG member Ellen Watts asked what the project would take to meet passive house?

Mr. McMahon stated Federal does have 2 passive house projects in PA and one in CT. What we are finding is that it a requirement. It adds cost to the existing robust construction market. It is something Federal is doing, but are looking for subsidizes. The cost could be upwards of 20%. Federal is familiar with passive house and it is envelope. Because we are long-term and we don't sell we do have a return on investment on sustainability and payout over years. We are a huge solar provider and we see in investment over time.

## Aura-Pritzker

In attendance from Aura-Pritzker were Addie Grady, Victor Sheen, Bob Engler, Dartanian Brown, David Himmelberger, Jeffrey Dirk and Peter Holland

Ms. Addie Grady gave a brief introduction noting the team has a proposal for a sound investment with much needed investment. Ms. Grady discussed relationship between Pritzker and Aura, with Pritzker having 51% of the partnership. Ms. Grady stated typically a private developer does not bring the entire equity stack. The equity today needs the capital and the investor is not getting in until the end of the project. The developers often have requirements that they impose on the project. The dynamics can be changed and the project can be changed. The point of contact changes. It is easier to bring the 3<sup>rd</sup> party developer early in the process. Aura-Pritzker has the financial wherewithal and local expertise. Ms. Grady stated she worked with Victor Sheen in Melrose to create redevelopment of a mill. Pritzker is the controlling partner. Our project offers the lowest net density of all the proposals submitted to the Town. The proposal also has the most comprehensive response to the RFP objectives. If the response is selected, the buildings will then be finalized with a collaborative effort.

Ms. Grady stated the proposal has a truly working construction management plan. It ends up being remote and a lot ends up on the Delanson site and the Tailby site. We are the only group that has been able to address construction management comprehensively. The team has reached out to Nausea, Callahan, and Winslow construction companies and they have evaluated the project. The Delanson Circle project density would be shifted to Tailby and would retain 9 units on Delanson. Weston Road would be reduced to 30 units (from 55), and 120 units would be constructed on the Tailby site, with 30 units on the Railroad site. The condos on Railroad and Weston Road are needed to subsidize the parking spaces at the lots. The parking garage is still \$27k - \$30K per parking space. The condos are necessary to subsidize the cost.

Ms. Grady stated the proposal meets the design objectives in a comprehensive way. All of the factors that go into making it work. Our key objectives are to replace and improve parking, add vehicular entrance at Linden Street, maintain a residential parking ratio, improve the MBTA station access by making it welcoming to ADA compliant, and the design will soften edge to neighborhood.

Mr. Dartagnan Brown, Embark Architecture, walked through the proposed architecture noting the main building is a splayed approach that opens out to Linden Street. The team looked at several iterations aligning the building with Linden Street. The Tailby Lot is a splayed out building with 2 court yards with entry from the existing signalized entry. There are 2 entrances to the parking, one at the lights and one further down on Linden Street. The next influence on the design was how to house the parking on site. A stacked parking structure is proposed next to One Hollis street. The building on Railroad lot is an H shaped building to break up the architectural volume on Crest Road. On Central Street the building is pulled back and creates an inviting pedestrian space. Initial discussions have occurred with the MBTA to see how we could create a pedestrian bridge to allow direct access to cross the track. On the way back to the site, pedestrians could enter the garage. Commuter parking would now all be covered. Our thoughts were to have a brick vernacular, but we have not dived into much detail as of yet with regards to building material.

Mr. Brown stated unlike other proposals, the team has control of Delanson and Weston Road lots. Mr. Brown reviewed the construction management plan which allows for parking at Delanson Circle while construction is taking place at Railroad and Tailby. Day 1 of construction would have 275 spaces and after construction of garage was complete over 375 parking spaces would be on site.

Ms. Grady noted parking with a double level of podium parking that goes down below the existing grade is cost prohibitive. There is a lot of ledge that would be blasted. The podium parking is \$55K per space. Precast parking garage is the right way to approach the parking strategy. The team feels we have a realistic

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proposal. The rent assumes \$3.50 per s.f. for rent. That is a high rent, but we do have operating expenses in detail for our underwriting. Ms. Grady stated the rents are high because the construction costs are so high that you couldn't do this project elsewhere due to cost.

The proposal underwrites the condos at \$8 per s.f. It is a stumbling block to lend for a condo on a ground lease. There is an inherit discount that a lender is willing to do when there is a ground lease.

Ms. Grady addressed density. She stated overall net increase from the 40B proposals is only for 35 units. Wellesley Office Park (WOP) is a complimentary project. There is a high demand for rental units in the area. WOP allows for 2-3 years landing. For convenience and renters by choice. This project would be renter by choice. Early 30s' couples that maybe have a child to ultimately be able to buy. It is intended for empty nesters, downsizers, and snowbirds. The units range from 700-1300 s.f. On average it is roughly 1000 square feet per unit. Ms. Grady did see this as downsizing, but do not see the project as one step away from senior living. The team did not anticipate downsizers going to WOP as they can't walk to amenities.

Ms. Grady discussed the Parking strategy indicating 300 spaces are for the Town, 180 parking spaces for rental units, and 60 spaces for condo. The parking ratios are 1.5 for rentals and 2 per unit for the condo. The team thought about what this means for the future and autonomous vehicles. The precast garage can be disassembled. If the parking strategy is reduced through shared uses and reducing the parking ratios, the development can go to a podium strategy that would reduce the total parking and could go to a 5 story structure. The development proposal anticipates having a transit screen that provides all options for transit. We think we could use social media, apps, etc. to better coordinate services.

Mr. Brown discussed the proposed open space. He stated the idea off of Linden Street is to increase the width of sidewalks to 15 feet. The project has a playground and steps the buildings back to have public spaces as you enter the building. Part of study indicated that ground water management occurs along the edge of the site. Using the smaller frontage of 60 feet allows the project to have open space and stormwater management. Playground would have more integrated surfaces that residents and children could engage in. There would be soft seating and benches. We would have some additional hardscape and landscape elements, and would have in the open space 4-5 visitor spaces. The two amenities in the Railroad lot includes, should the Town desire to have retail spaces, flanked along Railroad Ave with spaces for residents and have a café or public space.

Ms. Grady discussed the proposed financing that includes conventional financing with APW as direct developer. We are the equity. Ms. Grady will be made the primary contact as Pritzker is the 51% owner. Ms. Grady stated the Pritzker firm is not Hyatt, and that Ms. Pritzker is now independent and investing her own resources. The Pritzker company is an experienced multifamily developer since 1994 and this is not a hotel developer. We will raise conventional debt through either Wells Fargo or Eastern Bank. Our structure and resources create immunities to the market. We are not subject to a remote 3<sup>rd</sup> partner investors. Ms. Grady noted the APW proposal has clear financial advantages by adding taxes and financing the offsite traffic mitigation

Ms. Grady discussed past experiences with challenges including the Alta Stone Place in Melrose where the team encountered a 20-month delay from the EPA and were able to get the lender stay onboard and the project got through the contamination issues. The cleanup cost \$14M on a 60M project and the team was ultimately able to complete the project.

Ms. Grady discussed the sustainable aspects of the project, stating the team did look at the LEED Checklist and the project can get to LEED certifiable. Ms. Grady is a LEED certified Agent since 2004 and she stated it is important to deliver the most cost effective sustainable design. Solar is also able to be added.

Ms. Grady discussed the project challenges noting the team approach is to identify the challenges early on so we can present something feasible. The team spent a lot of time vetting construction costs, and are able to handle the site logistics. The proposal considers traffic and civil engineer. With regards to project financing, the team has brought the upfront equity to the table. The Town Meeting process is the right way to go to do a rezoning of the site using a bylaw that the team drafted to bring the existing zoning to bear. We also think that since the Town Meeting Members will be voting on the Ground lease that we should have them vote on the zoning language.

WG member Ellen Watts asked if the team has looked harder at a higher level of sustainability for other projects? Such as passive house or net zero.

Ms. Grady stated her personal expertise is in energy conservation.

Ms. Watts asked if passive house is the future why is not affordable yet?

Ms. Grady stated the contractors that execute the fine detailing are as important as the equipment itself. The best way to achieve passive house is to reduce the overall energy first. It requires craftsmanship to execute on tight seals. The labor force is not there yet. To get contractors there it is more time and energy. Technology the heating and cooling is improving, but for multifamily housing it is tough to manage the heating and cooling.

Ms. Grady stated in South Boston a passive house project has been completed, but the cost of the passive house is the burden of the builder not the renters. It does not fit in the market yet. For the Town's project, at this time is not feasible.

WG member Catherine Johnson asked if the construction would use passive house techniques?

Ms. Grady stated the envelope will be critical on this project from an acoustic standpoint. The design will call for extra layers on the windows. The traditional insulation loses a lot of its acoustical qualities.

Selectmen Beth Sullivan Woods asked why all of the affordable rental units are on Tailby. Ms. Grady noted there is a challenge in selling condominiums on a ground lease. She further stated that the apartments were put on the larger site because there are more of them.

WG member Steve Fessler noted traffic is something the WG has talked about. He asked if the team has done preliminary analysis and how they would approach traffic

Mr. Jeff Dirk, Vanasse Associates, stated when everyone is getting off the train, one access on Linden Street to the site creates challenges. The current proposal allows for more dispersal of traffic when the residential traffic is exiting. This option allows for some traffic queuing onsite, and some heading east bound on Linden. We did a model of the proposed ingress/egress with all the buildout and we found adding the access, splitting the traffic, and reconstructing the intersection to operate more efficiently improves the flow. The current traffic controllers are demand responsive so they can more easily accommodate surges of traffic. Traffic improvements would be proposed at the Central/Washington/Grove intersection.

## Berkeley Financial

Interview attendees included Carolyn Zern, Brian O'Connor, Ian McGill, and Henry (?)

Ms. Carolyn Zern gave a brief presentation and indicating that for the interview, Berkeley Financial has taken the opportunity to address design concerns raised at previous WG meetings. The proposal is keeping the affordability at 20% with some 55+ and increasing public space.

Mr. Brian O'Connor, architect from Cube 3, stated the proposal is about 200 parking spaces less in this iteration with a reduction in units from 180 to 150 units. The design has tried to redistribute some of the residential units and how they could be organized to enhance the public spaces and unit density. The initial plan had 180 units with no units on Railroad lot with a parking structure on the Railroad lot. On Tailby, the parking was proposed below grade with the building along the street edges. The design has been reimagined from the ground up. We looked at a technological approach to parking and detailing the edges of the Railroad lot and Crest Road by linking the edges. This proposal has residential units that are single loaded units with advanced car parking that allows the design to line the street with residential units. For Tailby the building has been pulled back and a nice arrival has been created to contribute to open space. The proposed project now would have a total of 385 parking spaces with 44 conventional spaces on Railroad and 100 automated spaces with an automated lift system.

For the Tailby Lot, the revisions include changes to the main parking are with a better drop off area at the front of the site and a ramp to a lower level of parking. There are 230 spaces in this garage. At the track level, there is an access point to the MBTA and this proposal includes creating a community space. Additionally, there is a sidewalk from Linden to the Community Space. This proposal has a terrace on the back side of the lot with a green space with a public space for pick up and drop off. They presented the new view from Central at Grove. In review of the Railroad lot it was noted that balconies will be added and the main portion of the building will have brick and stone elements. Up from Crest Road, the street edge needs to be activated but there are grades cutting up the hill. This proposal is looking to add stoops to Crest Road with door access from the street. The building has been pulled back from Crest/Linden and the height has been reduced. At Tailby Lot the building has been set back significantly to improve the resident experience. Mr. O'Connor identified possible walking connections from the track to the neighborhood and discussed the commuter experience with an accessible lift. The proposal also includes track side canopies.

Mr. O'Connor discussed the new proposals public amenities which include ADA compliance to track, approved canopies and the improvement of the buildings from various perspectives. He stated he hoped the proposal was responsive to the WG comments.

The WG asked for a clarification on the new proposal. Mr. O'Conner stated it was 35 condos and 120 rental units. At Railroad the proposal is to have shared parking for 1.5 spaces for the condo and then short term merchant parking.

Ms. Blythe Robinson asked about the proposed community room space in the parking structure, which would have limited accessibility to the public.

Ms. Zern stated the proposal associates the space with commuters in an active way. Ms. Zern stated the team would think about the comment, but uses included continuing education as an example.

WG member Catherine Johnson asked what the proposals target market was?

Ms. Zern stated it is for those people who grew up in Town, but can't afford to buy a house here. It is also for short term stays of 2-3 years. There is such a wealth of people who want to stay here, but can't afford to stay here. The market also includes empty nesters.

Ms. Meghan Jop asked about the 20% affordable percentage. She questioned if the intention was to follow the Town's inclusionary Zoning requirements which are 20%?

Ms. Zern stated getting to Town Meeting and Zoning will be the biggest challenge with variances. The team would anticipate a significant outreach process. We would like to ideally go through a special town meeting. Ms. Zern confirmed the 20% affordable housing is based on the Inclusionary Zoning, similar to the Belclare, but indicated the team can look at increasing the percentage to 25%.

WG member Steve Fessler asked if the modification in the plan modified the financing at all.

Ms. Zern indicated the project would still have the 65/35 debt to equity proposal. Debt proposal includes two different loans.

Mr. Fessler noted the revised proposal was a very creative approach and proposal. He asked how they would like the WG to assess the revisions? HE asked if the team was going to provide the WG with an assessment of the new proposal.

Ms. Zern indicated the backup material can be put together.

Ms. Zern stated that all groups might have come back with modifications. We are happy to give these handouts and the financial package to back these ups.

Working Group Ellen Watts noted that the team mentioned in the previous proposal you had one garage and are taking away revenue which was driving the square footage. Ms. Watts asked whether the team is confident on how they have underwritten this deal?

Ms. Zern indicated both deals work. She stated the previous garage was a podium, this space is comparable. The Condos on the Railroad site is all market rate. We had more parking, by getting the parking more tailored there is less cost than before because we aren't digging down as far. We have not thought of this as a totally new response, but we have thought to keep the existing garage at Railroad and changed the exterior to add condominiums.

Ms. Robinson asked under the revised proposal how many commuter parking spaces would remain?

Mr. O'Conner stated there are 105 for all commuters, but the team did think there is an opportunity for shared space. Mr. O'Conner stated there are about 200 public parking spaces for the site.

Ms. Watts asked the team to discuss the sustainability proposed for the project?

Ms. Zern stated the team does not have passive house or net zero experience. The team recently completed a LEED gold building, and would work with architect and builder.

Mr. O'Connor stated 80% of the work that we do is LEED Certifiable. Mr. O'Connor stated he would ask the Town what they want to see noting there are so many things that can be done including building envelope and systems.

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Mr. Fessler asked where the entry to the Railroad entrance was located.

Mr. O'Connor stated the main entry would be the lounge entry and there is a stairway off of Railroad Avenue. A pedestrian can also come in at the Railroad track portion of the site. It is a four sided building with units wrapping the parking structure.

The WG asked the pricing for the condos.

Ms. Zern indicated the prices would be below the Belclare in the mid \$900,000. The condo unit mix included, 10 1-bedroom and 25 2-bedrooms.

Ms. Sullivan Woods asked if there were amenities for the condos.

Mr. O'Connor stated there are minimal amenities except the lounge/lobby.

Mr. Fessler asked if a pro forma has been done on this proposal with the \$900 s.f. and pricing with automated parking?

Ms. Zern indicated she could get that to the WG.

## AUGUST 20, 2018 MEETING

Demian Wendrow, Wellesley Square Merchant Association (WSMA) Representative was not present for the meeting, but sent along comments for the Working Group to consider from the Wellesley Square Merchant's Association. Mr. Wendrow indicated the WSMA were seeking a team who had a comprehensive approach and whose proposal provides the necessary 40B housing, more parking for Wellesley Square, and new vitality for the quality of life in Wellesley Square.

Mr. Wendrow indicated specifically regarding parking in Wellesley Square, insufficient parking has been an ongoing, critical issue for decades. Merchants have continually canvassed and surveyed customers about the parking and have never received a favorable reply. The proposed development of the Tailby and Railroad Lots is the opportunity to resolve this with public parking on the Rail Road/Central Street side, especially with a new development with a potential theatre in the conversation. The WSMA were very concerned that consumers will not park on the Tailby side. The WSMA finds that right now the need for more parking is critical and are looking for a developer who can listen and respond to our need for a game plan for if-and-when parking needs change one way or another in the future.

The WSMA find the proposed project is an extraordinary project and will have a long-term impact on the entire town, especially Wellesley Square. They believe the Town needs a developer who truly partners with us, who listens and responds as if they will match our eagerness in making this a stronger community.

The WSMA were interested in whether the Post Office parcel was something the Town would consider acquiring and if so, that would be a good reason to issue a second RFP.

With regards to ranking, Mr. Wendrow and the WSMA strongly found Trinity Financial would be the ideal fit. They found the proposal is comprehensive and they are the one option to have demonstrated a real desire to work with us as team-partners. Trinity has listened to the Merchants' needs, are responsive, and expressed they want to work with the Merchants. Trinity is the only group that reached out to key Wellesley

organizations across the board with a desire to understand what is really needed and desired. Mr. Wendrow indicated the Trinity team was outstanding, the CEO enthusiastic, understanding and willing to listen to what our needs are so changes or suggestions can be made in the best interest for Wellesley. Mr. Wendrow noted that Trinity was the top choice from the start, and this has even grown stronger after the interviews. Having a strong partnership in this particular project is extremely important to us and crucial to our success for a strong healthy downtown business community.

The WSMA have long craved for the kind of community black box theater and arts venue as exists in their proposal. It will be a huge and much-needed benefit that will bring a fresh new look and more importantly feel to Wellesley Square that we all desire.

The WSMA ranking following Trinity would be Pennrose, Federal, Aura-Pritzker, and Berkeley.

Ms. Jop opened the discussion by seeking comments as to whether the WG believed a second RFP should be issued.

Ms. Johnson found the proposals were too dense and too big. She noted she would prefer the Town have more of a say in what is constructed. She suggested a study group be formed to further consider what the Town would like to see constructed on the sites.

Ms. Newman also was in agreement that a second RFP should be issued. Ms. Newman was concerned over the parking and massing of the structures.

The WG discussed how much negotiation power the Town would have with a selected firm. Ms. Jop reminded the group the RFP is for a land lease. The Town cannot get into the specifics of designing the project or it will become a Town project subject to procurement laws and prevailing wage. Ms. Jop noted she would discuss with Town Counsel the extent to negotiation, but reminded the group of the long process of negotiation, town meeting approval, then permitting, that have the ability to shape a project.

The majority of the group found a second RFP would not improve the responses. If anything, many felt due to the time, effort, and money that has been spent to date by the developers who submitted proposals, that the Town could lose candidates with the issuance of a second RFP.

Mr. Barrett asked if the interviews eliminated any of the respondents. The WG was in agreement that the interviews were very helpful in determining the rankings and better understanding the projects and seeing modifications proposed. The WG was concerned the Berkeley as part of their interview proposed a completely modified project, but did not follow up with any of the financial details. The Berkeley interview also largely failed to address the questions that were posed to each of the respondents.

Ms. Johnson noted the Town residents have consistently identified that they prefer Wellesley's village like character and the proposals would significantly change Wellesley Square.

The WG discussed the density and intensity of the projects. The RFP was open ended and let the market determine the densities with the expectation that affordable housing should be maximized. The local for Transit Oriented Development is exceptional, and many believed that residents would move forward with a denser project at these locations.

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The WG was in agreement the Federal Realty team did an excellent job at the interview, and proposed minor revisions that greatly enhanced the proposed project.

Ms. Watts noted that Trinity and Pennrose both indicated some ability to moderate their proposals. Ms. Watts did not think the Town needed to issue a second RFP.

Mr. Fessler noted a second RFP will lose people. The Town needs a team who will stay now. The bigger question is where does the Town want to go. The RFP focused on affordable housing, parking, and what the project delivers financially to the Town. Mr. Fessler stated he believed the parking numbers can be negotiated out as the developer is taking the risk of the project. There has been much debate on parking, but a second RFP will not change that debate. Mr. Fessler noted Pennrose had a very complex finance model, but was committed to moving forward. He discussed the advantages to having an owner committed to the project, and noted only Trinity Financial had an owner present, which showed commitment to the project.

Mr. Fessler also did want to recognize the WG cannot under value the option to do nothing. He was not recommending not moving forward, but wanted to recognize the variables present with regards to the 40B projects and remind the Town it is an option.

Mr. Fessler noted that less density may be better if the SHI is no longer the driving factor. The enhancement of open space, architectural enhancement, and connectivity would activate the Wellesley Square.

Mr. Barrett discussed the importance of keeping the affordable housing component. The WG was in agreement, but noted the intensities of the sites could be reduced if the Wellesley Office Park project moves forward.

Ms. Jop asked Mr. Barrett about his experience with tax credits. Mr. Barrett stated tax credits are very competitive, and there is an annual round in February. Mr. Barrett noted he has seen that a good project can move forward. He noted that use of tax credits is a much longer process, but if the Town is putting funds in with the developer, he has seen the projects work.

Mr. Chazen was concerned that Pennrose may be overstating the number of units that would qualify for tax credits.

The WG discussed the financial proposals.

Mr. Fessler thought Federal should be able to pay more. He stated that Trinity Financial is contributing 25% of their development fees. It could be 2.5% to 4% of the payment along with \$600,000 for lost parking revenue during construction. Mr. Fessler noted Pennrose is producing the most annual rent with a \$350,000 payment.

The WG discussed the difference in tax revenues for the project noting Pennrose will have a low real estate tax revenue, whereas Trinity has \$1.6M over time.

The WG discussed construction costs and recognized that of all respondents Aura– Pritzker has done the most work on the construction costs. Members of the WG found Trinity has been more conservative financially.

Ms. Watts stated it was remarkable that two proposals had strengths towards sustainability. Both spoke of passive house, air infiltration rates, remarkable benefits. Negotiations should push hard on their proposals. The three other proposals were much more checking the box on sustainability.



## EVALUATION CRITERIA

The RFP requires the responses to be evaluated on the following criteria:

Comparative Evaluation Criteria			
Criteria	Rating Scale		
A1 - A4: Advantages to the Town			
A1	Affordable Housing Units that will add to the Town's Subsidized Housing Inventory	Very Advantageous	All proposed housing units are eligible for the Town's SHI
		Advantageous	25% or more of the proposed units are eligible for the Town's SHI
		Non-Advantageous	20% of the proposed units are eligible for the Town's SHI
		Unacceptable	No units qualify for the Town's SHI
A2	Compensation for the land lease.	Very Advantageous	Benefits to Town are significantly above the market rate expectation.
		Advantageous	Benefits to Town are above the market rate expectation.
		Non-Advantageous	Benefits to the Town meet the market rate expectation.
		Unacceptable	Benefits below market rate.
A3	Existing Commercial and Commuter Parking spaces are maintained at the completion of the project.	Very Advantageous	An increase in parking for Commercial and Commuter Parking is created
		Advantageous	Existing parking spaces are maintained.
		Non-Advantageous	Due to the size of construction there is a reduction of parking spaces for Commercial and Commuter Parking
		Unacceptable	Reduction in parking spaces for Commercial and Commuter Parking in excess of 15%.
A4	Construction Management Plan addresses impact on public parking	Very Advantageous	Proposed plan allows for up to 85% of existing parking spaces to remain open during construction through phasing and/or alternative site.
		Advantageous	Proposed plan allows for up to 75% of existing parking spaces to remain open during construction through phasing and/or alternative sites
		Non-Advantageous	Proposed plan allows for up to 50% of existing parking spaces to remain open during construction
		Unacceptable	Proposed Plan closes public parking areas during construction.
A5	Amenities or open space are included in the proposed	Very Advantageous	One or more amenities and/or open space areas provided and accessible for use by the public.

Comparative Evaluation Criteria			
Criteria	Rating Scale		
	Facility or on adjoining land and can be accessible or rented to the public. Internal amenities may include as examples visual and performance art space, public meeting rooms, community space, and youth gathering space	Advantageous	One amenity and/or open space provided and accessible for use by the public.
		Non-Advantageous	Amenities provided, but only accessible by residents
P1 - P7: Permitability			
P1	Lighting - Outdoor Lighting	Very Advantageous	Uses newest technologies to maximize use of dark sky lighting programs, with minimal impact on abutters. Minimize impact during all hours of darkness.
		Advantageous	Reasonable use of dark sky lighting programs and acceptable impact on abutters. Minimize impact during all hours of darkness.
		Non-Advantageous	Some use of dark sky lighting programs and some impact on abutters. Minimize impact after 10PM.
		Unacceptable	Minimal use of dark sky lighting programs and maximum impact on abutters
P2	Neighborhood impact - Potential noise  Noise is more troublesome late at night through early in the morning. Noise includes things such as trash pickup, car doors closing, talking, mechanical systems.	Very Advantageous	Site noise that would impact the neighbors especially during the evening, night and morning hours (including the weekends) is fully mitigated.
		Advantageous	Site noise that would impact the neighbors during the late night or early morning hours (including the weekends) is fully mitigated.
		Non-Advantageous	Site noise to be no greater than current Route 9 site noise.
		Unacceptable	Significant noise that would impact the neighbors.
P3	Parking - Parking shall be based on best practices	Very Advantageous	125% of required parking during peak hours located on property, including visitor and loading parking

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Comparative Evaluation Criteria			
Criteria	Rating Scale		
	and/or proposed zoning to accommodate resident parking, in addition to Commercial and Commuter Parking	Advantageous	100% of required parking during peak hours located on property, including visitor and loading parking.
		Non-Advantageous	Most required parking during peak hours located on property, with minimal visitor and loading parking
		Unacceptable	Unable to accommodate peak parking on site.
P4	Traffic - Traffic considerations shall be based geometric improvements to adjacent intersections, on the site study, and on meeting requirements resulting from respondent's consideration of the Project of Significant Impact (PSI) Special Permit analyses.	Very Advantageous	Project proposes clear and sufficient mitigation for anticipated traffic impacts on Linden Street, Crest Rd, Washington Street, Central Street and adjoining neighborhood streets, and plans to manage process and fund 100% of the cost.
		Advantageous	Project proposes mitigation for anticipated traffic impacts on Linden Street, Crest Rd, Washington Street, Central Streets and adjoining neighborhood streets and plans to manage process and fund 100% of the cost.
		Non-Advantageous	Project generally states it will mitigate anticipated traffic impacts on Linden Street, Crest Rd, Washington Street, and Central Street and fund 100% of the cost.
		Unacceptable	Project does not include mitigation of expected traffic impact on Linden Street, Crest Rd, Washington Street, and Central Street and neighborhood streets and /or funds less than 100% of the cost.
P5	Pedestrian Safety and Circulation (including bicycles). Consideration of requirements resulting from the Project of Significant Impact (PSI) Special Permit analyses.	Very Advantageous	Project promotes bicycle and pedestrian access to and on the site. Project effectively designs pedestrian sidewalks on main roadways and internal to the site, in particular through the parking lot and around the building perimeter. Project has a bike rack. Project effectively connects or leads to alternative paths such as the aqueduct trail or Fuller Brook Park

Comparative Evaluation Criteria			
Criteria	Rating Scale		
		Advantageous	Project promotes bicycle and pedestrian access to and on the site. Project effectively designs pedestrian sidewalks along main roadways and internal to the site, in particular through the parking lot and around the building perimeter. Project has a bike rack.
		Non-Advantageous	Project provides some bicycle and pedestrian access to and on the site.
		Unacceptable	Project does not support bicycle and pedestrian access to and around the site.
P6	Design elements and integration of facility with surrounding abutters and neighborhood.	Very Advantageous	Facility respects abutters' views, leverages existing natural topography and trees, provides walkways around and through site and will work with the abutters on effective mitigation. Facility has high curb appeal from Linden St., Crest Road, and Washington Street.
		Advantageous	Facility respects abutters' views and will work with abutters on mitigation. Facility uses some of the existing natural topography and trees to mitigate impact, provides walkways around and through site Facility has high curb appeal from Linden Street and Washington Street
		Non-Advantageous	Is a stand-alone facility with little curb appeal, and with minimal mitigation of impact on neighbors.
		Unacceptable	Doesn't meet PSI requirement
P7	Zoning needs clear	Very Advantageous	No zoning variance, bylaw or map changes required. Variance, bylaw, or map change expectations clear in requested exhibit
		Advantageous	Variance, bylaw, or map change expectations clear in requested exhibit
		Non-Advantageous	Variance, bylaw, or map change expectations clear in separate paragraph in response

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Comparative Evaluation Criteria			
Criteria	Rating Scale		
		Unacceptable	Variance, bylaw, or map change expectations not clearly stated in either an exhibit or a separate paragraph
Q1 - Q3: Developer Qualifications			
Q1	Experience of Developer	Very Advantageous	Developer has designed and built a significant number of multi-family housing facilities, in close proximity to the MBTA rail line, that were successful and that were similar to the Town's goals and expectations.
		Advantageous	Developer designed and built some multi-family housing facilities that were successful and that were similar to the Town's goals and expectations.
		Non-Advantageous	Developer has designed and built some larger commercial facilities that were successful that had different goals from the Town's.
		Unacceptable	Developer has a minimal number of projects developing similar types of housing facilities.
Q2	Experience of Property Manager	Very Advantageous	Property Manager has a significant number of years operating similar types of facilities that match the Town's goals for this site
		Advantageous	Property Manager has a reasonable number of years operating similar types of facilities that match those project's goals and quality expectations
		Non-Advantageous	Property Manager has some years operating similar types of facilities that have survived multiple business cycles.
		Unacceptable	Property Manager has a minimal number of years operating similar types of facilities.
Q3	Town Management of Development - The town does not intend to be involved with the development of the project or with	Very Advantageous	No Town management of project, and one point of contact for developer.
		Advantageous	No Town management of project, and one point of contact with developer, but sub-developer(s) engaged for portion(s) of the project

Comparative Evaluation Criteria			
Criteria	Rating Scale		
	managing the relationship between multiple developers of different use facilities. Preference will be given to a single organization that develops the entire site as well as a single organization that manages sub-developer(s).	Non-Advantageous	Two or more points of contact for the Town with distinct areas of responsibility for elements of the project for each.
		Unacceptable	Town oversight and management required.
F1 - F3: Project Financials			
F1	Financials – Project equity; construction loan	Very Advantageous	Sources of project equity identified and conservative equity investment plan.
		Advantageous	Sources of project equity identified and sufficient equity investment plan.
		Non-Advantageous	Sources of project equity unknown but demonstrated ability to raise equity on other projects
		Unacceptable	Sources of project equity unknown and little or no prior record of raising comparable amount of equity on other projects
F2	Financials – Financial feasibility, including construction and operation.	Very Advantageous	Pro Forma for the project give confidence the project can be capitalized within the time required to obtain permits, operate highly profitably and be able to maintain a high quality development.
		Advantageous	Pro Forma for the project make the project appear able to be capitalized within the time required to obtain permits, operate sufficiently profitably while maintaining the development.
		Non-Advantageous	Pro Forma require favorable assumptions for the project to be capitalized within the time required to obtain permits, be successful and to allow for high quality maintenance.

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Comparative Evaluation Criteria			
Criteria	Rating Scale		
		Unacceptable	Pro Forma seem insufficient for the project to be capitalized within the time required to obtain permits and support the project and its expected maintenance over the life of the project.
F3	Budget and Pro Forma assumptions	Very Advantageous	Reasonable revenue, expense, and project cost assumptions clearly listed with explained adjustments in future operating pro forma projections
		Advantageous	Reasonable revenue, expense, and project cost assumptions clearly listed with explained fixed growth rate in future operating pro form assumptions
		Non-Advantageous	Some Revenue Assumptions, project cost assumptions, and expenses listed and used in future pro forma with explained fixed growth rate
		Unacceptable	Minimal revenue assumptions provided leaving questions about cost to customers and therefore reasonableness of occupancy rates / and revenue projections
D1 - D2: Development Design			
D1	Sustainability and energy efficiency  (Town related)	Very Advantageous	Project uses the current best practices for energy and water efficiency, recycled materials, is committed to alternative sources of energy and other aspects of sustainability, and incorporates LEED considerations.
		Advantageous	Project uses many of the current best practices for energy and water efficiency and recycled materials, is committed to alternative sources of energy and other aspects of sustainability, and reflects some LEED considerations.
		Non-Advantageous	Project uses some of the current best practices for energy and water efficiency and recycled materials, is committed to alternative sources of energy and other aspects of sustainability, and reflects a limited consideration of LEED.

Comparative Evaluation Criteria			
Criteria	Rating Scale		
		Unacceptable	Project does not use the current best practices for energy and water efficiency and recycled materials, reflects little consideration of alternative sources of energy and other aspects of sustainability and/or LEED.
D2	Synergy of facilities on the site and their uses.	Very Advantageous	Proposed uses fit together and make highly efficient use of the site as well as shared uses of common facilities.
		Advantageous	Proposed uses fit reasonably together and make less efficient use of the site as well as shared uses of common facilities.
		Non-Advantageous	Proposed uses fit together less efficiently or are independent and there is minimum or no shared space.
		Unacceptable	Separate independent proposals are submitted without regard for construction management, parking configuration, access or shared spaces.

## RANKING OF RESPONSES

The WG had completed preliminary scores prior to the interviews and review of the financial proposals. Following the interview and review of the financial proposals, it was determined at the August 20, 2018 meeting that the 5 respondents have equally met the following criteria, and the criteria would not be used to differentiate the responses.

The WG found Aura-Pritzker, Berkeley Financial, Federal Realty, Pennrose, and Trinity Financial all equally met the following criteria listed in Table 1:

Table 1 Evaluation Criteria Equally Met by Each Respondent

Criteria	Description
<b>A3</b>	Existing Commercial and Commuter Parking spaces are maintained at the completion of the project.
<b>A4</b>	Construction Management Plan addresses impact on public parking.
<b>P1</b>	Lighting – Outdoor Lighting
<b>P2</b>	Neighborhood Impact – Noise
<b>P3</b>	Parking – Parking shall be based on best practices and/or proposed zoning to accommodate resident parking, in addition to commercial and commuter parking
<b>P4</b>	Traffic - Traffic considerations shall be based geometric improvements to adjacent intersections, on the site study, and on meeting requirements resulting

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	from respondent's consideration of the Project of Significant Impact (PSI) Special Permit analyses.
<b>P5</b>	Pedestrian Safety and Circulation (including bicycles). Consideration of requirements resulting from the Project of Significant Impact (PSI) Special Permit analyses
<b>P7</b>	Zoning needs are clear
<b>Q3</b>	Town involvement in Management if any
<b>F1</b>	Financials – Project equity; construction loan
<b>F2</b>	Financials – Financial feasibility, including construction and operation
<b>F3</b>	Budget and Pro Forma assumptions

The main differences in the projects were centered around a few key criteria identified in Table 2:

*Table 2 Evaluation Criteria Considered*

<b>Criteria</b>	<b>Description</b>
<b>A1</b>	Affordable Housing Units that will add to the Town's Subsidized Housing Inventory
<b>A2</b>	Compensation for the land lease
<b>A5</b>	Amenities or open space are included in the proposed Facility or on adjoining land and can be accessible or rented to the public. Internal amenities may include as examples visual and performance art space, public meeting rooms, community space, and youth gathering space
<b>P6</b>	Design elements and integration of facility with surrounding abutters and neighborhood
<b>Q1</b>	Developer experience
<b>Q2</b>	Property Manager experience
<b>D1</b>	Sustainable and energy efficiency
<b>D2</b>	Synergies of facilities on the site and their uses

The findings of the rankings based upon the Evaluation Criteria Considered identified the following rankings as very advantageous, advantageous, less advantageous, and non- advantageous.

1. Trinity Financial
2. Pennrose
3. Federal Realty
4. Aura-Pritzker
5. Berkeley Financial

**Trinity Financial** – The WG unanimously finds the Trinity Financial proposal, with the addition of the proposed lease payment and the interview to be the most highly advantageous proposal. The WG finds that although the Subsidized Housing Inventory is not raised as high as other proposals, the proposed density and mix of owner and rental were the right fit for the Town and addressed the need for affordable housing, diversity of housing mix, and parking. The WG finds this proposal, as a result of the proposed density, is the most advantageous project to construct should the Delanson project across the street move forward. The WG finds the architectural and landscape design to also be the most highly advantageous as a fit to the surrounding neighbors and as a link between the Linden Square and Wellesley Square commercial districts. The WG finds the proposal, which includes a black box theater to be located at the Railroad Parking Lot site

added the most highly advantageous public amenity that would foster a dynamic response to the much needed art and performing art space requested by many Wellesley civic groups including the Wellesley Art Alliance, Wellesley Players, and the Wellesley Theater Project. The WG found the proposed financing plan the most advantageous in terms of execution and compensation to the Town, and the Developer's team and experience to be the most highly advantageous.

**Pennrose-** The WG finds the Pennrose proposal, with the addition of the proposed lease payment and the interview to be a very advantageous proposal. The WG finds Pennrose's proposed public open space, trail connections, and thoughtful consideration of the Comprehensive Plan and Unified Plan to be amenities that are very advantageous to the Town as the proposal creates a sense of place and considerably improves the MBTA access at Wellesley Square Station. The WG finds the Pennrose proposal is very advantageous for its substantial sustainable design. The WG finds the financial model possible, but less advantageous due to the use of tax credits, grants, and CPA funds, and finds the complexity of the financing may slow down the process and may be more difficult for residents to support.

**Federal Realty –** The WG finds the Federal Realty proposal, with the addition of the proposed lease payment and the interview to be an advantageous proposal. The WG finds Federal Realty's ability to finance the project and compensation to the Town to be the very advantageous, particularly if an economic downturn begins in the next few years. The WG finds the revised proposal discussed at the interview to be advantageous to the Town with regards to design, open space, sustainability, and adaptability of parking in the future. The WG finds that it is advantageous to the Town to consider condominiums as an option on the site, and as part of the interview process, Federal Realty discussed that condominiums are not generally something that is pursued, but that it could be considered. The WG also noted Federal Realty as a reliable, good partner for the Town that offers advantageous. Some members of the WG did raise concerns that one property owner having significant interest along Linden Street could be undesirable for the Town.

**Aura-Pritzker -** The WG finds the Aura-Pritzker proposal, with the addition of the proposed lease payment and the interview to be an advantageous proposal. The WG recognized the proposal by Aura-Pritzker would be very advantageous to the neighborhoods by eliminating the 40B proposal at the Delanson Circle site and reducing, but not eliminating, the 40B proposal at the 148 Linden Street site. The WG finds that although the relocation of the units proposed for the Delanson Circle project is beneficial, the design aesthetic, open space, and adaptability of the project parking is only advantageous to the Town. The WG finds the sustainable elements of the proposal were advantageous, but less advantageous than other proposals. The WG finds the development team to be advantageous and recognized the considerable experience of the Pritzker Team and the Aura Team in executing projects independently, but did raise some concerns over a partnership model.

**Berkeley Financial –** The WG finds the Berkeley Financial proposal, with the addition of the proposed lease payment and the interview to be the least advantageous proposal. The WG finds the development team to be advantageous with considerable experience. The WG finds the submitted response, although providing the most accessible parking in the closest proximity to Wellesley Square, less advantageous due to the parking structure. The WG raised concerns that rather than increasing vitality in Wellesley Square, the installation of a parking structure only would detract from the vitality. During the interview, Berkeley Financial substantially modified their proposal and brought housing to both the Tailby and Railroad sites. The WG found the revised concepts intriguing, but found the lack of back up information, financial pro forma, and lack of response to the Town's questions presented a disadvantage of the proposal.

## BOARD OF SELECTMEN NEXT STEPS

The objective of the WG was to review and determine a ranking of the RFP responses in order to recommend the most advantageous proposals to the Selectmen. The WG has completed this task. The WG ranking and evaluation has been performed. The majority of the WG recommends the Board of Selectmen interview the advantageous candidates which include Trinity Financial, Pennrose, Federal Realty, and Aura-Pritzker. It is recommended the interviews be televised/recorded by Wellesley Media and provide opportunity for citizen questions and engagement as part of the interview process. Two of the WG members recommend the Board of Selectmen interview Trinity Financial only, as the top candidate.

It should be noted the WG is a staff formed working group, which does not require public notice, public comment or consideration. The WG's role is not to determine which project is the best project for the Town, only the Board of Selectmen and Town Meeting can make that determination, but rather to rank the responses based on the evaluation criteria. The Selectmen, having not been part of the process, might want to consider interviewing all the respondents. The next phase of review of the responses should include considerable public engagement, for as the WG discusses in their meeting notes, general considerations of mass, scale, density, intensity, parking, aesthetics, open space, and public amenities raised considerable debate.

As the Selectmen deliberate on whether to move forward under this current RFP, to conduct interviews, or to select a respondent to enter into negotiations with some items that the Board might want to consider have been identified by the WG below.

### ADDITIONAL CONSIDERATIONS

#### Issuing a New RFP

As stated in the notes of the August 20, 2018 meeting, the majority of the WG found the Town should proceed under the existing RFP, particularly given the caliber of responses received. The Selectmen must consider whether issuance of a new RFP would benefit the Town. Some WG members argue further study of the sites could better define appropriate scale and density for the project. It is staff's opinion, not the WG, that the current RFP process did not raise questions that were not considered in the existing RFP, and that a new RFP would only seek to add criteria related to parking, use, and scale. If the Board wants to consider changing the use of the site to primarily commercial, then the Board should consider a second RFP. If the residential use is the preferred objective, staff finds the existing RFP has served that purpose. The Selectmen have issued and undergone similar RFP processes in the past with the 900 Worcester Street project. The 900 Worcester Street process did issue a second RFP, but only after considerable questions on financing of the project were raised and found to have not been included in the initial RFP. The procurement laws allow a Town to issue an RFP for a long-term land lease with criteria, however the more design requirements placed on the project, the more the Inspector General's office considers whether a project is to be defined as a Town project rather than a private project.

## Development Timeline

The majority of the WG recommends the Town proceed with the development of the Tailby and Railroad lots regardless of the potential development proposed on Delanson Circle and 148 Weston Road. The 40B projects are in permitting, and currently have an undetermined destiny with regards to approval and if approved, project density. There are many unknowns with these 40B projects, including the potential appeal by either the developer or neighborhood from any decision made by the Zoning Board of Appeals or the opportunity to be selected by the Selectmen for the development of the Tailby and Railroad lots.

The WG had substantial debate on the impact of the 40B projects on the development of the Tailby and Railroad lots, and specifically asked each development team in the WG interviews how the 40B developments could impact their projects. The development teams responses can be found in their interview PowerPoint presentations [online](#) and in the notes from the interviews in this report.

Lastly, the WG wants to reaffirm the Board of Selectmen also has the option to do nothing. There are certainly pros and cons to this tactic as well. The WG recognizes the considerable variables the Selectmen must consider with the development of the site including the responses, the 40B projects currently under review, as well as the Hunnewell School Project which could impact the availability of public parking during construction. The WG is confident the Town could work with the respondents under this RFP, but recognized the value of the location and proximity to the commuter rail will continue to be a desirable development opportunity in the future.

APPENDIX A  
COMMENTS RECEIVED FROM THE PUBLIC AND WG MEMBERS





**Annie Newman**

94 Crest Road  
Wellesley, MA 02482  
annethrushnewman@gmail.com  
617.459.7242

August 22, 2018

Dear Tailby / Railroad RFP Working Group

As I step back from the insightful and productive conversations of our Working Group to prepare my final rankings, I have intentionally taken a step back from the narrow scope of this RFP to reflect on the big picture – **what's best for the entire Town in the long-term?** I worried that perhaps we lost sight of our broader mission and were too focused on the task of selection – identifying the best of six proposals – and not on the larger picture. Two things confirmed for me that we may have lost our way: first, a note from David Himmelberger, which I received directly after our final meeting and served as a harsh reminder of the realities we face; and second, a meeting with my neighbors.

Last night, I met with the College Heights Association (CHA) Steering Committee, with whom I have been meeting regularly since last fall. CHA is a community of neighbors committed to responsible growth in Wellesley. We formed officially last year in response to the onslaught of predatory 40B housing developments being proposed in our neighborhood. With our neighborhood's proximity to the heart of Town, these projects negatively impact every Town resident who travels to and from Linden Square and Wellesley Square. The group strongly supported the Tailby/Railroad RFP.

In fact, the current RFP was inspired by two 40B projects in particular – Delanson Circle, and to a lesser extent, 148 Weston Road – which together propose 145 new rental units in the Wellesley Square / College Heights neighborhoods. While the Town has studied the viability of developing the Tailby/Railroad lots for decades, the motivation to act came from the threat of these ill-conceived projects. All parties agree that it would be better to concentrate large-scale new development on a Town-owned lot, through a Town-controlled process, rather than allow it to be carved out of neighborhoods in an ad hoc manner that is inconsistent with the fabric and scale of existing neighborhoods. Thus, the RFP was born.

The Delanson Circle project, which calls for 90 rental units on a small and steep parcel of land across the street from the Tailby Lot, raised significant concerns during hearings before the Zoning Board of Appeals throughout the winter and spring. Major problems with the project were identified in the areas of density, traffic, parking and pedestrian safety. The 148 Weston Road project raised similar traffic, parking and public safety concerns, proposing 55 units a few blocks away on a very congested section of this essential Town roadway. Despite the significant concerns recognized by the ZBA, **40B law makes the Town powerless to block these projects**, and at best we can hope for a minor reduction in the number of units.

**It is my opinion that this current slate of 40B proposals must be taken into account in assessing the submitted proposals.** Given the reality of the Delanson Circle project, and taken in that context, the only viable options for the Town with respect to the Tailby/Railroad lots are to either (a) award the project to AURA/Pritzker, or (b) do nothing. While aspects of the various proposals resonated with me personally, I do not believe that any of the other proposals are actually viable to succeed if the Delanson and Weston projects proceed. The ZBA and Board of Selectmen had significant concerns about the negative impact that the Delanson and Weston projects would have on the town. All other proposals for Tailby/Railroad would add, at minimum, another 90 units and grossly exacerbate those problems to the point of becoming unviable.



**Annie Newman**

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617.459.7242

While I have been enticed by some of the exciting ideas presented – affordable housing for seniors and workforce, a town theatre, gallery space, inviting plazas, and playlots – I have been overwhelmed and remain concerned by the overall scale of these presentations. As our planning board chair pointed out in our final meeting, and as members of the CHA steering committee reinforced when we met, these projects do not reflect the desire of the broader Wellesley community, or the Unified Plan. They are too darn big and urban. To get anything approved on this site, and to gain the political momentum necessary for approvals, there must be serious negotiation.

The best opportunity for success on Tailby/Railroad is to develop this precious Town resource with the qualified development team lead by Pritzker, who included an escape clause in their proposal – a concession to replace 90 units at Delanson with 9 townhomes and 55 units at Weston with 30. I believe that we could bring the wise perspective gained from our long discussions to a thoughtful negotiation phase with Pritzker. I encourage you to consider this in your ranking of teams for the Board of Selectman.

The attached note from David Himmelberger underscores my concern that we must remember the context in which this RFP has been created. It is clear that AURA intends to proceed with the development of Delanson and Weston if they are not awarded this project. This is not the best result for the Town in the long term. We cannot let pride get in the way of making the best choice for our Town.

I have enjoyed the opportunity to work with you all on this important project. Thank you for your consideration.

Regards-

Annie Newman

Cc: Michael Zehner / Planning Director

**From:** David Himmelberger <[david@wshlawoffice.com](mailto:david@wshlawoffice.com)>

**Subject:** RFP and College Heights

**Date:** August 20, 2018 at 10:57:51 AM EDT

**To:** "[annethrushnewman@gmail.com](mailto:annethrushnewman@gmail.com)" <[annethrushnewman@gmail.com](mailto:annethrushnewman@gmail.com)>

Anne: I wanted to just briefly comment upon the RFP process, and why I believe the Aura-Pritzger proposal is the most beneficial proposal for the College Heights neighborhood. As you know, I represent Aura-Pritzger in its RFP submittal. I agreed to represent Aura-Pritzger only after I learned that its proposal would specifically "move" the currently proposed hostile 40B project from Delanson Circle to the Tailby/Railroad sites, and reduce the density at its Weston Road project. I only represent Aura-Pritzger as regards the RFP proposal, as I have a personal commitment to not representing hostile 40B projects, and all the more so when they are located across from my office.

At the outset, it is my understanding that the RFP was brought about by significant concerns regarding a 90 plus unit 40B project going in at Delanson Circle, and the thought was that by putting out an RFP, Aura might be induced to "move" its project to the Tailby/Railroad sites. This is precisely what has occurred, in that the Aura-Pritzger proposal makes clear that as part of its RFP submittal, if selected, the Delanson Circle parcels would only be developed with the same number of units as currently exist at Delanson, which I understand to be 9 units. Thus, the Aura-Pritzger proposal is the only one, that if selected, will cause the existing 40B proposal at Delanson to be fully eliminated. Moreover, as part of its proposal, Aura-Pritzger has also committed that if selected, its Weston Road hostile 40B project will be reduced to 30 units, down from the currently proposed 60 units.

Finally, as I believe your review of the various RFP submittals makes clear, the Aura-Pritzger proposal is the only one with a comprehensive Construction Management Plan, and the only project that can be built without the construction activity significantly impacting traffic and the surrounding neighborhood.

For these critical reasons, I believe the Aura-Pritzger proposal deserves favorable consideration and support from the College Heights neighborhood.

I would be remiss if I did not address another issue. Aura-Pritzger's position, if it is not chosen as the developer of the Tailby/Railroad project, is that it will continue with its Delanson Circle and Weston Road projects. I understand that there are some who can or will construe this as some sort of threat; but it is nothing more than the reality of the situation. Aura began these projects in advance of the RFP and will simply continue them unless it has the opportunity to move them to the Tailby/Railroad sites. I fervently hope that this reality will not be held against the merits of the Aura-Pritzger proposal for Tailby/Railroad. It is my hope that the relative merits of eliminating the Delanson Circle 40 B project entirely, and cutting in half the density of the Weston Road 40B project, coupled with Aura-Pritzger's unique ability to manage the Tailby/Railroad construction through its comprehensive Construction Management Plan, will be viewed as critical reasons as to why, when all factors are considered, the Aura-Pritzger proposal is the most deserving.

Aura-Pritzger indicated in its interview that it was quite open to working with the town and the neighbors to refine the design and look of its proposed project at Tailby/Railroad. I hope it gets the opportunity to do so, and I look forward to assisting it in this process. As noted previously, however, should Aura-Pritzger not be selected, my representation of it will also end.

I apologize for this quick email; I am on vacation and only came back to observe this morning's meeting. Should you wish to contact me for any reason, please call me on my cellphone at 781 883-9412, as I will be heading back to the Cape soon.

Best regards, and thanks for your consideration in sharing this with the College Heights neighborhood. David

David J. Himmelberger, Esq.  
Wilder, Shea & Himmelberger, LLP  
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Wellesley, MA 02482  
781 237-8180  
fax 781 235-8242

## Jop, Meghan

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**From:** Catherine L. Johnson  
**Sent:** Tuesday, August 28, 2018 11:04 AM  
**To:** Jop, Meghan; Zehner, Michael  
**Cc:** Jack Morgan  
**Subject:** Tailby final analysis  
**Attachments:** Scoring Sheet Word Trinity.docx; Scoring Sheet Word Pennrose.docx; Scoring Sheet Word Federal.docx; Scoring Sheet Aura-2.docx; Scoring Sheet Word Berkeley.docx

Meghan,

Apologies for the delayed timing of this response. The specific attachments on the five current proposals are relatively unchanged except for the General Comment sections at the end of each.

I would appreciate it if this email could be forwarded to the working group and to the BoS, although the attachments need not be forwarded as they become part of the general matrix. The following comments are not specifically pro or con to pick an applicant. Instead, they are a request to make sure we get this right.

First, I want to express appreciation to you, the working group, and -- in particular -- all six applicants. Many of the ideas provide a good starting point for discussion.

Second, the current state of the Railroad lot and especially the Tailby lot represents the "under use" of a critical part of Wellesley Square.

Third, while it would be admirable to create better parking and a better use of these parcels for affordable housing, all six proposals represent an "over use" of Tailby and Railroad. Some of this comes from the RFP, where we asked applicants to retain current parking levels AND add to the affordable housing stock in town. The remainder of this comes from the need of each developer to create enough (market rate) units as well as affordable ones and parking to have a financially viable product. All six proposals, or the five that remain, have shoehorned too much onto these lots. And, it is not a question of density, but of intensity.

1. All designs have mass, scale, and architecture that are urban. While change and the resulting growth are expected, it is the type and rate of change that confounds us. If we look at every Comprehensive Plan the Town has produced since 1965 and including the 2018 Unified Plan, the residents have continually expressed a desire for three things: maintain the residential character of Wellesley, maintain the village-like character of our commercial districts, and maintain significant open space [which could be construed as parks or view corridors between buildings].
2. Since the issuance of the RFP, the additional opportunity of having 300-350 affordable units at The Wellesley Office Park takes the pressure off creating extreme density on Tailby/Railroad.
3. Only one plan, Pennrose, drew on the Unified Plan for creativity and input.
4. Another plan, Trinity, developed the idea of a small theater, which was mentioned to all developers who attended the site walk.

Fourth, there are positive and negative externalities that accompany each proposal. They are different and difficult to contrast. Within the interview process, several developers indicated a willingness to listen to and work with the Town to develop something appropriate. That's a perfect answer, but *what does the Town*

want? *Smaller scale, less housing, less parking (for either the housing or the station/merchants?* In other words, and this is important, who is going to decide what Wellesley wants here, the Town or a developer? When the Town entered the RFP/lease for 900 Worcester, the Town already had studied the western gateway and the St. James parcel for many years with many committees.

1. Trinity: first level design (mass and scale) fills curve of Linden at Crest on Tailby, parking and open space in rear (negative as this wall off the project from the street) and almost fills Railroad with a change to the geometry of Railroad Avenue (negative). Provides black box theater (positive); second level design (architecture) is urban with narrow band of open yard space along curve of Linden (negative).
2. Pennrose: first level design (mass and scale) places townhouses along curve of Linden with taller apartment building at southeast rear of Tailby (positive) with hotel on Railroad and odd geometry to Railroad Avenue (both negative); second level design (architecture) is urban (negative) although hotel has better articulation (positive).
3. Federal: first level design (mass and scale) is similar to Pennrose with lower buildings along the curve of Linden Street (positive) but the Tailby site is either all building or all pavement without grassy open space (negative); second level design (architecture) in the drawings is weak compared to Linden Square, but the interview process indicated that this could change (almost positive, because what is there is too urban).
4. Aura-Pritzker: first level design (mass and scale) is confusing (negative) because some buildings put an end to the street creating little pockets of open space that were meant to engage with the College Heights neighborhood but were too small and in shadow for most of the day to be inviting (negative); second level design (architecture) is pedestrian, urban, and institutional (negative). The fact that Aura is the developer for Delanson Circle and 148 Weston Road complicates any decision. If not selected for Tailby/Railroad, those two parcels would proceed through the Comprehensive Permit of the 40B to some end. Delanson would be less dense while 148 Weston Road might be approximate to what is currently proposed under 40B (negative in intensity). The construction management plan for Aura-Pritzker is the easiest to understand (positive), but all projects built in Wellesley have to have a satisfactory construction management plan in order to be permitted and that is for the chosen developer to prove (negative).
5. Berkeley: first level design (mass and scale) has open space interior to the buildings (negative) and a wide sidewalk border (positive). All parking is underground; second level design (architecture) is inconsistent with any strong architecture in Wellesley (negative).

Finally, for this email, there are several things that must be considered when choosing and/or negotiating:

1. All applicants should revisit the Unified Plan and adapt parts of it to the designs.
2. All applicants should be willing to build using the PSI process rather than 40B comprehensive permits with waivers.
3. The Town needs to be more specific about parking for the station and for any residential ratio off-street; further, applicants need to address versatility in parking to accommodate ride-share, docked or dockless bikes, use of electric vehicles as parking needs are evolving rapidly and current ones could be obsolete before the project is completed.
4. Building materials are critical as part of the second level design. Please note that the DRB is currently creating design guidelines for Wellesley to direct PSi and LHR projects.
5. All designs should involve the MBTA and improvements to the station, especially ADA compliance.

6. Would it be better or more beneficial to expand the project to include the Post Office site and/or pushing eastward to One Hollis?

Thank you for your attention,

*Catherine*

Catherine L. Johnson  
Planning Board  
Wellesley, MA  
cljohnson@wellesleyma.gov  
(c) 617 413-5414

Meghan- thanks for sharing the draft report for the Board of Selectmen. My opinion is that the Selectmen should choose to work with Trinity Financial, and no others, and definitely not re-open the RFP process. A second RFP process could discourage Trinity, and perhaps other highly qualified developers, from continuing their interest. And, I do not see a good reason to do that. As to the second ranked proposal from Pennrose, I remain skeptical about the viability of its financing plan and feel its experience is less relevant to a community like Wellesley.

From a massing perspective Trinity has the most modest density of development (90 units), although I prefer that it orient the open space on both sites to the primary facing streets (Crest Road and Linden St), instead of putting buildings along the street and orient open space more internally (which does not make it accessible to the public). A pedestrian bridge over the RR tracks, though costly, would be a terrific enhancement to connect the sites and improve pedestrian access to Wellesley Square. MassWorks is a state-funded program that might provide the money for that.

Lastly, I am troubled by the clear implication from Aura Pritzker that the Town must accept its proposal as a quid pro quo to reduce the (very inappropriate) density on Delanson Circle. I understand the dilemma for the Town, but feel this proposal should not be selected.

Thank you, your staff and the Working Group for all the hard work over the summer.

--

Edward Chazen, Senior Lecturer  
Boston College, Carroll School of Management  
Chestnut Hill, MA 02467

## Jop, Meghan

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**From:** Timothy J. Barrett <Timothy.Barrett@pinestreetinn.org>  
**Sent:** Tuesday, September 4, 2018 10:27 PM  
**To:** Jop, Meghan  
**Cc:** Robert Kenney  
**Subject:** FW: Draft Report

Meghan,

Thanks for your work on the Tailby/Railroad draft report to BOS. I have read WPP member comments from Annie, Catherine and Ed. Through you, please share my comments/follow-up to WPP and use as you see appropriate with BOS.

If WPP members have not had the opportunity to read the Town's draft Housing Production Plan (<http://www.wellesleyma.gov/CivicAlerts.aspx?AID=166>), I encourage you to review Section 4 (Housing Goals) and Section 5 (Housing Development Strategies and Action Plan). Approval of the Housing Production Plan by the State (DHCD) will allow the Town to gain greater control over Chapter 40B proposed projects, which is important given the flood of 40Bs that have occurred in the past year. Such requires the Town to commit to annually producing at least 45 new units towards subsidized housing inventory (SHI) until we achieve the 10% affordability goal. All 5 of the proposals we reviewed would help the Town achieve this goal for the first year. I understand many member's concerns about the intensity of the proposed projects and this is a very important consideration. Though I would prefer to obtain the highest number of affordable units from this project (I am a member of the Wellesley Housing Development Corporation whose mission is to expand affordable housing in the Town), I understand affordability is but one of many goals that the Town must balance to achieve the most effective outcome. I believe the Evaluation Criteria we used has done this effectively and Meghan's report summarizes options for BOS to deliberate.

Through the Housing Production Plan process, many residents expressed that the Town is "built-out" and does not have much room for more housing. This belief heightens the importance that land under the Town's control, and appropriate for development, should have an affordability component. Furthermore, to achieve the Unified Plan's goal of a more diverse housing stock, such opportunities also should encourage multi-family options. I do not believe potential plans for Wellesley Office Park reduces the Town's responsibility to consider affordable housing options at such sites such as Tailby/Railroad. Instead, I see these plans as a complementary project that hopefully over many years and decades to come will show the Town's commitment to the Housing Production Plan and Unified Plan developing a mix of housing stock – affordable and market – spread throughout the Town, appropriately placed, and further strengthening Wellesley's appeal.

From my professional experience, affordable housing works best for communities when part of larger projects that are effectively integrated into the surrounding community. We've done an outstanding job as WPP reviewing the 5 remaining proposals and I am hopeful BOS can take action on the one it believes will accomplish increased affordable housing, multi-family housing options and addresses the density and intensity concerns expressed.

Thank you,  
Tim

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**From:** Timothy Barrett [mailto:barrett\_bc1993@yahoo.com]  
**Sent:** Tuesday, September 4, 2018 8:49 AM