

Coolidge Corner Mixed Use Developments

1200 Beacon Street & 10 Waldo Street

PRELIMINARY MARKET AND DEVELOPMENT OBSERVATIONS

Scope of Analysis

Development Feasibility Parameters

Highest and Best Use Analysis

- Need to evaluate property features and uses of sites “as improved”
- Need to analyze supported uses of sites “as if vacant”

Financial Feasibility Analysis

- Need to understand financial potentials for alternative uses programs including:
 - Hotel
 - Apartment
 - Condo
 - Restaurant

Development Feasibility Tests/Sensitivities of Alternative:

- Land Uses and Mixes
- Parking Approaches and Ratios
- Density
- Height/Stories
- Public Benefits/Mitigation (Fiscal and Otherwise)

Highest and Best Use Considerations

Development Opportunities and Challenges

Physical & Legal

- Proximity to transit enhances marketability and helps to minimize parking requirements for both locations
- Excellent frontage on Beacon Street and in core CC – potential for prominent addresses, market visibility and excellent market positioning
- Challenges of ingress/egress and circulation for mixed use programming - each use needs to have its own identity and front door
- Sites are tight to the neighboring parcels making development more costly and less efficient
- Underground parking is extremely expensive, approaching \$100K per space which adds to the feasibility burden
- Existing improvements create demo cost premiums and at 1200 Beacon are actually valuable, generating higher costs that must be overcome for redevelopment to be feasible
- High-rise construction code (anything over 70 feet) adds substantially to cost and adds to the feasibility burden (neither site is seen as developable/feasible for a stick over podium-lowrise building typology).

Highest and Best Use Considerations

Development Opportunities and Challenges

General Market

- Proximity to LMA a key driver of market demand (residential and hospitality)
- Proximity to transit minimizes parking requirement but parking will be needed for any development
- Accessibility and visibility good for a range of use alternatives

Hotel Market

- Demand for hotel rooms is strong - for select service and extended stay product (up scale and upper-up scale) – but NOT for full service product (Occ at +/-75%; ADR at +/- \$300 at stabilization)
- Lots of select service and extended stay product planned for delivery in the market, but both sites are seen as feasible for hotel development in the near term (with limited long term impact expected on existing market)
- Proposed programs are consistent with the market requirement – right locations (near LMA), right type (select service - up scale and upper-up scale), right sized (150-200 keys per hotel), right parking counts (.3-.5 spaces per key), right brand targets

Highest and Best Use Considerations

Development Opportunities and Challenges

Housing Market (Rental and Condo)

- Demand for housing in Coolidge Corner is strong across the income and age spectrums.
- Little or no product is planned in the market and both sites are seen as highly competitive in the near term
- Market viable housing types for development at these sites encompass a range of multi-family options including conventional condo and rental apartments and various age-restricted models
- Parking requirements for housing vary by age and income target (from .5 to 1.0 per unit)

Ground Floor Commercial

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- Little or no product is planned in the market and both sites are seen as highly competitive in the near term
- Market viable housing types for development at these sites encompass a range of multi-family options including conventional condo and rental apartments and various age-restricted models
- Parking requirements for housing vary by age and income target (from .5 to 1.0 per unit)

Development Considerations

Feasibility Parameters

Market Feasible Uses

- Commercial – hotel
- Residential – condo and rental
- Restaurant - destination

Market Feasible Density

- To be defined by the program required (mass and height) to deliver feasibility
- Financial conclusions/sensitivities to height, mass, land use mix, public benefits, parking approach, etc. to be determined after modeling is complete

Market Feasible Parking

- Hotel - .3 to .5 per key (ratios at the low end of the range can best be achieved in a mixed use program)
- Conventional apartments (Typical Studio, 1 & 2 bedroom mix) - .5 per unit
- Conventional condominiums (Typical 1 & 2 bedroom mix) – 1.0 per unit
- 55+ Age restricted - 1.0 per unit
- Assisted Living & Memory Care - .5 per unit
- Micro Housing (market min. .5 per unit)

Development Considerations

Other Observations

1200 Beacon Street

- ❑ Beacon Street/St. Paul location very desirable for both hotel and resi
- ❑ Site offers good dimensions for both resi and hotel development (and the advantage of a rear alley – so through site circulation potential)
- ❑ Value of the existing improvements is high; so is cost of construction
- ❑ Reuse of existing shell (Hotel A) may help to temper those factors
- ❑ Residential may also provide a cross-subsidy (supporting higher land cost, with comparably low parking requirements and the potential to share supply) – the market could support more residential at this location
- ❑ Hotel room count seems high at 390, although it constitutes a 150+/- key addition over what's there now.

Development Considerations

Other Observations

The Coolidge (10 Waldo)

- ❑ Core Coolidge Corner location very desirable for both resi and hotel uses
- ❑ Site dimensions and shape are awkward, but parcel depth and accessibility from more than one street eases access and circulation for a multi-use program
- ❑ The cost of underground parking is extremely high; assume no historic requirements?
- ❑ Conversely, acquisition cost is relatively low, so that may mitigate
- ❑ Residential, especially with condos in the mix, may also provide a cross-subsidy (supporting higher cost, and helps to explain the higher parking ratio) – the market could support more residential at this location
- ❑ Hotel room count seems reasonable – have questions about the amount of meeting space.