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21 December 2021

Planning Board
Town of Lexington
1625 Massachusetts Avenue
Lexington MA 02450

RE: 475 BEDFORD STREET, LEXINGTON

Dear Board Members:

This letter is in support of the Preliminary Site Development and Use Plan (PSDUP) filed by Cresset Lexington, LLC (Petitioner) with a Petition to rezone the above property (Property) to a Planned Development District (PD-7); and as included in a Warrant Article to be presented to the 2022 Annual Town Meeting.

INTRODUCTION AND BACKGROUND

Petitioner is comprised of three companies including real estate development, construction, and property management. The founding partners, Edward G. Nardi and William G. Curtis, each have 30⁺ years of development and management experience. President Ed Nardi has received a Bachelor of Architecture from Princeton University and resides in Concord, MA.

Petitioner's development efforts are geographically focused in Boston and the surrounding suburbs while being asset class diverse. Petitioner has completed projects ranging from large scale life science developments, commercial/office, multi-family, and retail. During the past several years Petitioner has concentrated more on life science developments and recently developed two such projects in Watertown and a life science campus in Somerville.

The Property, for many years leased to the Boston Sports Club, is located across the street from Hartwell Avenue, at the "jug-handle" intersection of Bedford Street and Hartwell Avenue. The Property was almost rezoned as Article 17 at the November 2020 special Town Meeting (STM)

in a Citizen's Petition to add it to the CM Hartwell Avenue District that had been rezoned by Town Meeting just before it as Article 16. The Article 16 rezoning added the properties across the street at 423-430, 440, 450, 476 and 482 Bedford Street to the CM Hartwell Avenue District; and modified dimensional zoning standards including eliminating the Floor Area Ratio (FAR) for development, all in keeping with the Town's Hartwell Innovative Park (HIP) initiative.

The HIP, begun in 2017 as the Economic Development /Joint Meeting of Select Board and Planning Board, sought to enhance the major commercial corridor of Hartwell, with primary focus, among others, of increasing commercial revenue. Petitioner actively participated in discussions with Town staff and consultants in coordination with development of the HIP initiative from 2016 to 2019. Petitioner's proposal for a new life science building *per* the Fiscal Analysis filed with the PSDUP, will generate an estimated \$2,024,576 *per* year in revenue, more than ten times the current \$197,000 annual revenue.

At the November 2020 STM, the Select Board supported Article 17 by a 5-0 unanimous vote, and the Planning Board supported by a 3-1 vote, with one member abstaining. Town Meeting supported Article 17 by a 92-72 majority vote, or 56%, yet 110 favorable votes were needed for the 2/3 majority vote required for rezoning. A likely reason Article 17 came up short was the uncertainty of what would be built, particularly as it was unknown at that time.

Petitioner is proposing a Planned Development District (PDD) which is what the Zoning Bylaw (ZBL) provides and has been used successfully to address the uncertainty of what will be built on a property as rezoned. Petitioner's proposal for a life science/lab/office building and parking garage is quite comparable to the PDD that Town Meeting approved in June 2020 for 1050 Waltham Street. Petitioner benefits from using practically the same project team that participated in the 1050 Waltham Street PDD, given that SGA and VHB were on it's project team in both Watertown and the Somerville projects.

The 1050 Waltham Street property was located in an obsolete, CO office zone, consisting of two smaller office buildings with one of them vacant, built in the 1970s. 475 Bedford Street is located in an obsolete portion of an RO Residential District that has been used commercially since 1965 as a swim, tennis, and fitness facility; and for the last 25-plus years, as the Boston Sports Club; which at the time of its closure as part of a bankruptcy last year, had approximately 5,000 members and between 700 and 1,000 members using it *per* day.

The total size of the buildings and parking garage and dimensional standards of Petitioner's proposed PDD compare quite favorably to the approved 1050 Waltham Street PDD even though the 475 Bedford Street site is about 5 acres larger. Total size of the proposed building and parking garage at 475 Bedford Street (225,500 + 120,000 = 354,500 SF) is almost exactly the same as 1050 Waltham Street (170,000 + 184,050 = 354,550 SF); proposed FAR is .67 compared

to approved .65 for 1050 Waltham; proposed maximum height 78 FT *versus* approved 55 FT for 1050 Waltham excluding mechanical penthouses.

EXISTING CONDITIONS

The Property consists of approximately 9.008 acres siting an approximate 71,000 SF sports and fitness facility with on-site parking for 240 vehicles. The Property is constrained by a 30-foot natural gas easement, a 250-foot utility right-of-way, and a 40-foot sewer easement. Wetlands further constrain the Property for which a new Order of Conditions from the Conservation Commission has been requested.

PROCESS/SKETCH PLAN

Petitioner has been in discussions with the Town regarding a development of the site since 2016 and was an active participant in the HIP initiative. Discussions began in August 2020 to address the draft Citizen's petition (Article 17 Fall 2020 Town Meeting) for rezoning the Property to the CM District that had been rezoned in Article 16. As Article 17 didn't receive the necessary 2/3 vote at the Fall 2020 Town Meeting, discussion began in the spring of 2021 with Town officials and various departments, including meetings with the Town Manager, two Select Board Members, Planning Director, Conservation Administrator, and Economic Development Officer. Petitioner later had a productive meeting with the Town Development Review Team (DRT) and also presented the project to the Economic Development Advisory Committee (EDAC).

Petitioner has held several meetings with the Drummer Boy Condominium Trustees and Unit Owners whose units adjoin the Property. It should be noted that Petitioner has developed two life science buildings in Watertown that abut residential neighborhoods; and is familiar with, and experienced in dealing with, issues such as screening as well as noise control that typically present in these situations.

As recommended by the Planning Board Zoning Regulations (REGS) prior to filing for a PDD-PSDUP), Petitioner submitted a Sketch Plan to the Planning Board (Board) in October. On November 3 and 10, the Board held a public hearing and voted on the Sketch Plan. Pursuant to the REGS, the Board's decision (4-0) stated the proposed use of the Property for a life science/lab/office building is acceptable with modifications; that the proposed density and other design features are acceptable with modifications; that the proposed development with mitigating measures will benefit the Town and finds the Project acceptable.

REASONS FOR REZONING; COMPARISON TO EXISTING ZONING

Regarding planned developments/rezonings, the Board's REGS ask for explanation, justification of the rezoning, and, specifically: 8.6.12 reasons for rezoning; 8.7.13 comparison of development permitted in existing district supported by data, so that the maximum development potential

allowed by right in the existing zoning district can be compared to the proposed rezoning; and per 8.6.13.a include a proof plan in the case of land in an existing RO residential district.

The proposed rezoning of the Property to a PDD to enable a new life science/lab/office building is an appropriate extension of a commercial corridor just across the street; as was the rezoning of the Bedford Street properties numbered 420-30, 440,450,476,486 for inclusion with the Hartwell Avenue CM District in November 2020 under Article 16. This perspective was implicit in Town Meeting's favorable majority vote (lacked the necessary 2/3 majority) on Article 17 in November 2020 and in the Board's recent Decision of Petitioner's Sketch Plan.

The Economic Development Summit/Joint Meeting of 2017 that led to the HIP recognized the importance of enhancing commercial growth to help relieve pressure on the residential tax-payer that resulted from the 10-12% shift in the tax burden to residential that had been occurring for many years. An outgrowth of the Summit was also to consider enhancing revenue in commercial districts other than Hartwell Avenue, including Forbes Road and Hayden Avenue. Expanding the allowed uses and density reasonably consistent with the CM zoned commercial corridor of Hartwell Avenue to one property across from it at 475 Bedford Street makes quite logical sense.

Ironically, 475 Bedford Street, while zoned residential RO, one-family dwelling has been a commercial use property since 1965. It abuts an RD planned residential development of condominiums built in 1976, not RO single-family house lots in a subdivision. It abuts to the east and to the rear a GC Government Civic District; and does not abut an RO District. 475 Bedford Street is an obsolete commercial use property, isolated from other RO single-family dwellings land, and on a major commercial corridor; which makes it particularly conducive to a Planned Development District rezoning change of a uniquely-situated property.

In addition, the Property has considerable circumstantial constraints that suggest unsightly and likely obstructive features for single-family living on a house lot. The sizeable 30-foot natural gas easement, a 250-foot right-of-way for a utility company, a 40-foot sewer easement, and the presence of wetlands fronting on a major roadway render it much more feasible and compatible for commercial use than for residential house lots.

A comparison of cost impacts on community services in residential and commercial development is instructive. The Fiscal Impact Analysis filed with this PSDUP provides

“Land uses can have a wide range of cost impacts on community services, from increases of students from residential development to increased police calls from a large commercial complex. Given the nature of the proposed use, replacing an existing gym/tennis club with a laboratory office building, we believe that impacts on municipal services (primarily emergency services) will decrease thereby reducing impacts and costs to the community. No new roads will be constructed,

all on-site maintenance including snow plowing and lighting, will remain private, along with trash disposal.”

The Analysis concludes the Petitioner’s proposal will place few *new* demands for general governmental services, while decreasing demand on emergency services, and generating net annual revenue of \$2,024,576; estimated building permits will yield an additional \$1,656,000. It is anticipated that significant public benefits to the community relative to off-site mitigation measures will be realized in a legally binding Memorandum of Understanding(MOU) with the Select Board. At this time those benefits have yet to be fully determined.

The proof plan indicates the Property might be subdivided into four residential house lots as-of-right. It is general municipal knowledge that the educational cost of a school-aged child in Lexington is \$20,000 per year. At the September 21 public forum for the Town’s Comprehensive Plan which is in process, factual findings reported that of the 9,000 single-family dwellings in Town, 75% have three or more bedrooms and most are occupied by four or more people; and 55% of households included children between the ages of 6 and 17.

It is also general municipal knowledge that new residential development inevitably will result in new families with school-aged children because of the excellent reputation of Lexington schools; and that the schools are currently at full-capacity. Based on the above numbers, with the development of four new house lots, there are likely to be at least two new families with two to three school-aged children; call it five school-aged children which, at \$20,000 education cost *per* year, would result in a \$100,000 annual impact on municipal costs.

Given the Property’s location in an overall commercial setting, its significant physical and environmental constraints, and the adverse fiscal implications for the municipal budget, the prospect for additional residential house development is not appropriate or justified.

COMPREHENSIVE PLAN COMPLIANCE

The Town is in the process of finalizing its second Comprehensive Plan. The current Comprehensive Plan, established in 2003, states the first of four goals of the Economic Development Element that, “a strong local economy can help provide necessary fiscal support for the high levels of public services residents of Lexington seek.” The Town has an annual budget exceeding \$200 million, several debt exclusion projects outside the annual tax levy for the schools, and renovation of the Fire and Police Stations; with the prospect of a new high school, planning for which has already begun, with a likely cost ranging from \$400-500 million.

The estimated \$2,024,576 net new annual revenue from the Petitioner’s proposal provides a significant economic public benefit with an impact on the Town’s infrastructure notably less when compared to the impact from residential development.

Based on all the above, we look forward to a continued collaboration with the Town for a successful project in the best interest of all parties.

Sincerely,

A handwritten signature in black ink, appearing to read "Ed Grant". The signature is written in a cursive style with a large initial "E" and a long horizontal stroke extending to the right.

Edmund C. Grant

cc: Edward G. Nardi
William G. Curtis

ecg/lsg