

# Millis Town Center Properties Feasibility Study

## Summary of Market Study Key Findings

Market Study prepared by Larry Koff & Associates

### Estimated demand and market potential by use:

#### Housing

- There is a market for multi-family housing in Millis' town center to provide alternatives for older residents wishing to downsize, as well as younger households. The location of the study area, with its proximity to shopping and services, is suitable for higher-density housing types, ranging from dense single-family units to multi-story apartment buildings.
- Millis has pent up demand for well priced newly constructed homes, as well as for quality modern town-home or multi-family units.
- Market conditions would support approximately 200,000 sq. ft. of residential development (200 units) over the next 5-10 years, including a mix of single family homes, townhomes, condos, and/or assisted living housing.
- The study area parcels in the Town Center are optimally located to absorb much of this growth.

#### Commercial/Retail

- The Town Center properties would support some commercial activity.
- The Ann & Hope property is most appropriate for commercial uses, especially retail.
- The retail market is not particularly strong, as evidenced by the difficulty of filling vacancies in Milliston Center. There may be short-term saturation.
- Successful retail development will likely require anchor tenants, which will be necessary to complement the development of smaller retail establishments. Opportunity areas include apparel and sporting goods stores, additional food or drug stores, and eating places (family restaurants and limited service/fast-food establishments).
- Market conditions would support 50,000-100,000 sq. ft. of new or renovated retail space over the next 5-10 years (assuming improved economic conditions), most or all of which should be located on the Ann & Hope parcel.

## Industrial

- Redevelopment of either parcel for build-to-suit industrial, warehouse, or distribution facilities would not likely be feasible given the low value of industrial space in Millis' location at this time.
- Status of Bay Colony rail spur could influence market for industrial space (see below).

## Office/Other

- Medical office is the most realistic office use in this location.
- Additional housing density and possible location of assisted living facilities or other senior-oriented housing would increase viability.
- Another potential use is an indoor sports complex.

## Vertical Mixed-Use

- Vertical mixed-use on Town Center properties is challenging and risky due to location and lack of pedestrian connections.
- Limited demand for small retail spaces also makes vertical mixed-use challenging.
- More appropriate configuration would be to concentrate retail along street frontage and locate residences in separate buildings behind retail space.
- Allowing phased development (construction of one use at a time) would help to facilitate horizontal mixed use development.

## **Other Development Considerations**

### **Redevelopment vs. Reuse**

- Both properties have obsolete structures that cannot easily be adapted for current or future uses. Redevelopment is the most viable, long-term reuse strategy.
- Both buildings have features with possible historic value. If eligible, historic preservation tax credits could enhance redevelopment feasibility.
  - The Clicquot Beverage Factory chimney stands as a landmark of historic significance to the town.
  - The GAF property's stone building and tower at the front of the property could be incorporated as office or community space in a redevelopment scenario, pending further analysis.

### **Environmental Conditions**

- GAF property has been undergoing environmental remediation since the 1990s. The DEP describes the site as not posing safety risks based on current or reasonably foreseeable land uses, including residential uses.
- The Ann & Hope well would require environmental upgrades to allow drinking water distribution, should this be desired.

## Infrastructure

- Existing infrastructure has the capacity to accommodate future growth.
- The Town has stated that they will not continue to reserve the sewer capacity for the Town Center properties if there is not redevelopment activity in within a reasonable amount of time.

## Bay Colony Railroad

- Bay Colony Railroad controls the rail spur which runs through Millis and the Town Center Properties. The line has been de-activated for the short term, but Bay Colony has indicated their intent is to re-activate the line when/if there is demand for freight transport.
- The future of the railroad will affect development potential and outcomes.
- While passenger rail service or a rail trail would be more complementary to residential development than a freight rail line, there are no current plans for these uses.

## Financial Feasibility of Redevelopment

- Demolition and other site prep costs, plus weak-to-moderate demand for commercial and residential uses will require collaboration between the Town and property owners to identify sufficient incentives to encourage redevelopment.
- Retail or office uses will provide higher return on investment than industrial uses.
- Residential development will need to be higher quality and/or higher density to command the rents and/or unit sale prices necessary to support redevelopment.
- A specialized residential development such as an assisted living facility might better support redevelopment costs.

## Zoning

- Current zoning for the Town Center properties is a combination of two base and three overlay districts, which creates confusion for potential developers.
- The Millis Center Economic Opportunity District-East (MCEOD-E) provides for mixed-use, in keeping with the Town's vision. But in may be limiting (especially in a weak market) because:
  - It requires a special permit, which causes uncertainty and potentially higher costs for developers.
  - It requires each *project* to be mixed use, which limits prospective development (single uses).
- Two groundwater protection districts pose significant limits to development potential, which would apply to development using the base zoning.
- MCEOD-E provides relief from groundwater protection districts' limitations. However, accessing these benefits requires additional costs, in addition to the other MCEOD-E issues described above.

## Development Concepts

- Purpose is to:
  - Illustrate what is possible under current zoning.
  - Illustrate the development potential under revised zoning that is better aligned market and site conditions.
  - Include potential reuses of Herman Shoe building for consideration and context.
  
- Three Development Ideas and their assumptions:
  1. Existing, As of Right Zoning
    - Development occurs through base districts and complies with Zone II (but not Zone A) lot coverage requirements.
    - Uses are grandfathered so that parking requirements do not have to be met.
    - Maintains current open space and current parking areas.
    - GAF building is demolished and redeveloped for industrial or offices uses.
    - Herman Shoe building reused as office space, possible upper floor residential units (which would require using MCEOD-E provision).
    - Assumed zoning changes
      - Amend base zoning to allow retail uses by right would enable additional viable uses such as discount retailers.
  
  2. Intensive Separated Uses
    - Market improvement provides demand for concentrated single uses on Town Center parcels.
    - Commercial use concentrated along Route 109.
    - Retains portion of building occupied by Ann & Hope and assumes remainder of buildings are demolished.
    - GAF parcel accommodates higher-density residential development compatible with surrounding neighborhood. Possible combination of assisted living and age-restricted units for a senior community, or smaller and more intense elderly housing development.
    - Possible preservation of historic GAF stone structure.
    - Impervious coverage is 50%.
    - Herman Shoe converted to residential or artist loft units.
    - Assumed zoning changes
      - Amend base zoning to allow single-use development of the three parcels so that they together comprise a mixed-use area.
      - Provision to allow 50% (or more) lot coverage.
  
  3. Town Center Village Mixed-Use
    - Provides mixed-use development (horizontal) in the spirit of the current MCEOD-E, but with some modifications.
    - Ann & Hope site accommodates commercial (retail or medical office)/residential to create horizontal mixed use.
    - GAF parcel accommodates residential, which might include 1-10–family townhouses or small single-family homes.

Town Center Properties Feasibility Study – Market Study Key Findings

- Rail trail enhances value of residential development on both parcels.
- Herman Shoe building renovated as office space with possible ground floor retail or customer service.
- Assumed zoning changes
  - Mixed-use overlay district amended to allow single uses in addition to mixed-use buildings.

<b>Development Scenarios Summary</b>									
Features	1. Existing Zoning			2. Separated Uses			3. Village Mixed Use		
	Ann & Hope	GAF	Herman Shoe	Ann & Hope	GAF	Herman Shoe	Ann & Hope	GAF	Herman Shoe
Program	Reuse	Redev't	Reuse	Reuse/Redev't	Redev't	Reuse	Redev't	Redev't	Reuse
Use	Ret, WH	Ind	Off/Res	Ret	MF Res	Res/artist loft	Ret & MF Res	SF & TH Res	Off
Devel. Program	30,000 Ret, 270,000 WH	135,000 sf ind	48,000 sf artisan/manf space	170,000 sf (incl. A&H bldg.)	110-205 DUs; 500-1000 sf/du	30 DUs (1,500 sf/unit)	110,000 sf Ret, 72-108 DUs	110 DU (15 SF and 95 TH)	28,000 sf off; 20 DUs
# stories	1 floor	1 floor	Current	1 floor	2-3 floors	Current	2-3 stories MF Res	2 ½-3 floors	Current
Density	Current (0.35 FAR)	0.26 FAR	0.56 FAR	0.2 FAR	10-17 DU/ac	0.56 FAR	11 to 17 DU/ac; 0.22 FAR for Ret.	10 du/ac	0.56 FAR
Parking spaces	Current*	200	Current or TBD***	685 **	165-305**	TBD***	440 sp. for retail; 108-162 sp. for res.	165	TBD***
% Imp.	60%	50%		50%	50%		50%	50%	

Ret = Retail; Ind = Industrial; Off = Office; Res = Residential; SF = single-family residential; MF = multi-family residential; WH = warehouse; DU = dwelling units, TH= townhouse residential  
 \* Parking requirements are grandfathered as space is being re-tenanted, no additional parking required.  
 \*\* Residential parking is 1.5 spaces/units , Retail uses require 4 spaces/1,000 sf.  
 \*\*\* Existing building has less than required parking. Expansion of parking area to meet current requirements will exceed allowable impervious surface under current zoning.