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Memorandum

To: Symmes Advisory Committee

Date: January 29, 2003

Project No.: 08157

From: Robert Brustlin
Ken A. Schwartz

Re: Symmes Hospital Business Roundtable

Following is a summary of the main themes that emerged from the Business Roundtable discussion that took place at Symmes Hospital on January 28, 2003. A full set of meeting notes is attached.

Strategy of the Deal

The first and perhaps most important message from the participants is that the “strategy of the deal” may be more important than the “plan” in determining the success of the project. Much of the discussion focused not on what the plan was but rather on the conditions under which a developer would be engaged. The importance of “managing risk” and “convincing lenders” was a major topic of discussion. The development package should:

- Be very clear about what the Town wants – establish a clear set of goals, threshold requirements, identify what things are absolute, reduce uncertainties.
- Leave maximum flexibility to the developer to be creative about the use of the site and meeting the market (items such as not assuming full hospital demolition and opportunities to satisfy certain program requirements such as wellness/community center at an off-site location should be encouraged).
- Reduce the plans to a set of criteria and not require the developer to build a specific plan.

Place Making

To be successful, the developer needs to be able to create “a place”. Among other things, this means:

- Give the developer control of the whole site.
- Consider increasing the density so that the developer can invest in first class infrastructure to create the place (ie. open space and landscape improvements). It was noted that 400,000 SF of proposed new development represents an FAR of 0.5 which is extremely low. Increased density would significantly reduce the financial risk to both the town and the developer.
- Consider possibility of going with a single use, such as a mixture of housing types.

Land Use

The developers felt strongly that Symmes is a “housing site” and that it would not work well for commercial uses. This is a reflection of both the current market and the realities of the site’s location and access to the property. Temper this with the comment that the current market is “jittery” about high-end housing.

Wellness Center

There was no clear direction on the Wellness Center. The general sense was that it was not well understood and that it may be considered a constraint in finding a good developer. If included, it needs to be much better defined including identifying the components that should be included in it. It was suggested that a back up plan be provided in case the Wellness Center is not successful. In general, the participants felt that the "Ridge" parcel was not the best location for the Wellness Center (lack of visibility, traffic generation, etc.), and that if it was located on the site that Summer Street offered greater potential.

Rental Housing

The developers recommended that the mix of housing allow for a rental component. This would provide flexibility to meet the market and may help developers take advantage of historic tax credits and more affordable housing options.

Affordable Housing

It was strongly suggested that the town be very specific about how much affordable housing will be required and how it will be structured and implemented. If the Housing Corporation will be involved for example, their involvement would have to be clearly defined in the RFP. If public financing is to be used, this needs to be worked out in advance of selecting a developer. It was noted that the Symmes site may not be the best location to meet the town's affordable housing needs. Some of the developers indicated that the affordable housing component may have an effect on the ability to sell and the sales price of high end housing. There may be a real need for moderate income housing such as could be afforded by town employees.

Infrastructure

Participants were clear that the infrastructure on site should be left to the developer. This way, the value of the existing buildings can be best evaluated and the cost of infrastructure can be minimized. There was general agreement that off-site infrastructure should be provided by the Town.