

Memorandum

To: Interested parties
From: Phil Herr
Date: March 19, 2006; revised March 24, 2006; April 29, 2006.
Re: Newton Centre and the Comp Plan

NEWTON CENTRE AND THE COMPREHENSIVE PLAN

March 24, 2006; revised April 29, 2006

The Newton Centre Task Force planning effort has the potential for importantly advancing many important aspects of the CPAC draft *Newton Comprehensive Plan*. One of the basic intentions of that *Plan* is to have follow-on planning take place for areas like Newton Centre, and the current effort there can be a contributory first example of how that might be done and what it can achieve. Newton Centre is a great first location for that, being the village center which more than any other is important to the entire City, and it has many of the major intentions of the *Plan* already in place with its rich mix of uses, pedestrian scale, and transit orientation.

Planning at both City and village scale involves choices about what kinds of development is wanted, with what qualities, at what locations, and in what quantities. The City-wide planning should provide a context regarding each of those, giving some degree of guidance but also being open to revision if the learning from more localized efforts such as the Newton Centre planning make clear that such revision would be appropriate. With that two-way exchange in mind, what follows provides some observations about how the amount of development planned for in Newton Centre might be considered within the context of City-wide expectations and intentions for commercial and residential development.

The broad City-wide growth intentions reflected in the data which follows broadly are these.

- The growing income stratification which is occurring as a result of what is happening in the housing market makes a modest amount of added housing essential if housing needs are to be addressed at all. The *Plan* shows as intention for between an 11% and a 15% growth in housing from 2005 to full build-out, which means between 2½ and 3½ percent housing growth over the next ten years, and population change somewhere between zero and one percent over the same period.
- Projections by others indicate a likelihood of restoring jobs in Newton to the level they were at prior to the declines of recent years and then continuing to have about as many jobs located in the City as there are workers resident in the City. That expectation is optimal from a “balanced growth” perspective and beneficial from a facilities and fiscal impact perspective, leading to those projections, with minor refinements, being accepted as our intentions.

- Village centers and other business areas play a major role in providing locations for intended residential growth, with between 600 and 1,000 of the 3,500 to 4,500 added units intended to be located in such areas.
- Business growth is intended to be shared among all of the City's business areas, with the largest amounts intended at places such as Needham Street and Riverside where the potential for accommodation is relatively strong.

“Newton Centre” has no sharp boundaries: the following analyses define Newton Centre the same as was done by the Newton Centre Task Force in its March 2006 *Initial Findings* report. The commercial floor area and the Citywide housing unit data for “Existing” are drawn from Assessor's records for 2002, and the existing dwelling unit tally for Newton Centre is based upon Attachment A “Property Information” from the Task Force's *Initial Findings* report. There appears not to have been any development between the two dates which would alter the analysis.

COMMERCIAL DEVELOPMENT

The City presently contains about 11 million square feet of commercial and industrial development, together called “commercial” in this memo. About 650,000 square feet of that, or 6% of the Citywide total, lies within Newton Centre. Newton's zoning would realistically allow a very generous 8,000,000 additional square feet of commercial development Citywide, a 70% increase which is far above market expectations. As a result for planning purposes an estimate of an additional 2 million square feet is used in the various CPAC studies for the “High” expectation over the next two decades or more.

For Newton Centre, the current zoning envelope is much less expansive, allowing only about another 130,000 square feet of floor area, a 20% increase above that now existing. For planning purposes, a somewhat higher figure, 160,000 square feet, is sometimes used in *Comprehensive Plan* tabulations, which would be growth at the same rate as expected in the Citywide “High” scenario. Even more than that would be credible, and not inconsistent with the broad intentions of the CPAC *Comprehensive Plan*. For illustrative purposes we have shown below a scenario in which commercial growth for Newton Centre is at a rate 50% higher than the anticipated Citywide High rate, resulting in addition of about 237,000 square feet of commercial floor area. For comparison, that is approximately the same as the commercial floor area proposed in New England Development's Chestnut Hill Square proposal for Boylston Street.

Those figures suggest a range for future commercial development expectations and intentions. Adding 130,000 square feet of commercial floor area would be a relatively modest implementation of the Citywide intention to see commercial activity grow a little and to be increasingly focused in village centers. Adding 237,000 square feet of commercial floor area would mean that Newton Centre would be taking a share of Citywide business growth which is unprecedented and perhaps difficult to either justify or service. For an amount of commercial development either lower than 130,000 square feet or in excess of 237,000 square feet to be found consistent with City-wide intentions would require re-examining the current draft *Comprehensive Plan*.

RESIDENTIAL DEVELOPMENT

Newton had some 31,700 housing units in 2002, with a reasonable expectation of adding another 3,500 units at build-out, a figure increased to 4,500 units in the *Comprehensive Plan* “High” scenario reflecting efforts to meet housing needs. The result is a 14% growth from now to build-out. Newton’s zoning for housing is the opposite of its zoning for commerce, tightly constraining what the market would otherwise produce. Within Newton Centre as defined for this memo, there are only about 134 or so housing units. Furthermore, reasonable expectations of potential residential development within that area are also very limited, anticipating only about 30 or so housing units under current zoning, a 22% increase. Zoning change and other public actions could significantly expand that expectation, doubling or even quintupling the numbers otherwise anticipated. Were residential development within the business-zoned portion of Newton Centre to quintuple current expectations it would add 150 housing units, more than doubling the current number, and well below the number proposed in New England Development’s Chestnut Hill Square.

Those figures suggest a range for future expectations and intentions for residential development. To plan for fewer than another 30 housing units would be to abdicate a role in the City-wide intention to promote housing in mixed-use contexts. To plan for more than 150 units would be a really aggressive move to take on an unanticipated share of efforts to meet Newton’s housing needs. To be consistent with City-wide intentions, an amount of residential development either lower than 30 units or in excess of 150 units would require re-examining the current draft *Comprehensive Plan*.

IMPACTS

Four categories of impact appear to be of wide interest and are relatively easy to approximate (though even massive studies of them would still leave them open to criticism by some). Those are jobs, New Growth tax levy, auto trips, and parking demand. Broadly speaking, those impacts are proportionate to scale. Growing twice as much will generally produce impacts twice as large on jobs, tax levies, traffic, and parking. We have made illustrative estimates with only a little more than that level of refinement.

JOBS

Based upon inventories of commercial floor area and of jobs there are about 250 square feet of floor area per employee in Newton. That varies widely among categories of use and locations. For Newton Centre we estimated 300 square feet per employee both existing and in the future. On that simple basis employment grows from the existing estimated 2,200 jobs in Newton Centre to between 430 and 790 jobs for the “Low” and “High” scenarios discussed.

NEW GROWTH TAX LEVIES

“New Growth” has specific meaning for municipal finance in Massachusetts. The amount of new taxes a City may raise exceeds the 2 ½% per year limit of Prop 2 ½ by an amount based

upon the value of new development in the preceding year. Discussion of how to finance a new Newton North High School has brought attention to that component of the tax puzzle, which has a central role in the City Administration's now-current plan for financing the new school. New development gives the City an increased revenue source. It also gives the City increased costs, but for the kinds of development anticipated in Newton Centre, commercial and multi-family housing, the revenue increase clearly exceeds the cost increase unless a disproportionate amount of it has to be used to achieve the growth.

We projected commercial New Growth tax levies assuming no inflation and a ballpark estimate for revenue of \$4.50 per square foot of floor area per year, lower than projected by New England Development for its project and higher than often found in current projects. We projected residential New Growth tax levies of \$6,000 per housing unit, somewhat below the current City-wide average to reflect the relatively small but valuable units anticipated. The long-term aggregate outcomes range from \$800,000 to \$2,000,000 between the "Low" and "High" scenarios, accumulating at an average annual rate of \$40,000 to \$100,000 per year. Residential New Growth exceeds commercial only if the Low Commercial and High Residential outcomes are assumed to occur. Those amounts do not reflect offsetting costs for services to those uses or infrastructure costs incurred to support them.

AUTO TRIP GENERATION

Like other impacts, auto trips will grow in proportion to growth in housing and jobs, modified by possibly lowered rates resulting from more effective use of alternatives to drive-alone cars in the future, easier to achieve in Newton Centre than perhaps anywhere else in Newton. We have estimated average daily auto trips at 4 per employee and 7 per dwelling unit for the current situation, and 3.5 trips per employee and 6 trips per dwelling unit for the added growth figures, reductions which are certainly within reach. The overall growth in trips in Newton Centre would include many trips just passing through, probably resulting in somewhat lower percentage increases than the 18-38% increases indicated for trips beginning or ending in the Centre.

PARKING DEMAND

As with auto trips, parking demand may be lower per unit of development for future growth than for the existing development as a result of improvements in parking management as well as auto trip management. We have estimated existing parking demand at 4 spaces per 1,000 square feet of commercial floor area, and at 3.5 spaces per 1,000 square feet of added commercial floor area. For residences we have estimated parking demand at 1.5 spaces per existing housing unit, declining to 1.25 spaces per housing unit for future development. Overall, an increase of between 18% and 35% in parking demand is estimated, similar to the increases in auto trip generation.

TABULATIONS

On the following pages are three tables. The first rows of Table 1 show the range of future development which has been discussed. "Low" columns show the least that is easily found

consistent with the *Comprehensive Plan*, while the “High” columns show the most that is easily found consistent with that draft *Plan*. The table then summarizes the impacts. Table 2 shows the spreadsheet which did the basic activity projections, relating the future Newton Centre to the existing and projected City. Table 3 shows the full method by which the various impacts have been estimated. Feedback from observation of how these figures relate to designs being generated in the Newton Centre planning effort may well result in revisions.

MAPS

Following the tabulations are three maps. “Potential Business Area Development” shows a pie chart for each of Newton’s business areas, with overall size scaled to what here is being called the “high” estimate of a realistic future total business floor area, divided between what exists (black) and projected growth (gray). “Additional Commercial Floor Area” shows by triangles of varying sizes the spatial distribution of growth in commercial floor area between 2002 and a realistic build-out, utilizing the same data as the previous map. “Additional Dwelling Units” similarly shows the spatial distribution of housing development which is realistically possible between 2002 and build-out.

Early Actions\Newton Centre\Expectations

Table 1. **NEWTON CENTRE DEVELOPMENT SCENARIOS SUMMARY**

3/25/2006

ELEMENTS	Existing	Added #		Added %	
		Low	High	Low	High
DEVELOPMENT					
Commercial floor area (sq. ft.)	650,000	130,000	237,000	20%	36%
Housing units	134	30	150	22%	112%
IMPACTS					
Jobs	2,200	430	790	20%	36%
New Growth tax levy					
Commercial	-	\$600,000	\$1,100,000		
Residential	-	\$200,000	\$900,000		
Total	-	\$800,000	\$2,000,000		
Daily trip generation					
Commercial	11,000	1,900	3,600	17%	33%
Residential	900	200	900	22%	100%
Total	11,900	2,100	4,500	18%	38%
Parking demand					
Commercial	2,600	460	800	18%	31%
Residential	200	40	190	20%	95%
Total	2,800	500	990	18%	35%

The "Low" columns are based upon the Base CPAC build-out figures.

The "High" columns are based upon the highest projections described in the narrative above and shown in the tables which follow.

Table 2. **NEWTON CENTRE DEVELOPMENT SCENARIOS ANALYSIS**

3/25/2006

ELEMENTS	Development			Potential % increase	% of Citywide Base increase
	Existing	Potential*	Total		
Commercial floor area (sq. ft.)					
Citywide					
Per Base buildout	10,850,000	7,740,000	18,590,000	71%	100.0%
Per High scenario	10,850,000	1,880,000	12,730,000	17%	24.3%
Newton Centre					
Per Base buildout	650,000	130,000	780,000	20%	1.7%
At Citywide High scenario rate	650,000	158,000	808,000	24%	2.0%
At 150% of Citywide High rate	650,000	237,000	887,000	36%	3.1%
Housing units					
Citywide					
Citywide at Base buildout	31,700	3,500	35,200	11%	100.0%
Citywide at High scenario	31,700	4,500	36,200	14%	128.6%
Centers at Base buildout	1,150	300	1,450	26%	8.6%
Newton Centre					
At Base buildout	134	30	164	22%	0.9%
At 2X Base buildout growth	134	60	194	45%	1.7%
At 5X Base buildout growth	134	150	284	112%	4.3%

* Net added commercial floor area or housing units above 2002 possible at build-out including special permits under "reasonable" assumptions.

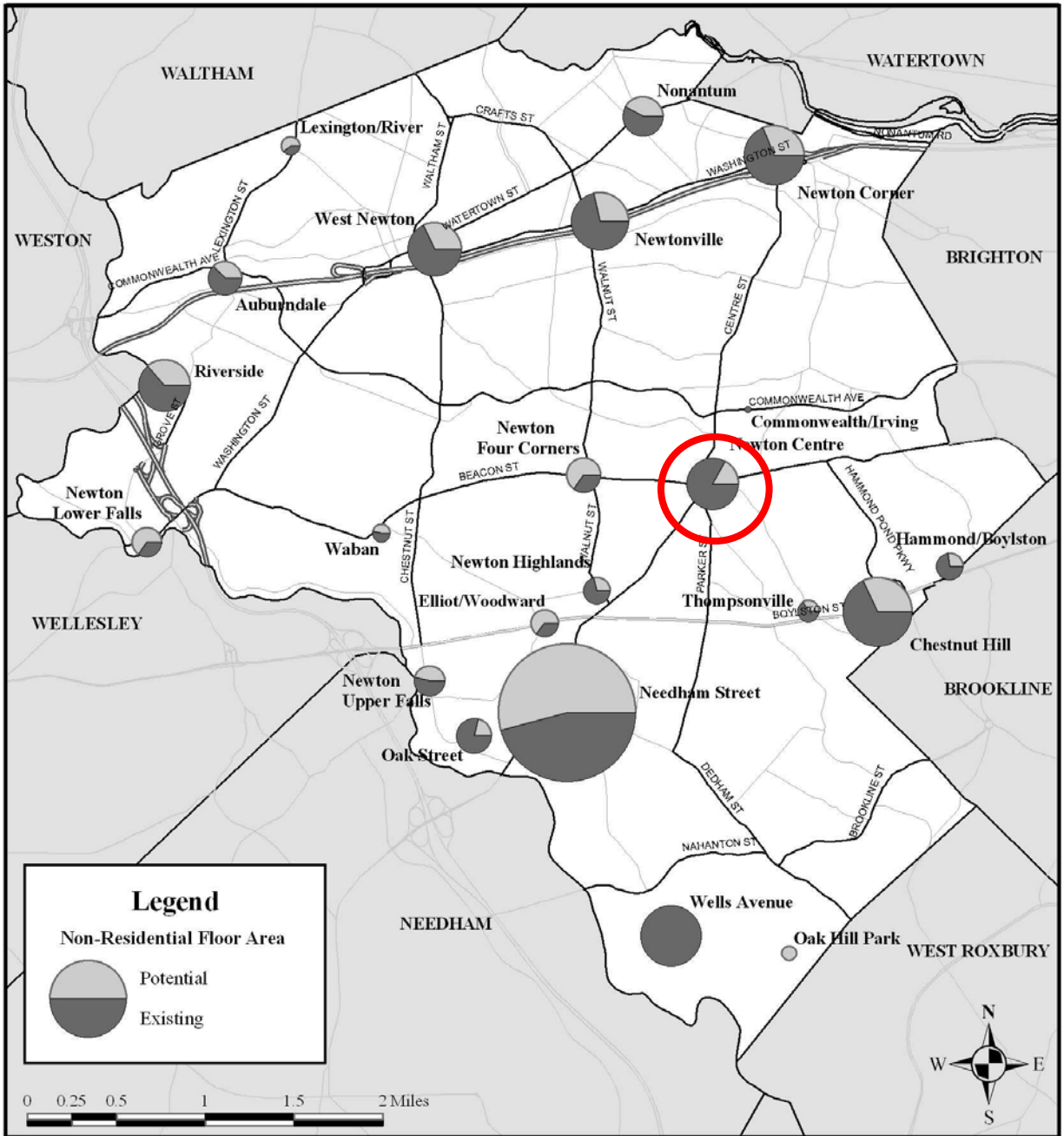
Newton\NC envelope

Table 3. NEWTON CENTRE DEVELOPMENT SCENARIOS IMPACTS

3/25/2006

IMPACTS		Development			Potential % increase
		Existing	Potential*	Total	
JOBS					
	Per Base buildout	2,200	430	2,630	20%
	At Citywide High scenario rate	2,200	530	2,730	24%
	At 150% of Citywide High rate	2,200	790	2,990	36%
NEW GROWTH TAX LEVY					
Commercial					
	Per Base buildout	\$0	\$600,000	\$600,000	
	At Citywide High scenario rate	\$0	\$700,000	\$700,000	
	At 150% of Citywide High rate	\$0	\$1,100,000	\$1,100,000	
Residential					
	At Base buildout	\$0	\$200,000	\$200,000	
	At 2X Base buildout growth	\$0	\$400,000	\$400,000	
	At 5X Base buildout growth	\$0	\$900,000	\$900,000	
Total					
	At Base buildout	\$0	\$800,000	\$800,000	
	At middle growth	\$0	\$1,100,000	\$1,100,000	
	At highest growth	\$0	\$2,000,000	\$2,000,000	
DAILY TRIP GENERATION					
Commercial					
	Per Base buildout	11,000	1,900	12,900	17%
	At Citywide High scenario rate	11,000	2,400	13,400	22%
	At 150% of Citywide High rate	11,000	3,600	14,600	33%
Residential					
	Per Base buildout	900	200	1,100	22%
	At 2X Base buildout growth	900	400	1,300	44%
	At 5X Base buildout growth	900	900	1,800	100%
Total					
	Per Base buildout	11,900	2,100	14,000	18%
	At middle growth	11,900	2,800	14,700	24%
	At highest growth	11,900	4,500	16,400	38%
PARKING DEMAND					
Commercial					
	Per Base buildout	2,600	460	3,060	18%
	At Citywide High scenario rate	2,600	550	3,150	21%
	At 150% of Citywide High rate	2,600	800	3,400	31%
Residential					
	Per Base buildout	200	40	240	20%
	At 2X Base buildout growth	200	80	280	40%
	At 5X Base buildout growth	200	190	390	95%
Total					
	Per Base buildout	2,800	500	3,300	18%
	At middle growth	2,800	630	3,430	23%
	At highest growth	2,800	990	3,790	35%

Newton\NC envelope

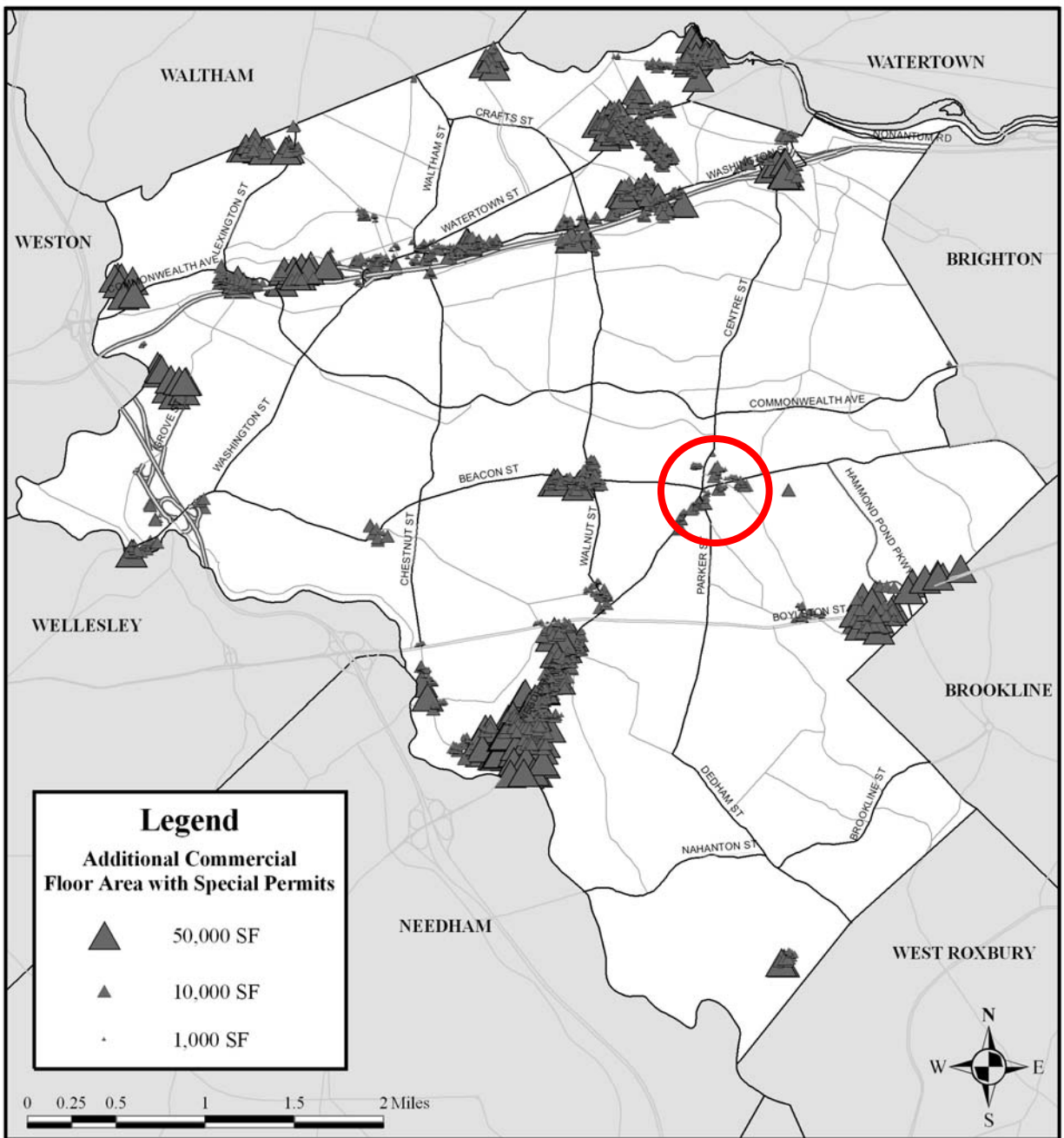


Potential Business Area Development Newton, MA



SOURCE: City of Newton Assessor's Database and Zoning Ordinances

MAP DATE: April 07, 2006
 COMPREHENSIVE PLANNING ADVISORY COMMITTEE
 City of Newton, Massachusetts, Mayor - David B. Cohen

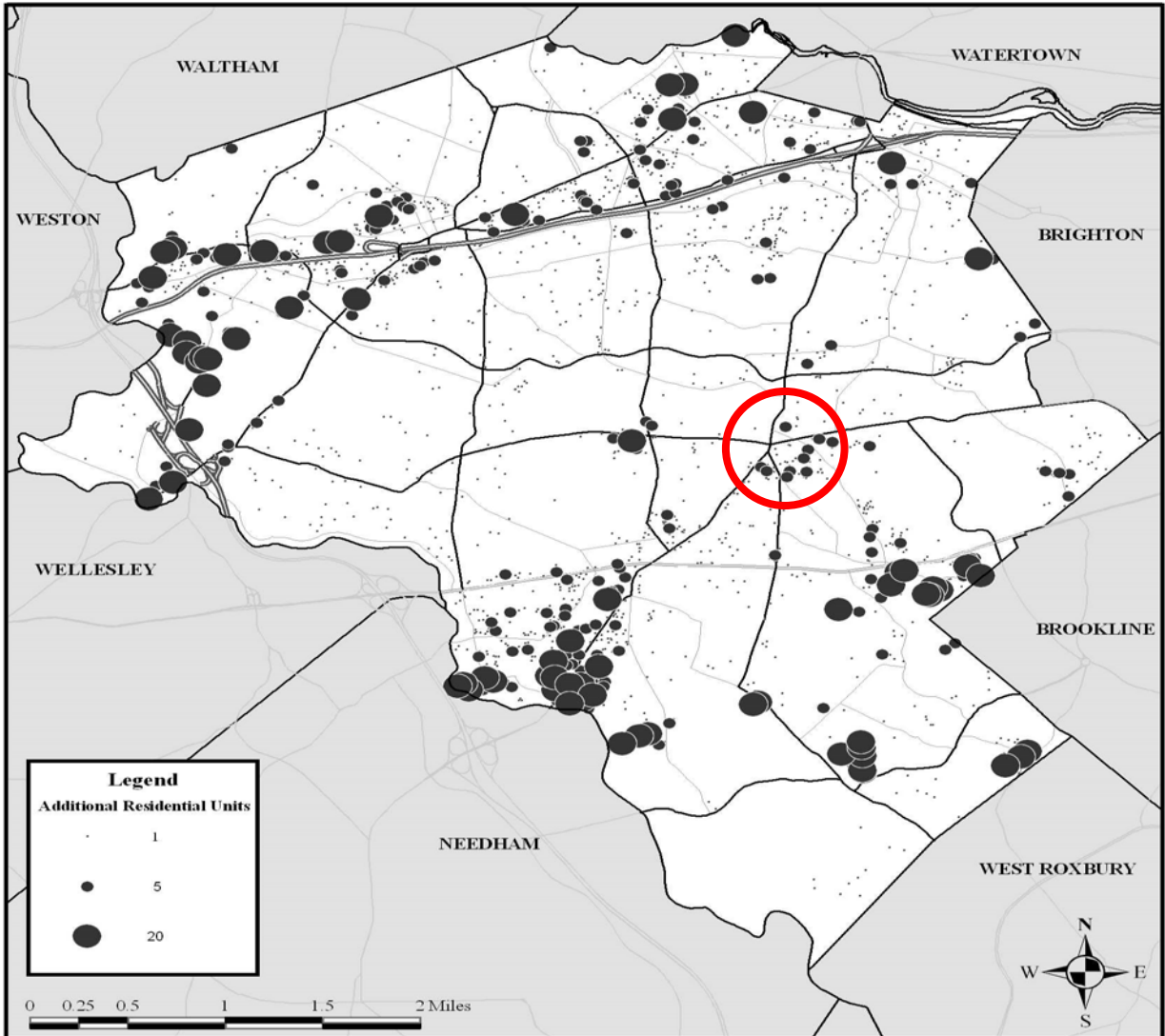


Additional Commercial Floor Area at Build Out
Newton, MA
 Maximum with Special Permits
 Realistic "Build" Assumptions

SOURCE: City of Newton Assessor's Database and Zoning Ordinances



MAP DATE: November 22, 2005
 COMPREHENSIVE PLANNING ADVISORY COMMITTEE
 City of Newton, Massachusetts, Mayor - David B. Cohen



Additional Dwelling Units at Build Out Newton, MA

**Maximum Number of Units
Realistic "Build" Assumptions**

SOURCE: City of Newton Assessor's Database

This map reflects a projected, reasonable level of build-out by right and/or through special permit. The additional build-out potential was based on the zoning controls in place and commercial area and number of dwelling units that existed or were under construction in 2002.



MAP DATE: April 06, 2006
COMPREHENSIVE PLANNING ADVISORY COMMITTEE
City of Newton, Massachusetts, Mayor - David E. Cohen