



Town Manager's Public Hearing

Spring 2022 Special Town Meeting

Beth Rudolph, Acting Town Manager

May 24, 2022

Article 1 – Majority Vote

- **MOVED AND SECONDED**, that the reports of Town Officers and Finance Committee be received and filed.
- *Proponent – Select Board*

Article 2 – 2/3 Vote

- **MOVED AND SECONDED**, that the Select Board be authorized to enter into a land development agreement with Winchester Waterfield MM LLC, or another subsidiary or affiliate of Civico Development, LLC, in substantially the form approved by the Select Board on May 16, 2022, as posted on the Town's website at <https://www.winchester.us/919/Waterfield-Lot-Development>, and to enter into a lease in substantially the form provided as an exhibit to such agreement.
- *Proponent – Select Board*

Article 2 Background

**Richard Mucci, Chair
Winchester Select Board**

Waterfield Lot Overview



- Lot Area = 43,389 sf
- CBD zoning district
- Bisected by MWRA sewer easement
- Adjacent to MBTA Commuter Rail Station

Redevelopment History

- **Spring 2018 Town Meeting**
 - Authorized Select Board to lease, sell or convey Waterfield Lot subject to a restriction requiring that the land be used for affordable housing purposes.
- **October 2019** – RFQ Issued (nine respondents)
- **July 2020** – RFP Issued (five qualified bidders)
- **October 2020** – Notice of Award issued to Civico

Redevelopment History (cont'd)

- **Spring 2021 Town Meeting – Article 6**
 - Town Meeting voted 118 to 46 (2/3 vote) to authorize the Select Board to enter into an LDA with Civico.
- **Public referendum held June 2021**
 - Opponents of the project gathered a sufficient number of signatures to hold a special election on Article 6.
 - The referendum failed 49% to 51%, and the vote of Town Meeting was overturned.

Waterfield Lot Task Force

■ **Reissue RFP** – Terminate negotiations with Civico and reissue the RFP (3-2).

■ **Building Height** – Consider increasing over Civico’s building height up to 60-ft to allow for more residential units (5-0).

■ **Chamber of Commerce Building** – Consider removal of building to allow for additional housing units and/or parking spaces (5-0).

■ **Public Parking** – Evaluate ways to decrease loss of public parking on the site and through the investigation of off-site parking (5-0).

■ **Retail/Commercial** – Consider removal of retail/commercial space if it allows for more housing units and maintains or improves economics (5-0).

■ **AMI Designation** – Change 80% AMI units to 60% AMI units (5-0)

■ **Ground Lease** – Consider ground lease terms for less than 99-years (5-0).

■ **% Affordable** – Strive for the current proposed affordability levels at 66%, but not go lower than 50% (5-0).

■ **Affordable Unit Mix** – Cover a range of affordability (30 – 80% AMI) and prevent all units at 80% AMT (5-0).

■ **Sustainability** – Consider sustainability and climate change as an important design feature, using a potentially all-electric building (5-0).

Revised Project Design



- 4-story building
- 60,000 sf
- 60 units
 - 40 affordable
 - 20 market rate
- 119 parking spaces
 - 48 private
 - 71 public



Financial Terms

Base Rent	Civico will pay \$1 million to the Town on the Ground Lease Commencement Date.
Payoff Rent	Civico will pay Payoff Rent to the Town in the amount of \$500,000 in equal installments of up to 8% of free cash flow per year until paid in full.
Percentage Rent	Beginning in the first fiscal year following completion and continuing semi-annually, Tenant will pay 15% of its Net Operating Revenue (if any) to the Town.
Capital Event Rent	If an assignment of the lease or sublet, or refinancing, or other transfer or change of control results in profits to the transferring entity, the Town will be paid 25% of that excess profit.
AHT Loan	The Town's Affordable Housing Trust (AHT) agrees to loan Civico \$500,000 and will be paid back while accruing interest at a rate of at least 5% per year.

Proceeds to the Town

Acquisition	\$1.5 million
Real Estate Taxes (15-years)	\$3,125,230
Supplemental Ground Lease	\$380,817
Repayment of AHT Loan with interest at refinancing	\$236,413
Refinance Proceeds	\$466,668
Total Projected 15-year cash return to Town	\$5,709,128

Parking Amenities

Parking Garage (construction costs)	\$2,205,842
Parking Exterior (\$30K per space per Civico's analysis)	Priceless!
Total value to the Town	\$7,914,970

What's changed since Spring 2021?

Design & Financial Parameters	Original Proposal	Current Design
Total units	60	60
Units below 60% AMI	32	40
% Low Income	53%	67%
Parking Spaces (private)	45	48
Parking Spaces (public)	40	71
Total Parking	85	119
Gross SF	64,500	60,000
Retail space	Yes	No
Chamber of Commerce building	Kept	Demolish
Acquisition	\$1 million	\$1.5 million
Percentage Rent	10%	15%
Capital Event Rent	15%	25%