

An aerial photograph of the Newburyport Waterfront. The image shows a large, mostly empty paved area (likely a parking lot or construction site) adjacent to the waterfront. Several boats are docked along the pier. To the left, there are various buildings, including a large industrial-style building and a smaller building with a steeple. The water is dark blue, and the sky is not visible. The text "Redeveloping the Newburyport Waterfront" is overlaid in a large, white, serif font at the top right. Below it, in a smaller white serif font, is "Newburyport Redevelopment Authority" and "Abramson & Associates, Inc.". At the bottom right, in a white sans-serif font, is the date "October 2, 2013".

Redeveloping the Newburyport Waterfront

Newburyport Redevelopment Authority
Abramson & Associates, Inc.

October 2, 2013

Barry Abramson

Abramson & Associates, Inc.

- Real Estate Development Consultant
- 35 years of experience
- Specialize in Public-Private Development
- Helping public sector + community-based organizations maximize planning + financial outcomes from RE development projects

Presentation Outline

- Review Project Objectives + Union Plan
- Public Improvements Cost Estimate
- Site Premium Costs
- Pros + Cons + Feasibility / Revenue Generation of
 - Union Plan with Residential Condos
 - Alternate Concepts
- Implementation

NRA Redevelopment Goals

- Expand Park / Public Open Space
- Maintain Reasonable Amount Public Parking
- Complimentary Development
 - Activate park
 - Reinforce connection btwn DT + waterfront
 - Pay for public improvements



Union - Revised Master Plan

Union Plan Use of 4.2 Acre NRA Property

- Park / Public Open Space / Walkways = 2.14 acres ($\frac{1}{2}$ of NRA property)
- Public Parking
172 spaces on approx 1.4 acres
- Building Footprints = 0.55 acres
+ ramps = 0.1 acres
15% of site

Public Improvements Cost Estimate

Construction & Design/Engineering Cost

\$4,000,000
(\$2013)

Public Improvements Cost Estimate* – Break-Out

	West	East	Total
Open Space	930,000	1,730,000	2,670,000
Parking Lot	240,000	610,000	840,000
Total	<hr/> 1,170,000	<hr/> 2,340,000	<hr/> 3,510,000
Total with Des/Eng @15%	1,350,000	2,690,000	4,040,000

*** \$2013**

Site Premium Costs Estimate*

- Soil Disposal Costs if off-site (GZA) = \$575,000
- GZA + Ellana conferred – Relocation on-site (under parking lot) more cost-effective - prelim est less than 1/2
- Likely can be funded by brownfields funding
- Other premium costs for construction to address soft soils + excess dewatering
- Up to approx \$15,000 per U/G parking space including 20% contingency (on top of standard U/G parking cost)

* \$2013

Union Plan Buildings

- 3 3-Story Buildings
 - 22,000 – 24,000 SF each
 - 70,000 SF
 - U/G Parking
-
- 2/3 on West Lot / Merrimac St
 - 1/3 on East Lot

Union Plan Buildings - Use

- Ground floor - Active public-oriented uses (e.g. Restaurant/Retail) – Required by Ch91
- Residential condos best prospect for
 - feasible upper level use
 - strong tax generation

Union Plan - Residential Above Commercial

Community Pros & Cons

Pros

- Retail/Rest activates park
- Residential = eyes on park
- All residential parking U/G

Concerns

- Resident constraints on park use?

Union Plan - Residential Above Commercial Feasibility

- Reasonable Prospect for Feasibility – though not guaranteed
- Based on strong market for condos tempered by cost burden of U/G parking, site condition
- RFP + developer design/engineering required to confirm feasibility / land price

Note on Financial Estimates

- Variability of feasibility / supportable land price estimates
- Real Estate Tax estimates – condos vs. rental
- Bond Financing
- Timing / Escalation

Union Plan - Residential Above Commercial

Ability to Fund Public Improvement Costs

		Say
RE Tax	\$270,000 - \$330,000	\$300,000
Supportable Bond		\$3,700,000
Plus Non-City Grants	\$500,000 - \$1,000,000	\$750,000
Less Cost of Public Imprvts		<u>(\$4,000,000)</u>
Surplus/(Gap)		\$450,000
Land Sale Proceeds	\$0 - \$1,000,000	

Union Plan - Residential Above Commercial

Additional Tax Benefits

year
21

Net After Bond
Payments if Bond
Debt Service =
Initial Year Est Tax
467,019

Total

1st 10 years	321,931
1st 20 years	1,469,889
1st 30 years	6,642,460
1st 50 years	21,175,898

Alternate Uses, Program Concepts

- Residential Rental
- Office
- 1-story Commercial Only
- Modified Union Plan

Residential Rental

At rents of \$2.00/SF or not much above that:

- Definitely not feasible if supporting cost of U/G parking
- Feasibility without dedicated parking problematic due to questionable marketability
- If feasible would likely generate only ½ RE taxes as plan with condos

Union Plan - Office Above Commercial

Community Pros & Cons

Pros

- Retail/Rest activates park

Concerns

- Office doesn't activate park in non-business hours
- Office generates considerable peak time parking demand competing with DT users
- 50 / building = 150

Union Plan - Office Above Commercial Feasibility

- Highly Problematic
- (even without providing parking)
- Requires pre-leasing/pre-sale multiple buildings at rents above local market in soft office market
- If one building gets built, not likely 2nd or 3rd will

Union Plan - Office Above Commercial Ability to Fund Public Improvement Costs

		Say: if 3 blgs	if 2 bldgs	if 1 bldg
RE Tax	\$140,000 - \$200,000	\$170,000	\$113,333	\$56,667
Supportable Bond		\$2,100,000	\$1,400,000	\$700,000
Plus Non-City Grants	\$500,000 - \$1,000,000	\$750,000	\$750,000	\$750,000
Less Cost of Public Imprvts		<u>(\$4,000,000)</u>	<u>(\$4,000,000)</u>	<u>(\$4,000,000)</u>
Surplus/(Gap)		(\$1,150,000)	(\$1,850,000)	(\$2,550,000)
Land Sale Proceeds	\$0 - \$1,000,000			

1-Story Commercial Community Pros & Cons

Positives

- Commercial activates park
- Some community members may prefer lower buildings

Concerns

- Low buildings not in scale/character with predominate existing/historic buildings

1-Story Commercial Feasibility

Good

1-Story Commercial

Ability to Fund Public Improvement Costs

		Say
RE Tax	\$50,000 - \$80,000	\$64,000
Supportable Bond		\$800,000
Plus Non-City Grants	\$500,000 - \$1,000,000	\$750,000
Less Cost of Public Imprvts		<u>(\$4,000,000)</u>
Surplus/(Gap)		(\$2,450,000)
Land Sale Proceeds	\$0 - \$1,000,000	

Modified Union Plan

Community Pros & Cons

Pros

- Retail/Rest activates park
- Residential = eyes on park
- All residential parking U/G
- Smaller/lower scale public use building in East opens views in middle of park and toward down river

Concerns

- Resident impact on park? - but only on west side

Modified Union Plan Feasibility

Reasonable Prospect for Feasibility

More likely to be accelerated East and West
development

Modified Union Plan

Ability to Fund Public Improvement Costs

		Say
RE Tax	\$200,000 - \$250,000	\$225,000
Supportable Bond		\$2,800,000
Plus Non-City Grants	\$500,000 - \$1,000,000	\$750,000
Less Cost of Public Imprvts		<u>(\$4,000,000)</u>
Surplus/(Gap)		(\$450,000)
Land Sale Proceeds	\$0 - \$1,000,000	

Questions / Comments

