

Concord Square Planning & Development, Inc.

Memorandum

To: Henry Woolsey, Vice Chair Petersham Selectboard
From: Ted Carman & Yuqi Wang from Concord Square Planning & Development
Subject: Nichewaug Inn & Academy Property Consulting – Focused Group Meetings on May 6, 2016
Date: May 10, 2016

Following the first public meeting that was conducted on April 13, 2016, the Nichewaug Inn & Academy Property (the “Property”) consulting team received feedback from a number of Petersham residents regarding the future of the Property. Based on the information gathered during and after the public meeting, the consulting team came up with several preliminary conceptual proposals. On May 6, 2016, Concord Square Planning & Development, Inc. (CSPD), the lead consultant of the consulting team, toured the Town and met with a number of groups and individuals to gather additional information of the Town’s needs and vision, and to solicit comments on the preliminary conceptual proposals. These groups and individuals include (control click on any of the below topics to be taken to that part of this memo):

- [Council on Aging, Kay Berry, Chair, and Sheila Youd](#)
- [Petersham Memorial Library, Bob Bellefeuille, President, Board of Trustees, and others](#)
- [Historic District Commission, Nancy Allen, Chair, and other HDC members \(a Posted meeting\)](#)
- [Planning Board, Fraser Sinclair, Chair](#)
- [Individuals: Chuck Berube, Former member, Town’s Nichewaug Inn Task Force, realtor; Steve Kieras, abutter; Jordan O’Connor, interested resident, architect](#)
- [Board of Health, Bob Pasic, Chair](#)
- [Town’s Nichewaug Inn Task Force, Ann Lewis, Former Chair](#)
- [Abutters: Michele and Tom Cahill; “Friends of Nichewaug”; Roy Nilson](#)
- [The Petersham Committee, Mick Huppert, Jim Regan, and Karen Davis](#)
- [Advisory Finance Committee, Ross France, Chair, and other AFC members \(a Posted meeting\)](#)

For each session, we showed the boards prepared by JB Clancy, showing four possible development options:

1. The Inn plus the Academy Building (Kitchen wing and connector building demolished);
2. Just the Inn (Kitchen wing and Academy and connector buildings demolished);
3. Inn plus four single family homes along the right-of-way roadway;
4. Inn plus 8 townhouse units built along the right-of-way roadway.

Below is a summary of the information and feedback we received during the meetings:

- **Council on Aging:**

1. Comments about the preliminary conceptual proposals:
 - a. (Sheila Youd) Some people may favor common area, but some others may prefer privacy therefore not be willing to use the common area as shown in the plan.
 - b. (Kay Berry) In order to pay for the heating, cooling, and maintenance of the common area, the condo fee might be very high.
 - c. (Sheila) The plan doesn't address senior housing issue, mainly because the price would not be affordable for many seniors in the town who are looking to downsize. In the past several years, there have already been 3-4 seniors (senior households) who moved to Athol because they could not afford to stay in their previous houses in Petersham. They would be willing to move back, but probably couldn't afford the new housing as proposed.
 - (Ted) Affordable housing needs significant subsidies, the allocation of which requires a long waiting period. In addition, Petersham is disadvantageous when competing for such subsidies with places like downtown Athol or downtown Orange. Therefore, it would conceivably be very difficult for this project to receive affordable housing subsidies.
 - d. (Sheila) What is the chance that a developer would be willing to carry out your plan?
 - (Ted) We don't know yet. In the four scenarios shown here, at this point we believe that the Scenario 1 and Scenario 2 are most likely to be feasible, but we need to conduct further financial analysis to be able to draw a conclusion.
 - e. (Sheila) In the scenario with 4 single-family houses, would it be better to not build the single family houses now, but rather wait to see whether there is a market for that?
 - (Henry) The single-family housing component probably would be needed to cover the cost of renovating the Inn building.
 - f. (Sheila) It has been said that the Academy building would be susceptible to a fire.
 - (Ted) The plan would be to redo the insulation and address dead air spaces.

- g. (Sheila) A central question is – do we need this density? Would it change the character of the town center?
 - (Kay) The density issue is mainly about activities. There won't be much more activities if existing senior town residents move to the condo units.
- h. What about doing rental properties?
 - (Ted) Cannot get rents high enough to make a development project with just rental apartments to work here.

2. Other needs and suggestions

- a. (Kay) We need services for seniors, such as hair dresser, cleaning, health care, etc. Some space in the Inn/Academy buildings could be leased to people to provide such services, to both seniors and non-seniors. Such businesses can help support the maintenance of the building.
- b. (Sheila/Kay) It would be useful to get some demographic information in terms of senior population in Petersham. The majority of the senior households have two people. Also do a survey to see whether these people would like a condo.
- c. (Sheila) Petersham has some empty houses owned by banks after foreclosure or individuals who are not using them as their own residence. These houses could potentially be converted to condos to serve seniors who are looking to downsizing.
- d. (Sheila) Many people would like to keep the community garden that is currently on the site.
- e. (Sheila) A couple of people in the Cemetery Commission have been talking about the Property and have a concept. If the Town is going to spend money on fixing the Property, we should have the kind of space that we want, instead of giving it to a developer to make money. Therefore, she suggests that the back part of the site be used to build a cemetery, modeling on the Mt Auburn Cemetery in Cambridge, and to use the front part of the site as recreational space, planting some trees. Also, some land could be given to the library.
 - (Ted) Cemeteries can be expensive, the Town gets little money back, and there's a cost to maintain it.

- **Petersham Memorial Library, Bob Bellefeuille, President, Board of Trustees, Hilary Loring (Library Trustee), Sheila Youd (from COA), and others.**

1. The Library's needs for water supply and septic treatment:

- a. Currently the well for the library is in the dirt-floor basement, and the water is not potable.

- b. Library is open 19 hours/week, with visiting peak on Tuesdays. There is only one bathroom on the 2nd floor that needs septic. There are plans to build a bathroom (ADA standard) on the first floor, but this won't add significant needs for water/septic.
 - c. (Ted) In thinking about the next 20 - 50 years, is it conceivable that the Library would have other functions that have much larger water/septic needs?
 - (Bob) Unlikely.
 - (Ted) Then there shouldn't be a problem to provide water/septic from a new Inn/Academy building renovation project.
 - d. (Bob) Who shall pay for the cost of connecting the Library to the new water/septic system, and also the maintenance afterwards?
 - (Ted) The plan could be to have the developer pay for the initial cost, which should be minimal compared with the total project cost. Then the Library would pay yearly maintenance fee to a condo association. The fee would probably be based on the usage of water/septic, proportionally allocated between the Library and the condo component.
2. Other information:
- a. The Library is owned by a non-profit organization; to qualify as a public library, the Town makes a certain level of annual contribution. The Library is required to maintain a minimum number of weekly opening hours.
 - b. The Library may need 6-10 parking spaces at the back of the Library, including ADA parking spaces connected to a handicapped accessible door perhaps at the north corner of the Library. The question is, whether it would be appropriate / feasible to require a developer for the Inn project to build these parking spaces.
 - (Ted) It will depend on the cost-revenue analysis.
 - c. A new development potentially could connect to the Library's Broadband, which is connected to the high-speed fiber optic cable system in Main Street. There are very few connections to the fiber broadband in the community currently.
- **Historic District Commission, Nancy Allen, Chair, and other HDC members** (a Posted meeting)
 1. As Chair of the HDC and also an abutter, Nancy Allen recused herself after convening the HDC meeting. Comments about the preliminary conceptual proposal:
 - a. (HDC) Why would you propose Scenario 1? And whether can we sell 25 units? What is the estimated price for each condo unit (the Inn portion)?
 - (Ted) It probably is the most financially feasible option. The prices might be around \$250,000 to \$350,000 but we are not sure yet. We need the financial analysis and market study.

- b. (HDC) Have any thoughts been given to senior housing or assisted living?
- (Ted) Yes.
- c. (HDC) In the past, the Town issued RFPs to seek developer/ development proposals but eventually failed. Based on what foundation would you think the future RFP following your work would be successful?
- (Ted) We would provide information about the site condition, local needs, and development plans and financial analysis that future developers could use.
- d. (HDC) Can we ask the developer to pay for the demo? How about having more than one developer working on different components?
- (Ted) It is unlikely that any developer would be interested if he/she has to pay for the demo. Also, the project scale is probably too small to have more than one developer.
- e. (HDC) Would the parking lot be covered?
- (Ted) The cost to cover the parking would be high. Covered parking may not make much difference in terms of the marketability and rent of the housing units.
- f. (HDC) For Scenario 2, is it possible for the Town to retain the open / remaining land?
- (Ted) That is a possibility, but may make it less attractive to developers.
- g. (Bob Clark) Is it possible to require the developer to refurbish the abandoned tennis court on the site for public use?
- h. (HDC) Could the Chapel (the music room) be used as a community space for the general public?
- (Ted) It is probably better to keep it exclusive to the condo community.
- i. (HDC) Would you compare retrofitting the existing building versus tearing down and building new senior housing? Retrofitting won't match the quality of new construction. Besides, in last year's Town Meeting regarding the proposal to demolish the Properties, over 50% of the town residents believed that the Inn building is not salvageable and must be torn down.
- (Ted) The Academy building is in good shape. For the Inn building, the plan would be to keep only the structure and foundation, to remove all the existing interiors and build new ones following ADA standards, and to restore the exterior to the original look. The quality would be as good as new construction and likely have more character.
- j. (The audience) One special quality of Petersham is that it doesn't have townhouses or condos. Therefore, there is likely to be resistance to the condo proposal. Also, higher density will lead to more activities in the town center. For many people, more activities don't translate into something good.
- (Ted) We consider saving the historic building as the priority, and we think adding a few units is better than tearing down the Inn building. Besides, historically there was much more activity here (140-150 students, seasonal hotel).

2. Other issues:

- a. (Roy Nilson) What about multi-purpose development, for example, a store that is complementary to the Country Store?
- (Ted) Typically even 200-300 housing units are not sufficient to support a store. There doesn't appear to be sufficient demand for retail. Retail space would be difficult to finance.

- **Planning Board, Fraser Sinclair, Chair**

(Fraser) Have talked with Town Counsel regarding the reuse of this site, generally speaking, I don't see anything mentioned in your scenarios that couldn't be dealt with within the Town's zoning and planning framework.

The current Town Zoning (established in 1973) made the entire town area as one zoning district, and requires 1.5-acre lot size and 150 feet of frontage. However, the majority of the town was built prior to 1973 under less strict zoning. A 25,000 square feet lot area with 90 feet frontage would match the existing town density and development patterns in the Common area, and would be consistent with the previous zoning.

Town Counsel has advised the Planning Board that it would be possible to create a zoning district for the site.

If the Town were to tear down all the buildings, it would be possible to create 4 house lots facing Common Street, with drive ways behind the houses, and leave the remaining land area open. Each new house could have 6 units according to current zoning Bylaw.

According to the current Bylaw, any historic passable way can count as "legal frontage", therefore if the plan is to save the Inn building, it would be possible to create three of these lots at the north portion of the site (the same location as the single-family houses in Scenario 3).

Fraser is a structural engineer, and strongly recommends getting a structural survey done of the Inn Building, so planners can understand the existing conditions accurately. He estimated the cost at about \$3,500.

- **Individuals: Chuck Berube, Former member, Town's Nichewaug Inn Task Force, realtor; Steve Kieras, abutter; Jordan O'Connor, interested resident, architect**

1. Jordan

- a. Suggested high-end rehabilitation to the Inn building, targeting people who want to be in a relatively isolated community.
- b. Has a plan with more demolition, only keep the front portion.
- c. There is now no place in town for people looking to downsizing.

2. Steve

- a. Both buildings are in good shape. The Academy building has the potential to be turned into almost anything, both in terms of the interior and exterior. The Inn building also has sound foundation and structure.
 - b. Communal living could be a good option for seniors. The Chapel room can be a group living facility. However, high-end rehab won't be affordable. Instead, mid-high end rehab with price with modest pricing would be better.
 - c. Personally prefer Scenario 2. But if the town needs more housing especially for the seniors, should consider keeping the Academy building.
3. Chuck:
- a. The three priorities of this project: 1) find a way to take care of existing seniors in the town; 2) reduce the financial burden on the Town to own and maintain this Property; 3) put the Property back on the tax roll.
 - b. People don't want something huge, so try to keep it as small as possible, but big enough to make the numbers work.
 - c. The Academy building will cost much less to rehab, therefore future units in building could be more affordable.
 - d. Another option is to only rehab the 1st and 2nd floor of the Inn building, so 5 units fewer.
- (Jordan) If put in 2-story elevator, would be able to change in the future.
4. (Audience):
- a. Need data for the Town's need for office space.
- (other audience): the Center School building has empty space that could potentially accommodate a Town need for additional office space. The school is designed for 175 students and currently has about 110 students. A new school is being completed in Athol which may draw "Choice" students from Petersham's school.
 - b. There have been development proposals before, but all of them have failed. Why would these proposed schemes be different from those? Has there been evidence that people seeking to downsize would prefer condo?
- (Chuck) As a real estate broker, he is aware of demands / needs of seniors for downsized housing. Although "condo" hasn't been mentioned specifically as an alternative, condo ownership could suit their needs. People just haven't imagined having condos in Petersham.
 - c. All the proposed scenarios require the Town to pay for demolition, which hadn't been mentioned in any previous proposal.
- (Chuck) Demo costs would be covered by future tax revenues.

- d. The number of parking spaces:
 - (Ted) We estimated that about half of the 25 units would have one car, and the remaining would have two cars.
 - e. Two-bedroom units suit seniors' needs because they may have visitors or relatives living in to provide care.
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- **Board of Health, Bob Pasic, Chair**
 - a. Senior housing with handicapped facilities probably would be easier to get more support from DEP when they review the water/septic facilities.
 - b. Mass Senior Housing programs – have many resources that may be applicable.
 - c. The Board of Health don't oppose any of the proposals, but would suggest that the new housing gives priority to town's people.
 - d. Senior services (such as cleaners, nurses, etc.) are willing to come to Petersham, and serve the senior residents who could be living in the condo units.

 - **Town's Nichewaug Inn Task Force, Ann Lewis, Former Chair**
 - 1. Recently, Ann wrote a memo summarizing her meeting with DEP in 2010 with regards to the water/septic issues associated with renovation/new development on this site. Key points in addition to the information in the memo:
 - a. Renovation versus new development – total demolition or demolishing a large portion of the existing buildings may force the project into the “new project” category, then more strict regulations for a public water supply would apply.
 - b. A new public water supply requires an at least a 100 foot radius “Zone 1” surrounding the well within which no structure is allowed (including parking).
 - c. If identified as a “new project”, and if the existing well can function as a public water supply, the dining wing of the Inn building probably would also need to be taken down to meet with the 100' buffer requirement; also, the planned parking lot would need to be moved.
 - d. If identified as a “new project”, and the existing well proves to be insufficient for public water supply, a new well probably needs to be located in the open space at the back of the site. Then the septic might be moved to the north corner of the site (to the farther end of the Academy building). In this case, the existing well could still be used for fire suppression / sprinklers.
 - e. In the 2010 meeting, DEP couldn't guarantee decisions regarding any future application. Application specifics would impact DEP decisions. Interpretation of regulations may

change, regulations may change, people may change, and previously unrecognized conditions on the site may become apparent that would force an unfavorable decision on an application.

- f. There is no oil in the oil tank in the basement. The site has a Phase One 21E certification as having no contamination.

2. Ann's recommendations:

- a. Consider public water supply simultaneously with development plan, and talk to DEP early in the process. The best result is having DEP not identify the development as a "new project" therefore not triggering more strict requirements.
- b. Test the existing well – the cost of testing for a public water supply (PWS) is high because a standard test includes testing the water level changes in all neighboring wells as a result of pumping water from this well for 48 hours.
- (Ted) it appears clear that we need to have a solution to the water supply issue early on in the process, and this should be an immediate priority.

• **Abutters: Michele and Tom Cahill, "Friends of Nichewaug"; Roy Nilson**

1. Tom:

- a. Recommend do a structure assessment on the existing buildings / engineers estimate it would cost no more than \$3,500. This has been proposed before, but wasn't approved by the Selectboard.
- b. The most important goal of this project should be to generate tax revenues. More units would generate more tax revenues. This could be a selling point for the development proposal in the town.
- c. Some people worry about density, but the "densest" scenario would have 40 people at the most, which won't have a big impact on the town's character. (Michelle) Could do a traffic study. (Tom) Even if the impact is 50 additional car trips per day, won't change the character.
- d. Small condo units could appeal to people who want a weekend house in the rural area.
- e. Main reasons that the previous development plan failed to get the town's support: 1) too many units; 2) the developer couldn't prove that there would be market demand for those units.
- f. The property has a clean 21E – no contamination.
- g. Seen examples of "capped leach field", for example, leach field under parking. It will double the capacity because the field does not have to contend with rain water, etc.
- h. Suggest talking to DEP to find the least costly way of testing the well.

2. Roy:

- a. Suggest trying to get a waiver from DEP for the existing well, to get it recertified. (Some of the existing wells surrounding the property don't comply with current DEP standards.)
- b. Suggest research/analyze a range of options, hopefully all with data.
- c. There is no affordable housing in Petersham, and people moved out of town as a result. The Town should do a housing production plan.
- d. Consider mixed-use – senior center/conference center in the Chapel room, Town office on the 1st floor of the Academy building, and residential in the rest of the space.

3. Nancy Allen:

- a. Several other abutters (who are not here) would like the building to be demolished.
- b. This study/report should include an assessment of viable demolition options, and identify the most financially advantageous way to finish the demo. Last year, the Town discussed several demo options, but they were too complicated and the numbers were confusing (principle, debt service, etc.)
- c. So far people have proposed/suggested over 8 options. How will the consulting team narrow down these ideas into several options to focus your financial analysis on?
- d. In the past a lot of work was done collecting information and considering alternative options. The consulting team should look into that.

• **The Petersham Committee, Mick Huppert, Jim Regan, and Karen Davis**

- a. The focus of the Petersham Committee is to help senior people find a way to stay in town if they want to stay, and to bring young people into town. Initially they looked at the Nichewaug Inn and the Quabbin Retreat properties for senior housing purposes.
- b. Right now the Committee is working on a resident survey on seniors' living conditions and preferences. They have received about 60 responses out of 300 surveys sent out to senior households. (Will email us the survey results) Many people find it inconvenient to live in and maintain their current big houses, but do not necessarily want to sell their houses and move into condos.
 - (Chuck) Suggest follow-up survey to figure out who might be interested in the condos and what prices they can/are willing to pay.
 - (Ted) It would be very helpful if by the end of the summer we can identify 12-13 people in town who are willing to sign up.
- c. Suggest look at the "Village to village" model (membership-based senior living) in Brookline and Beacon Hill.

- d. Suggest considering co-housing.
 - (Ted) It is very difficult for a group of people to start a co-housing project from scratch, but it has worked in situations where a developer builds the project and then opens it up to a co-housing form of ownership and operations.
 - e. Suggest include tax impacts analysis in the report.
 - f. For affordable housing, may consider having one person buy multiple units, getting them certified as “Section 8” housing and then lease to town residents at affordable rents.
 - g. Need an office for “Aging in Place” administrative staff, 2-3 people.
- **Advisory Finance Committee, Ross France, Chair, and other AFC members** (a Posted meeting); Bart Wendell, Town Moderator, attended.
 - a. Proposal from last year’s RFP – we were not sure what the developer wanted to do because he didn’t provide enough information, and didn’t have financing in place. So for this consulting report, AFC want to see:
 - a) Market study including demand, price, etc. Not only Chuck’s assessment as a broker. May also need market study on how easy it would be for people to sell their current big houses.
 - b) Financial analysis to demonstrate that the proposed development would be financially successful. (so far it seems that it is very difficult to make a financially feasible deal)
 - c) How the Town would be involved in the whole process, especially after this consulting work is finished? Ideally no extra cost would incur to the Town.
 - (Ted) We considered these three issues from the very beginning. We will have detailed financial analysis on multiple scenarios.
 - b. How detailed and accurate would your cost estimates be? Would you include cost-revenue analysis for each option?
 - (Ted) the type of plans that are needed for an accurate cost estimate would cost much more than the budget of this consulting work. So we can only estimate based on square footage.
 - However, compared with the preliminary plan we have now, we would further develop some of the plans to show the quality of the houses, which could help estimate how many people would be interested and the prices they are willing to pay.
 - c. It sounds like a two-stage process – your team will provide a proposal with a general idea and market study, then the Town needs to spend extra money to do a detailed plan with real evaluation? If your estimates and option proposals are not detailed

enough, what would you recommend us to do next? Will we be ready to proceed with issuing a RFP looking for developers?

- (Ted) Our hope is at the end of this report, we could narrow down the options and provide enough information to the point that a developer would take this project seriously, and spend money coming up with a detailed development plan.

- d. Can we do conditional transfer to ensure that the developer will finish the project as planned after taking control of the property? We hope to protect the Town.

- (Ted) Yes, we will recommend a conditional transfer, and making sure that the developer has got financing, detailed plans, and is ready to start construction before transferring the property. May also require bonding.

In our report, we will lay out steps to help protect the town.

- e. (Eric Mandel) There is a major divide in the town between people who believe the Town needs to find ways to get more revenues from this property, and people who believe the priority should be to protect the town's "rural" character, which has always been translated into concerns about "density". And some people believe that increasing density could hurt the property value in Petersham. Therefore, the most "marketable" plan or the most "economically/ financially favorable" plan may not be considered "good" or even "acceptable" for certain group of people. – Your team should keep this in mind during the process. The people you talked to today are primarily on the side of supporting development, therefore you shouldn't assume what you heard today is representative of the town's public opinion. Need to have a plan that falls in between these poles in order to get enough people to sign on to the concepts.

Also, in order to convince people it is necessary to have higher density, could do a cost-sensitivity analysis, comparing the costs of development at different density levels.

- f. If the town eventually agrees on complete or partial demolition, should the Town do the demo before issuing an RFP?

- (Ted) Wouldn't recommend doing the demo before someone responds to the RFP because that would make the property less attractive.

- (Ted) Is it reasonable to assume \$1M demolition cost? It would be cheaper for the developer to do the demo because the developer would not have to pay prevailing wages and comply with the public bidding laws. But asking the developer to pay for the demo may make the project nonviable. Needs more analysis to confirm this.

- (AFC) \$1.5 M should be enough, but that doesn't guarantee people would vote for demolition in Town Meeting. In general, the town won't agree to do the demo if there isn't a viable plan for next steps.

- g. Will you consider the economic impacts of people selling their existing houses to move into the condo units? In general, when more houses are put on the market, they could drag down the property value of both those houses for sale and other properties in the area.