

The success of Wakefield's economic development vision will be substantially dependant on the redevelopment efforts of current landowners or the developers to whom they sell their properties. At the same time, Wakefield's citizens and its government must lead the way, acting through this Master Plan and related efforts, encouraging productive growth and channeling it in directions that promote the greater good. To that end this Master Plan is constructed around the development scenarios that are presented in the following sections, focusing on five areas of opportunity throughout the town.

DEVELOPMENT SCENARIOS INTRODUCTION

Most land in Wakefield is privately owned. Parcels are developed as their owners see fit, within the requirements established by zoning and other local, state, and federal codes and ordinances. In general, owners develop properties in order to maximize their profit. Although this benefits Wakefield in terms of an increased tax base, the town has other interests that are not necessarily recognized in this kind of financial calculation. Healthy towns find ways to simultaneously balance public and private interests, including the need to build tax revenues, promote business development, and provide citizens with an attractive and well organized living and working environment.

This Master Plan presents development scenarios for five areas in Wakefield which suggest strategies for achieving such a balance. Each scenario begins with an analysis of the physical and economic strengths and weaknesses of the area, establishes development goals that benefit property owners and the Town, and then suggests how these goals can be given form through conceptual design proposals. An economic analysis lays out anticipated costs and benefits for the public and private sector, along with implementation strategies.

A key to successfully harnessing private economic development to benefit the public is to see Wakefield as more than just a collection of individual properties. Traditionally, this attitude has made the town a great place to live. Buildings around the Common or houses in the West Side group together to create a dignified streetscape with a series of wonderful open spaces.

Three of the study areas, the Junction, North Avenue, and Salem Street near 128 lack this kind of coherent underlying structure. By introducing a vision for these areas, this Master Plan proposes to make them more attractive and more profitable parts of Wakefield. The other two study areas, downtown Wakefield and Main Street in Greenwood each have a clear identity. However, the parking, streetscape, and business mix require improvements so that they can fulfill their civic and economic potential.

This Master Plan provides proposals for improving these areas so that they can meet the needs of area residents. By tying all five areas to a broader vision for the entire town that knits housing, businesses, natural areas and transportation into a unified whole, this Master Plan lays out ways to improve the beauty and economic vitality of Wakefield.

ANALYSIS OF FINANCIAL FEASIBILITY

Property redevelopment must provide a financial benefit sufficient to motivate owners to take on the risk of making changes. In the analysis of each study area it was necessary to determine the level of development (and profitability) required to trigger redevelopment. To do this, urban design, architectural design and financial analyses were conducted to determine realistic development programs consistent with the Master Plan's Goals and Objectives and financial feasibility.

If an initial scheme was not feasible, adjustments were made and revised schemes were tested. The process was repeated until a program and plan were developed that successfully balanced the objectives. While development plans for these properties may change as other considerations are brought to bear, the plans il-

lustrated and analyzed provide a framework for development that is both desirable and realistic.

IMPACT OF REDEVELOPMENT ON PROPERTY VALUE

Most of the properties considered for redevelopment have functioning uses that are paying rent or providing economic benefits. The properties could be sold as-is for a particular amount of money. In these analyses the assumed current value is the assessed value for land and buildings as determined by the Town's assessor. This assumed value is compared to a projected price that a developer might pay for the property if allowed to develop the program proposed in the Economic Development Master Plan.

The projected price that a developer might pay was determined by multiplying the value of the land on a per residential unit or per commercial square foot basis times the number of residential units or commercial square footage that could be developed on the property, less the cost of parking beneath the building (as opposed to surface parking). If the Projected Land Value is sufficiently greater than the Current Assessed Value, then there is likelihood that the property will be redeveloped within a reasonable timeframe. If the difference is small, the property owner will probably not assume the development risk for the time being.

VALUATION METHODOLOGY ASSUMPTIONS

Residential parking requirements are assumed to be 1.5 parking spaces per unit for rental apartments and two spaces per unit, on average, for condominiums.

The land value for apartments and for condominiums may vary depending on location within Wakefield, however, there was insufficient market information to differentiate values for the areas studied. The apartment land value of \$35,000/unit was based on the price developers were typically paying for development sites with the potential to generate rents typical for new apartments in Wakefield. The condominium land value of \$75,000/unit was based on the residual value after subtracting typical development costs and developer profit from a sales price of approximately \$350,000/condominium unit. Surface parking is included in the land value. If underground parking, structured parking, or parking beneath the residential floors is required, this represents a development premium and the cost is deducted from land value.

The assumed land value for commercial uses was based on the estimated price a developer would pay for the land that would allow the development of a square foot of building. At the present time the office market is dormant and over-built. It is assumed that in the future there will be a stable office market again and so land values are based on historic stable rents.

The typical condominium buyer will demand a larger unit than the typical renter. Accordingly, average apartments are assumed to be 1,150 gross square feet (including building common areas), and average condominiums, 1,400 gross square feet.

FISCAL IMPACT OF REDEVELOPMENT

To determine the "Fiscal Benefit" to the Town of Wakefield for a development scenario, the taxes that a new development would generate were calculated and the annual school cost attributable

to the number of school children likely to live in the development were subtracted from this sum. The Town is currently receiving taxes from these properties and, in some cases, is providing schooling for children living on these properties. Current tax receipts were subtracted and current school impact added to the projected Fiscal Benefit to derive “Additional Net Fiscal Benefit”.

Taxes were projected for apartments and commercial projects based on projected development costs times the current (2004) tax rate. For condominiums, tax revenues were based on projected sales price times the tax rate.

The estimated number of school children was based on recent studies generated for different housing types in Eastern Massachusetts. Two bedroom apartments and condominiums generate far fewer school children than single family homes, town houses, or larger apartments. Per child school costs are based on Wakefield’s current cost less state aid.

INCLUSIONARY ZONING

Inclusionary zoning refers to local requirements for the provision of a certain number or percentage of affordable housing units in new housing developments. Wakefield does not currently have an inclusionary zoning requirement. Developers are not currently required to provide “affordable housing” when developing market-rate housing, and no special provision has been made in the financial analyses to fund the cost of subsidized housing. However, the adoption of an inclusionary zoning provision is a recommendation of Wakefield’s Housing Master Plan. If such a provision is adopted in the future, it will decrease the financial

benefit to the property owner (as well as the fiscal benefit to the town) to the extent that associated costs are not made up through governmental support. Additional density might be needed to offset the economic impact if the residual economic benefit to the property owner is small.

CONDOMINIUMS VS. APARTMENTS

Condominiums have a significantly higher land value per unit than apartments, and may be the preferred choice of the property owner. However, certain circumstances may favor apartment building development. Larger-scale development and developments that can’t be phased may be unattractive to property owners for condominiums, as the units take longer to absorb and represent greater risk.

The financial analyses suggest that the market will support condominiums in all of the study areas, with one possible note of concern. The scenarios for North Avenue and the Junction propose some buildings with residential over retail. This familiar housing model, typical throughout New England towns, is readily accepted for rental housing but relatively new for homeowners. Condominiums require a much longer range commitment by the purchaser and, combined with retail, may meet with market resistance. Careful building design that creates a strong identity for the housing and ties it into open green space and the adjacent residential neighborhood is critical to successful development. Condominiums have been proposed at North Avenue because they represent the most economically viable project. Apartment buildings do not generate enough economic benefit on North Avenue when built within acceptable density guidelines.