Christo's Site Redevelopment Study

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UMASS DONAHUE INSTITUTE Economic & Public Policy Research

Christo's Site Redevelopment Study

Prepared by the UMass Donahue Institute's Economic & Public Policy Research Group

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Introduction

The Metro South Chamber of Commerce engaged the Economic and Public Policy Research (EPPR) group at the UMass Donahue Institute (UMDI) to provide a market analysis regarding potential redevelopment options for the former Christo's Restaurant and the recently closed Massasoit Conference Center (former Christo's II Conference Center), a site on two adjoining parcels in the eastern part of Brockton, Massachusetts.

The study deployed qualitative and quantitative analytical approaches, concerning the viability of a facility that would combine development in a way that would benefit both the community and Massasoit Community College. UMDI gathered secondary economic and demographic data for Brockton and the region, creating a picture of the local labor and real estate markets. UMDI then interviewed 14 key informants, including local leaders, stakeholders and industry experts to better understand and contextualize the opportunities and challenges in market potential in Brockton generally, and the Christo's / Conference Center site specifically.

This final report includes key themes and findings from interviews, lays out potential redevelopment options, addresses potential barriers to redevelopment, and also includes an inventory of potential economic development tools available for developers. Although the purpose of this report is not to make definitive suggestions on which redevelopment option should be pursued, there are some options that seem a better fit than others, and this is noted, along with some final recommendations regarding potential next steps in the process.

Site History

The Christo's / Massasoit Conference Center area in question is actually two parcels that are now both under the control of the Commonwealth of Massachusetts, and will be considered as one site when sold. The side of the site this report references as "Christo's" was once home to Christo's Restaurant, a 450-seat staple in the area that operated for nearly 50 years. In 1978, owner Christos Tsaganis opened a function hall next to the restaurant, called Christo's II, which was active until 1997, when Tsaganis sold it to Massasoit Community College, which then redeveloped the function hall into the Massasoit Conference Center.

Christo's Restaurant closed at the end of 2013. The Commonwealth bought the building and land in 2014, for \$1.7 million, and proceeded to demolish the structure in November 2014.





A panoramic view of the site. The Massasoit Conference Center is on the left. The vacant lot that once housed Christo's is on the right. Burrill Avenue sits in between.

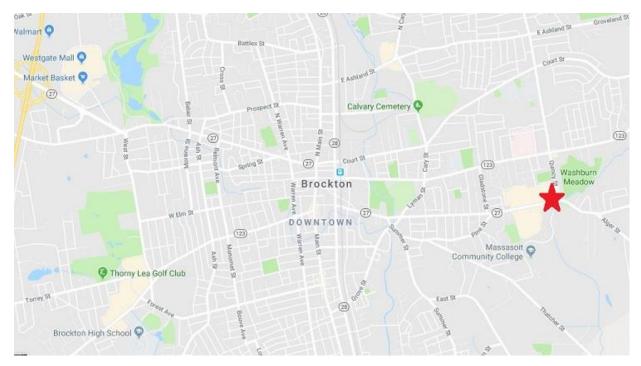
The original plan, announced in 2013, was for the Christo's site to become a \$27.4 million allied health and science center that would feature classrooms and laboratories, housing Massasoit's nursing and other health and science programs. But in 2015, when Governor Charlie Baker took office, replacing former Governor Deval Patrick, the health center was tabled as the Baker administration reassessed priorities for capital projects in higher education.

The site is now under the control of Massachusetts' Division of Capital Asset Management and Maintenance (DCAMM), who will dispose of the site on behalf of Massasoit Community College.



Existing Site Conditions

The Christo's / Massasoit Conference Center site sits on the corner of Crescent Street and Quincy Street, on the eastern side of Brockton, about 1.7 miles from downtown Brockton. The site is diagonally across the street from the most often used entrance to Massasoit Community College, on Crescent Street, and just minutes from the Whitman and Abington borders.

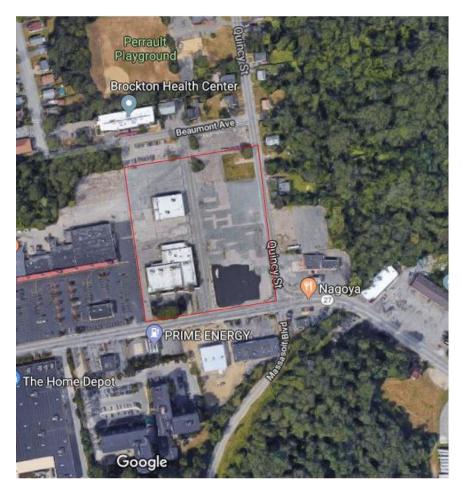




The approximately 6.8-acre site is surrounded by retail shopping plazas to the west and south, with some retail on the east side of the site as well, along with residential properties in the northeast, and the Brockton Health Center (a nursing home not to be confused with the Brockton Neighborhood Health Center downtown) to the north. The entire site is bisected by an access road, Burrill Avenue, and is currently zoned for commercial use. The site could be expanded to 7.1 acres of developable land if Burrill Avenue were closed to traffic and repurposed – a process that would be relatively straightforward to achieve according to Brockton's Department of Planning and Economic Development.



Figure 2. Aerial View of Site



The closed Conference Center and another building behind it sit on the west side of the property. The east side, which formerly housed Christo's Restaurant, is now an empty paved-over parking lot. The entire parcel is almost completely flat.

The Christo's side of the site has been vacant since January 1, 2014, with the Massasoit Conference Center becoming empty on July 1, 2018. The site sits just past a busy intersection of Quincy Street, Crescent Street / Route 27, and Massasoit Boulevard. The site is directly on a bus route operated by the Brockton Area Transit Authority (Route #6) which offers regular service between Massasoit Community College and Downtown Brockton, including the MBTA's Brockton commuter rail station.





The intersection of Quincy Street, Crescent Street, and Massasoit Boulevard.

The city of Brockton does not currently collect taxes on the property. Brockton city officials were unable to estimate how much money in tax revenue the city collected from the Christo's site the last year that it was operational. However, the land alone (including Burrill Avenue but excluding any buildings) on all parcels related to the site is currently valued at \$2,092,200. Including vacant buildings currently on the site, the total valuation is \$4,506,070.

Based on Brockton's commercial tax rate for Fiscal Year 2019, the city could have collected \$142,707.24 in property taxes, as it sits currently, this year, if it were owned privately rather than by the state.

Due to its prominent location on the east side of Brockton, many in Brockton view this site and surrounding areas as a key "gateway" to the city and Massasoit Community College from points further east. As such, the site offers the potential to be redeveloped in a manner that would set a welcoming tone, visually and functionally, for this part of eastern Brockton. Today, the area offers no visual cues that it is an entry into Brockton and the current signage for Massasoit Community College is little more than a marker for motorists.



Socioeconomic and Demographic Context

To analyze market conditions and opportunities for the Christo's/Conference Center site, UMDI took a summary look at Brockton's population, household characteristics, and employment trends. The data presented in this section should only be considered a starting point for a more in-depth analysis of Brockton's demographic trends and how they may reflect on the business and real estate development opportunities available at or nearby the site.

The City of Brockton is home to nearly 96,000 residents, and is one of Massachusetts' 11 originally designated Gateway Cities. Gateway Cities are formerly industrial urban centers that have relatively low household income and a lower than average (in Massachusetts) share of residents with a college degree.

Total Resident Population	2000	2010	2017	Percent Change 2000- 2017	Percent Change 2010- 2017
Brockton	94,304	93,796	95,672	1.5%	2.0%
Neighboring Towns	112,771	116,948	122,148	8.3%	4.4%
Abington	14,605	16,042	16,396	12.3%	2.2%
Avon	4,443	4,363	4,496	1.2%	3.0%
East Bridgewater	12,974	13,811	14,465	11.5%	4.7%
Easton	22,299	23,339	24,984	12.0%	7.0%
Holbrook	10,785	10,825	11,026	2.2%	1.9%
Stoughton	27,149	27,118	28,528	5.1%	5.2%
West Bridgewater	6,634	6,936	7,231	9.0%	4.3%
Whitman	13,882	14,514	15,022	8.2%	3.5%
Massachusetts	6,349,098	6,564,943	6,859,819	8.0%	4.5%
United States	281,424,600	309,338,421	325,719,178	15.7%	5.3%

Table 1. Resident Population

Source: U.S. Census Bureau, Annual Estimates of the Resident Population, April 1, 2000 to July 1, 2017

Brockton is the only city in Plymouth County, with the largest population of any municipality, but is not growing as quickly as surrounding towns (see **Table 1**) and the state, overall. The city experienced a slight drop in population growth earlier in the decade, but has since recovered, and more recently is seeing modest but steady growth (see **Figure 3**). Without documented population growth which Brockton and the surrounding region possess, it would be far more difficult for Brockton or any other city or town to attract the interest of developers, whether for housing, retail, office, hotel space, etc.



While Brockton is now only seeing modest population growth, the city's performance compared to other post-industrial cities (many of which are struggling with declines) throughout the country remains favorable. Brockton also benefits from its location within the Boston metropolitan area, one of the faster growing major metropolises in the Northeast.

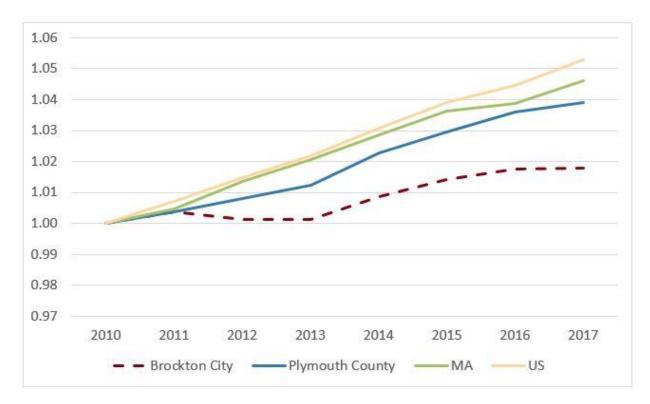


Figure 3. Population Growth, 2010 - 2017

Source: U.S. Census Bureau, Population Division 2017 Estimates

Thirty-one percent of Brockton residents are between the ages of 40 to 64, and just over a quarter of Brockton residents are children under age 18. Brockton is notably younger than the communities that surround it, and Massachusetts overall. Brockton also has a higher percentage of people age 25 - 34 than almost all surrounding communities, with the exception of Avon. On the positive side, the relative youth of Brockton compared to neighboring towns, barring out-migration from the city, will provide the city with more working age adults in future decades.



Percent of Population by Age, 2017						
% Pop. By Age	United States	Massachusetts	Brockton	Abington	Avon	East Bridgewater
Under 18 Years	23%	20%	26%	20%	17%	25%
18 to 24 Years	10%	10%	9%	10%	7%	8%
25-39 Years	20%	20%	21%	19%	21%	18%
40-64 Years	32%	34%	31%	37%	39%	34%
65 Years and over	15%	15%	13%	13%	16%	15%
% Pop. By Age	Easton	Holbrook	Stoughton	West Bridgewater	Whitman	
Under 18 Years	22%	16%	19%	22%	23%	
18 to 24 Years	14%	9%	8%	8%	10%	
25-39 Years	14%	17%	18%	15%	18%	
40-64 Years	36%	42%	36%	36%	37%	
65 Years and over	14%	16%	18%	18%	13%	

Table 2. Population Share by Age

Source: U.S. Census Bureau

Just as Massachusetts has become more of a draw for people and thus population growth, it has also become a magnet for jobs – with the two concepts obviously intertwined. Economic opportunity, manifested in the form of jobs, helps retain existing residents and attracts others. Similar to the population trends, Massachusetts has also experienced faster jobs growth than any other northeastern state since 2010, and almost all of this growth is taking place in metropolitan Boston.

In 2017, Brockton employed nearly 40,000 people, making it a leading job center for Metro South Massachusetts (see **Table 3**). Jobs growth in the city has been a moderate 8.5 percent since 2010 – a faster rate than the aggregate total of the neighboring towns, but slower than the Massachusetts and U.S. averages, both 12.5 percent during the 2010-2017 period. Massachusetts, led by Boston-Cambridge, was the fastest growing state in terms of jobs in the Northeast between 2010 and 2017.

Brockton's combination of jobs and population growth along with its Greater Boston location provides respectable fundamentals to support commercial and residential development. In addition, Brockton ranks in the top 1 percent of Opportunity Zones nationwide for "financial upside," or the room for growth in commercial and residential rents as compared to the surrounding area, according to research from the nonprofit MassEcon.



Geography	2001	2010	2017	Percent Change 2001- 2017	Percent Change 2010-2017
Brockton	37,604	36,813	39,939	6.2%	8.5%
Neighboring Towns	48,517	45,396	48,786	0.6%	7.5%
Abington	4,119	3,736	4,210	2.2%	12.7%
Avon	6,853	5,171	5,269	-23.1%	1.9%
East Bridgewater	3,008	2,605	2,746	-8.7%	5.4%
Easton	9,256	9,860	10,273	11.0%	4.2%
Holbrook	2,876	2,424	2,673	-7.1%	10.3%
Stoughton	12,490	12,682	13,669	9.4%	7.8%
West Bridgewater	6,775	5,772	6,629	-2.2%	14.8%
Whitman	3,140	3,146	3,317	5.6%	5.4%
Massachusetts	3,276,103	3,151,206	3,544,095	8.2%	12.5%
United States	129,635,800	127,820,442	143,859,855	11.0%	12.5%

Table 3. Regional Job Growth, 2001 - 2017

Source: Mass. Executive Office of Labor and Workforce Development ES-202, Bureau of Labor Statistics Quarterly Census of Employment and Wages

Despite its jobs growth and role as a leading regional center in Metro South, Brockton is a "net supplier" of labor, meaning Brockton supplied more workers to surrounding communities than it brought in to work within the city (see **Figure 4**). Roughly 25,400 people came to Brockton to work, while nearly 33,600 residents were employed elsewhere. Approximately 9,500 people both lived and worked in Brockton in 2015 (the most recent year available for this new U.S. Census Bureau product). In regards to the Christo's site, Brockton's supply of workers, many of them having to leave for their jobs on a daily basis, is a factor that would help attract prospective employers if they can offer more proximate lines of work for people currently needing to drive longer distances. It is important to note that more recent data is unavailable, and the proportion of workers coming to Brockton to work, or living and working in the city, may have changed in recent years.





Figure 4. Number of Workers Commuting Into and Out Of Brockton

Source: U.S. Census Bureau, On the Map Application, Longitudinal Employer-Household Dynamics LEHD data 2015

The largest industry in Brockton, by far, is health care, which grew by more than 2,000 jobs from 2010 to 2017 (see **Figure 5**). Brockton has three hospitals – Signature Healthcare Brockton Hospital, Good Samaritan Medical Center, and the Veterans Affairs hospital – along with a neighborhood health center, and a number of elder services, including nearly 700 beds in certified nursing facilities, as well as and other health care-related facilities. Jobs in the retail sector increased by more than 300 from 2010 to 2017, and manufacturing jobs also saw a roughly 110 job increase over the same time period, which is notable as manufacturing jobs continue to decline throughout much of the country.



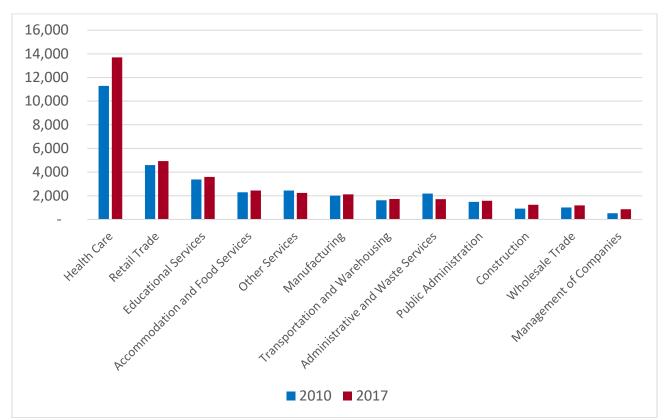


Figure 5. Brockton Change in Employment by Industry, 2010 - 2017

In terms of income levels, Brockton is below U.S. and Massachusetts averages. That said, the state and metropolitan Boston rank among the wealthiest regions of the country, a locational advantage that works to Brockton's benefit. At \$52,393, Brockton's median household income is lower than the surrounding towns which generally align with the Massachusetts \$77,385 average. The lower incomes also are reflected in a 16.8 percent poverty rate that is greater than the neighboring communities and Massachusetts as a whole, although not terribly higher than the U.S. average of 14.6 percent. Relatively high poverty rates are endemic to Massachusetts' designated Gateway Cities, like Brockton. Retail and housing alternatives for the Christo's site would need to reflect the types of demand that are reflective of lower income levels while still taking into account that the site can draw from the wealthier surrounding areas.



Source: Mass. Executive Office of Labor and Workforce Development ES-202

 Table 4. Household Income and Poverty

Geography	Median Household Income in 2017	Poverty Rate in 2017
United States	\$60,336	14.6%
Massachusetts	\$77,385	11.1%
BROCKTON	\$52 <i>,</i> 393	16.8%
Avon	\$69,709	8.5%
Holbrook	\$68,023	6.7%
Abington	\$91,643	3.6%
East Bridgewater	\$86,586	6.6%
Whitman	\$79,705	6.9%
Easton	\$105,380	4.7%
Stoughton	\$78,343	8.3%

Sources: U.S. Census Bureau, ACS 1-year, Table R1901, 5-year 2013 – 2017, Table S1701

Home prices, like income levels, in Brockton remain lower than in Greater Boston (well-known as one of the most expensive housing markets in the country). Perhaps a recognition of its value as well as a cyclical improvement from the Great Recession, home prices in Brockton have increased by some 62 percent since 2013, reaching a median price of \$290,000 for a single family home in 2018. Competitive home prices can work in Brockton's favor by helping to attract first-time home-buyers and others who have been priced out of other communities in Greater Boston.

The median sales price for a single family home is now \$610,000 in the metropolitan area, according to the Greater Boston Association of Realtors. Brockton can offer a gamut of housing options, from affordable worker housing to luxury apartments, to suit the needs of a range of individual and family-types. Rental prices also remain much lower in Brockton than in Boston, \$1,550 and \$2,750, respectively, for a two-bedroom apartment on average.¹ The lower real estate costs can work as a draw for the Christo's/Conference Center site but may also pose hurdles for market rate development where revenues (whether through sales or rentals) would need to exceed construction costs for viability. Previous proposals for development on part of the site have suggested that at least 175 to 225 units of housing would need to be built in order to make such a project financially feasible for developers.

¹ As of March, 2009. Boston Metro Report: March 2009 <u>https://www.zumper.com/blog/2019/03/boston-metro-report-march-2019/</u>



Site Attributes and Considerations

Transportation Access

Although not directly located on an Interstate or rail, the Christo's site is accessible through a network of roadways and bus transit and is in relatively close proximity to MBTA commuter lines and a major highway. Situated in the east-central part of Brockton, the Christo's/Massasoit Conference Center site is beyond walking distance from the city's downtown, a center of commercial activity serving local and regional markets. The site is also well to the east of the major north-south highway that runs through Brockton, Route 24, that connects the Route 128/I-95 Greater Boston beltway to Route 495/Cape Cod and beyond to Fall River and Rhode Island.

The Christo's site is on Route 27 (Crescent Street), which connects to Downtown Brockton, Route 24, and Stoughton to the west and to Whitman on Brockton's east. Very close to the northern boundary of the site, Centre Street (Route 123) connects Easton to Brockton and then northeast to Abington. Via Route 18 in Abington which then connects to Route 3 in Weymouth, this route provides an alternative to Route 24 for reaching Boston.

The Christo's/Massasoit Conference Center location also sits directly on one of the Brockton Area Transit (BAT) bus lines, providing direct access to major transportation nodes and activity centers. The #6 runs seven days a week, connecting the Brockton MBTA Commuter Rail stop just to the north of downtown, through to Crescent Street and then terminating at the Massasoit Community College campus. During rush hour, buses run along Route #6 every 20 minutes, and every 45 minutes on weekends.

Although the site location in eastern Brockton is easily accessible via transit and roads, the immediate site has pedestrian and vehicular safety and circulation issues, which include a lack of sidewalks on the way that are expected to be addressed. The intersection at Quincy and Crescent streets on the southeast corner of the site can be difficult to navigate and officials at Massasoit have raised concerns over safety for pedestrians and drivers.

The Massachusetts Department of Transportation is currently in the design phase of a project that will bring traffic and safety improvements to the intersection, including updating traffic signals, making roadway improvements, and extending the sidewalk and bike lanes through the intersection and along Massasoit Boulevard. These improvements should help the overall streetscape of the area as well as make it more walkable. These circulation, safety, and aesthetic enhancements will all add to the appeal of the Christo's site for redevelopment. They will also cast a more positive image as an entry point to Massasoit Community College and as a gateway to Brockton from the east.



Site Attributes for Redevelopment

The Christo's / Massasoit Conference Center offer several attributes that may help make it attractive for developers. The land on the site is almost completely flat making grading work close to unnecessary. The Christo's part of the site is now almost completely paved over, negating any need for demolition or redevelopment of an existing building. These characteristics are significant advantages, as there is not much buildable land in the city available for ground-up development. Though on a flat surface, the conference center would require demolition or substantial funding for adaptive reuse. Renovating and reusing the current building as it stands has been part of the public conversation among the greater Brockton community. For a building the size of the Conference Center (approximately 19,000 square feet), renovation costs would likely start at \$1 million, but could run as high as \$3.5 million, depending on the finished buildout, particularly if there is a change in building use.

DCAMM Process

The Christo's/Massasoit Conference Center site is currently under the care and control of the Division of Capital Asset Management and Maintenance (DCAMM), which is holding the site on behalf of Massasoit Community College and will assist with the disposition of the land. The disposition must take place prior to any development. This disposition process includes the passage of legislation at the state level. Although the site is bisected by access road Burrill Avenue, the Commonwealth plans to package and sell the 7.1 acre site as one unit. It is possible, however, if two developers were each only interested in redeveloping one parcel, for the site to be sold as part of two separate transactions.

To begin the process, the district's state representatives (today, Senator Michael D. Brady and Representative Michelle M. DuBois) must introduce a bill into the state legislature and the bill must be passed before the site is free for redevelopment. DCAMM may help with the wording of the legislation, which should be as open-ended as possible, in order to ensure that the disposition of the site will be responsive to the college's needs. DCAMM's ultimate goal is to dispose of the site in a way that will serve both Massasoit and the best use of the community overall.

There are three main processes by which DCAMM assists in disposing of sites:

- **Property Auction.** DCAMM contracts with an outside auctioneer to conduct a live auction of a parcel, which is sold to the highest bidder. The Commonwealth provides some information about the site, and may also include guidelines and potential suggested uses for the site's redevelopment, but there is no guarantee as to what the winner will do with the property.
- **Request for Proposals.** DCAMM provides information about the site to potential developers, and interested parties submit proposals for the sale and redevelopment of the parcel. The proposal that fits what DCAMM believes is the best use for the site is then selected, and DCAMM and the buyers agree to a sale price.
- Sale Partnership Program. This option, also the newest, allows DCAMM to sell the parcel to the city or town in which the parcel sits; the municipality may then market the site to private



developers and retain up to 70 percent of the net resale proceeds, with the rest of the proceeds returning to DCAMM.

Interviews with project managers at DCAMM indicate that the sale partnership program may not be applicable for this site, and city officials have raised concerns about proceeding with the auction option. The RFP model, then, may be the most attractive option for all stakeholders involved.

DCAMM is currently pursuing the RFP disposition model with the former New Bedford Armory, a 35,000 square-foot, multi-building site that sits on approximately 1.3 acres in an area of the city that is currently zoned for residential use.² In its Request for Proposals of the former Armory, the Commonwealth outlines the process and the goals for the site's redevelopment, includes descriptions of the property, information on the building and the land, examples of similar past redevelopment, and an overview of submission requirements and the selection process.

Winter Real Estate Investors was the only company to respond to DCAMM's RFP, and has proposed redeveloping one of the Armory's buildings into nine market-rate apartments (two studios, three one-bedroom apartments, three two-bedroom, and one three-bedroom), and converting another building into self-storage, while preserving the "historical exterior" of both.³ The proposal also includes a parking lot with 12 spaces. In addition to private funding, the developer will seek to receive money from state and federal programs, including the Historic Rehabilitation Tax Credit, the New Markets Tax Credit, and credits through the Housing Development Incentive Program.

As of June 2019, the New Bedford project is still in the Due Diligence phase of DCAMM's RFP process.

If DCAMM pursued this option for the Christo's / Conference Center site, it is feasible that DCAMM would seek the input not only of Massasoit officials, but also Brockton officials, community stakeholders including Chamber leadership, and potentially information from this report for its RFP.

² <u>https://www.commbuys.com/bso/external/bidDetail.sdo?docId=BD-19-1019-DCP01-ORE01-34591&external=true&parentUrl=bid</u>

³ Dunlop, Kiernan. "Proposal to Turn New Bedford Armory into apartments," *South Coast Today*, May 28, 2019. <u>https://www.southcoasttoday.com/news/20190528/proposal-to-turn-new-bedford-armory-into-apartments</u>



Redevelopment Options for the Christo's/Massasoit Conference Center Site

To better inform this analysis and assessment of potential redevelopment opportunities for the site, UMDI conducted 13 interviews with 14 people, including local officials, elected city- and state-level representatives, neighboring property owners, and area developers, and business leaders.

Name	Position and Organization
Rob May	City Planner, City of Brockton
Anne Beauregard	Ward 5 City Councilor, City of Brockton
Michelle DuBois	State Representative, 10 th Plymouth District (site area rep)
Claire Cronin	State Representative, 11 th Plymouth District
Abi Vladeck	Senior Project Manager, Division of Capital Asset Management and
	Maintenance
Albert Senesie	President, Victory Human Services
Francis DeCoste	Chief Operating Officer, TR Advisors
Bill Mitchell	Former Interim President, Massasoit Community College
Kim Hollon	Chief Executive Officer, Signature Healthcare Brockton Hospital
Michael Mather	Property Owner, Developer
Peter Vlaco	Developer, Brophy & Phillips
Ray Ledoux	Administrator, Brockton Area Transit; Metro South Chamber Board
Chuck Jones	President, Harbor Health Services
Renee Lohman	Chief Executive Officer, Navigator Elder Homes of New England

Table 5. Study Interviewees

Over the course of the interviews, multiple themes appeared, including a desire for the development to be of use to Massasoit Community College students and a need for the site to be developed in a way that enhances the intersection, both aesthetically and functionally. Although several ideas for use arose from the interviews, the inclusion of a housing element was the most frequently cited as a potential best use of space.

Potential options, garnered from the interviews, include the following:

- Commercial Office Space and Retail
- Restaurants, specifically local
- Hotel
- Housing
 - \circ $\;$ Senior supportive housing / assisted living



Commercial Office Space and Retail

There may be some interest in extending the existing retail plaza that sits next to the site, on Crescent Street, into the site that is up for sale. Although the site is currently zoned for commercial usage, multiple interviewees indicated that additional retail space would not, at least initially, be drawn to the area. There is a sentiment that the Crescent Street area is oversaturated with retail, and the recent closure of some national chains in the area, including Rite Aid, underscores the area's current challenges for retail expansion.

There is also a sense that the existing retail in the area is of variable quality—both a Dollar Tree and Family Dollar are in the same car-oriented shopping plaza next to the Massasoit Conference Center. A recent study revealed that "dollar stores" typically target lower income, predominantly minorities, harms local businesses, and contributes to the creation of "a permanent underclass in America".⁴ Although there is higher quality retail in the area as well, like Home Depot, Shaw's, and some small businesses, most interviewees expressed a concern that expanding retail would not be the best use for the area, notably if it is not combined with some form of housing that would induce greater demand for stores and restaurants.

Multiple respondents also reported that office space would not be ideal for this location, with prospective tenants more likely to be attracted to the Route 24 corridor and downtown Brockton locations that offer either direct highway or commuter rail access. A surplus of Class B and C office space that is unused or underutilized throughout Brockton also makes the office option less compelling for the Christo's/Conference Center site.

Bringing In Local Restaurants

There is a sentiment that Brockton is over-retailed for its population size, while also being under capacity for restaurants, especially locally-owned eateries. Replacing the Christo's site with another restaurant, however, is not ideal. Stakeholders we spoke with would like to see some restaurant space as part of a larger development that would likely include housing. Around the country, restaurants with direct connections to the local markets they serve can be a catalyst for development and urban improvements. Less than a decade ago, young chefs flocked to Detroit and created a "restaurant renaissance" for the food scene in that city. Chef James Rigato, who started a restaurant in Detroit in an abandoned strip mall, grew to such national acclaim that he recently starred on Bravo's Top Chef. Rigato credits much of his success to his work creating ties with local vendors and community members.⁵

Although not in the national limelight like Detroit, Brockton could follow this example, with developers working to attract interested up-and-coming chefs with the opportunity to open a restaurant in an area with lower rents and plenty of traffic. The high start-up costs for opening a restaurant in combination

⁵ Erin Podolsky, "White Lake's acclaimed The Root Restaurant & Bar sold to Sparkies owner," *Detroit Free Press*, August 10, 2018. <u>https://www.freep.com/story/entertainment/dining/2018/08/10/root-restaurant-sold-sparkies-james-rigato/959126002/</u>



⁴Andrew Whalen, "Dollar Stores Planning for Permanent American Underclass, Sell More Groceries Than Whole Foods," *Newsweek*, December 7, 2018. <u>https://www.newsweek.com/dollar-stores-general-tree-america-economy-poor-people-food-poverty-lower-1250186</u>

with expensive real estate are making Boston's inner core (Boston, Cambridge, Somerville, and Brookline) prohibitive to innovative, new eateries. Brockton has an opportunity to help fill this void while also enhancing the quality of life for residents and attracting others from wealthier suburbs for meals. There is also a food manufacturing base already in Brockton, including Concord Foods, Kinnealy Meats, Spence & Co. seafood, Boston Fresh produce, Near East Bakery, Montilio's Baking Company, White's Bakery and Café, and Cindy's Kitchen, which may be able to make industry connections with new chefs.

Hotel Space

Another suggestion that came up during interviews was to turn the space into a hotel. While there are six nationally branded hotels along or near Route 24 on the west side of Brockton (exits 17 & 18), there are no hotels on the east side, nor are there any hotels or motels in the communities immediately east of Brockton between the site and Route 3, including Abington, Whitman, Rockland, Hanson, East Bridgewater, and Pembroke. A hotel would likely not occupy the entire Christo's/Conference Center site, so a possibility could be locating a hotel on the eastern side of the site while using the western side for another purpose like retail.

A hotel could take advantage of reuse possibilities of the now-closed Massasoit Conference Center, renovating the building to offer additional meeting and event space. A hotel could also offer restaurant space on the first floor. The property and rooms taxes generated by a medium-sized hotel (in the 150 to 200 room range) would generate approximately \$600,000 per year for the City of Brockton, based on a rate of \$150/night and 75 percent occupancy. Extended-stay hotels with suites built for long-term guests could be converted to housing units at some point in the future, if there was a demand for it.

Pursuing this option would most likely include further market research to assess what kind of need there is for a hotel and type of hotel, and to assess how many rooms would match demand for the site and its location.

Housing

Eastern Massachusetts is facing a shortage of housing units and escalating costs across the region. Mayors of cities and towns in Greater Boston, as well as Governor Charlie Baker have recently unveiled plans and financing incentives to increase housing units across the Commonwealth. In our interviews, multiple respondents brought up the idea of housing in some form on the site, either through a mixeduse development, workforce housing, age-restricted housing, townhouses, or traditional market-rate development (could be a mix of apartments, single family homes, and multi-family homes). Developers estimated that 150 to 200 units of apartments could fit on the site, depending on density and building height. Another option would be to create a grid pattern of small streets on the site that could be fronted by various types of housing. According to city officials, Brockton has the water and sewer capacity to take on this potential additional usage.

Creating housing in the area does face some difficulties, however. Developers pointed to high and rising construction costs as one of several potential sources of difficulty for funding a housing project. There is also a concern that this site would not fetch market-rate housing prices that would cover construction costs, as it is not directly in downtown Brockton. A dedicated "last mile" bus transit service to



downtown and the commuter rail station could augment the BAT #6 service, further enhancing the area's attractiveness to prospective residents. Such a service might also help developers collect a higher monthly rent.

A third concern is over the community response to adding housing—the site would need a zoning variance, and there are community concerns over crowded schools that may make some housing plans more difficult to win community approval. Targeted development, like senior or assisted care housing, may see more public support.

Workforce housing may also be another targeted option, though some developers said that such a project might face similar financing difficulties, as housing priced for the workforce may not be that different than market rate units. This may in part be because there is not set definition of "workforce" housing and how it may differ from market rate housing, as well as the fact that housing that is only slightly less per month than market rate units (based off area median income), may not qualify for more traditional affordable housing programs, where clear income standards are delineated, making it difficult for developers to find sources of funding for such a project.

Assisted Living, Senior Supportive Housing

As with the rest of the country, the share of the population aged 65 and over in Brockton is expected to rise in the coming decades, as the Baby Boomer generation continues to age. According to UMDI long-term population projections as outlined in **Figure 6** below, the number of Brockton residents 65 and older will increase by 4,700 between 2010 and 2030. Concurrently, the population aged 45 to 60 is expected to decline.

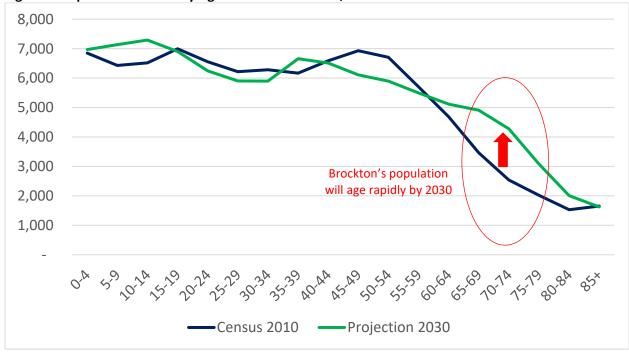


Figure 6. Population Growth by Age Cohort in Brockton, 2010 to 2030

Source: UMass Donahue Institute, Population Estimates Program



The aging of Brockton's population has significant implications on the City's housing, both in terms of housing-type and housing availability. In 2017, 50 percent of Brockton householders aged 65 and older were living alone, and 54 percent of those householders were living in single-family homes. This translates to approximately 1,800 householders over 65 in single-family homes in 2016. This is a significant population that has ramifications on the overall Brockton housing market as older residents make decisions to either stay in their homes ("aging in place"), move in with others (e.g., their children), or move to various forms of assisted living.

As the older population continues to grow, so too is the share of elderly householders staying in their homes, commonly referred to as "aging in place." According to Freddie Mac, the federal home loan organization, the trend of seniors aging in place accounted for approximately 1.6 million homes, throughout the country, being held off the market through 2018.⁶ The housing shortage, seen more acutely in the Boston area than most other parts of the country, may in part be due to the larger percentage of seniors who are remaining in their homes than in previous generations.

While some older Brockton residents may be able to stay longer in their homes because of advanced medical care, others may be remaining in their homes because they do not need the level of care offered by a nursing home, and cannot afford the monthly rents at high-end assisted living developments across the state. Some elderly residents may not be able to maintain the upkeep of an entire home, but feel that they have no other alternatives.

If seniors could more easily find suitable, more affordable, and healthier options for living outside their longstanding homesteads, it could also serve the purpose of freeing-up some single-family homes for families and other younger households—a real need in housing-constrained metropolitan Boston.

Many middle-income seniors face difficulty in finding suitably priced senior housing. Oftentimes they have too much in savings to qualify for low-income government support, but not enough to afford market-rate options or assisted living communities that can cost upwards of \$10,000 per month. There are not enough available facilities in Massachusetts that serve this mid-market population, one that will continue to grow in the coming years.⁷

A study published in the Journal of Health Affairs in April, 2019, projects that by 2029, approximately 14.4 million middle-income seniors in the United States will not have the financial resources for housing and personal care assistance; this number is double what it currently is. Nationally, the annual cost of rent and other living costs in an assisted living facility is \$60,000. Only about 54 percent of people aged

⁷ "Bracing for an influx, senior housing operators face rising costs and declining subsidies," Robert Weisman, The Boston Globe, March 21, 2019. <u>https://www.bostonglobe.com/metro/2019/03/20/bracing-for-influx-senior-housing-operators-face-rising-costs-and-declining-subsidies/QWddf2e6gjJszRkQ3UEjBJ/story.html</u>



⁶ "More seniors 'aging in place' mean fewer homes on the market to buy," Michele Lerner. The Washington Post, April 9, 2019. <u>https://www.washingtonpost.com/business/2019/04/09/more-seniors-aging-place-mean-fewer-homes-market-buy/?utm_term=.3df5d7c6f5f8</u>

75 and older can afford those costs. ⁸ NeighborWorks Southern Mass, the regional chapter of a national chain that assists with homeownership and affordable housing, may be able to offer further insight on how assisted living based on assets, instead of only income, could help more middle-income seniors and open up more housing in the area overall.

If developed into age-restricted housing with varying levels of affordable units, the Christo's / Massasoit Conference Center could become a center of activity for Brockton-area seniors that could include ground-floor service-related commercial space, as well as tiered levels of medical support for seniors living in the floors above. More independent seniors could also benefit from the walking/short-distance proximity to medical services at Signature Healthcare Brockton Hospital, and surrounding area retail, including Shaw's grocery store, less than half a mile away from the site.

Another option would be to develop senior housing with a higher quality of life focus on the site using the Green House Project model. This model reimagines the nursing home experience, offering more affordable services for the elderly, those who need full-time nursing assistance, memory care, and short-term rehabilitation options. Green Homes are one-story ranch-style homes that serve approximately 12 seniors, who each get their own bedroom and have shared dining and living space. Nurses, CNAs (certified nursing assistants), and other medical support staff work on site. One home requires approximately 1 acre of space. Given the size of the available Christo's / Conference Center lot, six could be comfortably built on the existing site. Green Homes are currently being developed on Cape Cod and Martha's Vineyard.

Any redevelopment of senior-supportive housing could also be symbiotic with Massasoit Community College students, particularly for students involved in nursing, human services, culinary arts, and any other related programs that Massasoit currently offers or plans to offer in the future. Creating internship and training opportunities for students would make this redevelopment option beneficial both to the community, as well as the College.

Challenges for Redevelopment

Zoning Process

One of the largest challenges for redeveloping the site may be navigating the zoning process. The site is in an area currently zoned for commercial use, and so any developer who wanted to bring in a project other than retail space would have to get a variance from the Zoning Board of Appeals, in addition to going through the rest of the city's development process.

Some interviewees expressed concern that although the process has become easier in recent years, there still may be resistance to redevelopment from some in Brockton, which may make the process longer and more difficult. Obtaining special permits and variances can be difficult, confusing, and time consuming. The city may want to pre-approve this site for multiple uses that would be in line with potential redevelopment opportunities outlined here, and others that align with the highest and best

⁸ "More than half of middle-income seniors will lack resources for housing and care, study says," Robert Weisman, The Boston Globe, April 24, 2019. <u>https://www.bostonglobe.com/metro/2019/04/24/study-more-than-half-middle-income-seniors-</u> will-lack-resources-for-housing-and-care/nCtXfZYdZARPt0sbFpqoDK/story.html



use of the site, in addition to what would most benefit Massasoit Community College (DCAMM's ultimate goal), and the needs of the community overall.

Brockton city officials and various board and committee members may also want to work together to create a "one stop shop" that would walk potential developers and business owners through the zoning process and identify necessary permits and inspections. Such an undertaking would help move along this process, which, being in the care of the Commonwealth already has more hurdles to redevelopment than usual, as well as expedite other future economic development projects. El Paso, Texas, is one example of a city that has created such a tool.⁹

The site is also bisected by an access road, Burrill Avenue. If developers wanted to build on the site contiguously, they would need to go in front of the appropriate channels at the city level to go through the procedures of removing Burrill Avenue from city records as an active street. While the Department of Planning and Economic Development has indicated that this change in use would not be onerous to institute, it would be in the city's best interest to pre-approve the road removal upon anticipation of redevelopment, clearing a potential roadblock for the developers, and the burden of road maintenance for the city.

Area Vacancies

Although mixed-use development, with retail space on the first floor and residential units on floors above, is a popular development trend, there are numerous vacant commercial spaces in the area surrounding the site. There is concern that if the ground floor of a development were planned for traditional retail use, it could be difficult to attract other retailers to this space, due to the existing vacancies and relative lack of demand, according to developers we interviewed. This may be part of a larger question about how much commercial space the area can sustain. If a mixed-use development is pursued, developers may have better luck attracting restaurants and services to the first floor instead of traditional retail.

Need for Greenspace

Many interviewees expressed concern over how little green space there is in the area, along with a desire to see an inclusion of green space, streetscaping, and curb appeal in whatever final development option is approved for the site. Asphalt parking lots run straight to the road without interruption along Crescent Street. As the "gateway to the East," adding green space to the intersection of Crescent and Quincy streets would create a more welcoming environment to both the site and the city overall, and could act as an example of how neighboring property owners could redesign and invest in their own lots to include more landscaping and pedestrian amenities.

⁹ https://www.elpasotexas.gov/planning-and-inspections/one-stop-shop



Financing and Tools for Redevelopment

Financing any type of development onto a 7-acre property can be challenging for all but the largest corporations. Financing housing can be particularly difficult in an area like Massachusetts, where construction costs are some of the highest in the nation. Attracting the right developers interested in investing in a quality product in Gateway Cities like Brockton can also be an added challenge. Fortunately, there are programs at the federal, state and local level that specifically encourage development in these types of areas. A brief inventory of programs that may be most relevant to the redevelopment of the Christo's / Massasoit Conference Center are below. Developers may have the most success in financing a project by layering multiple tax credits and incentives upon one another.

Federal Programs

- **Opportunity Zones.** The <u>Opportunity Zone program</u> is currently the federal redevelopment program that is receiving the most buzz when it comes to redeveloping areas of the country that have been deemed economically distressed. Although there are four such Opportunity Zones in Brockton, which rank from the top 1% to the top 14% in terms of financial upside for residential development (see p. 8 for more information), this site is not one of them. However, there are other state and federal programs and opportunities for financing that may apply, depending on the type of redevelopment that is ultimately chosen for this site.
- **HUD Section 202.** The U.S. Department of Housing and Urban Development recently announced it is going to release \$50 million more funding under <u>Section 202</u>, which is funding specifically for supportive housing for the elderly. This is the most money HUD has devoted to Section 202 since 2010.
- New Markets Tax Credit. The <u>New Markets Tax Credit Program</u> aims to incentivize development by giving federal tax credits to private investors that invest in economically distressed communities. Brockton is one of the top communities statewide for approving these credits for development.

State Programs

- Housing Development Incentive Program. This <u>Massachusetts tax incentive program</u> is designed specifically for Gateway Cities to finance market-rate housing.
- <u>MassWorks Infrastructure Program</u>. This program provides flexible grant funding for projects in the Commonwealth that accelerate housing and job growth.
- Housing Innovations Fund. Created in 2018, <u>this fund</u> supports the production and preservation of "alternative forms of affordable housing," including senior housing.

Local Financing

More broadly, District Improvement Financing (DIF) and Tax Increment Financing (TIF) are a public financing methods at the municipal level that are used as tools to fund and support a range of infrastructure development projects.



Final Recommendations

The goal of this project is to explore the redevelopment of a section of Brockton that, in part, has been vacant for over five years. Through quantitative analysis of the market conditions in Brockton, as well as interviews with Brockton-area stakeholders and developers to contextualize the unique challenges and opportunities that the site poses, this report lays out a number of possibilities that the Christo's / Massasoit Conference Center is positioned to become.

The fact that the site is currently under the care and control of Massachusetts' Division of Capital Asset Management and Maintenance adds more process layers before the site can be redeveloped into one or two separate projects, depending on developer and community interest. It is of utmost importance that all parties involved establish a shared understanding and vision of what the best and highest use of the site is, so that a site disposition can move smoothly. Massasoit can work to use the sale proceeds to enhance its campus, and Brockton can redevelop a long-dormant site in a way that adds activity, revitalizes the area, and provides additional tax revenues to the city.

Working to improve streetscaping, as well as traffic circulation and pedestrian safety, are all elements that should also be considered (and some are currently underway) in order to give the site a sense of place, and help make the area along the Crescent Street portion of Route 27 (a state highway) a truly welcoming "Gateway to the East." Given the loss of landmark eatery Christo's, and the long-term delay in the site's use, making the disposition of the site a priority would produce a maximum benefit to Brockton and its residents.

