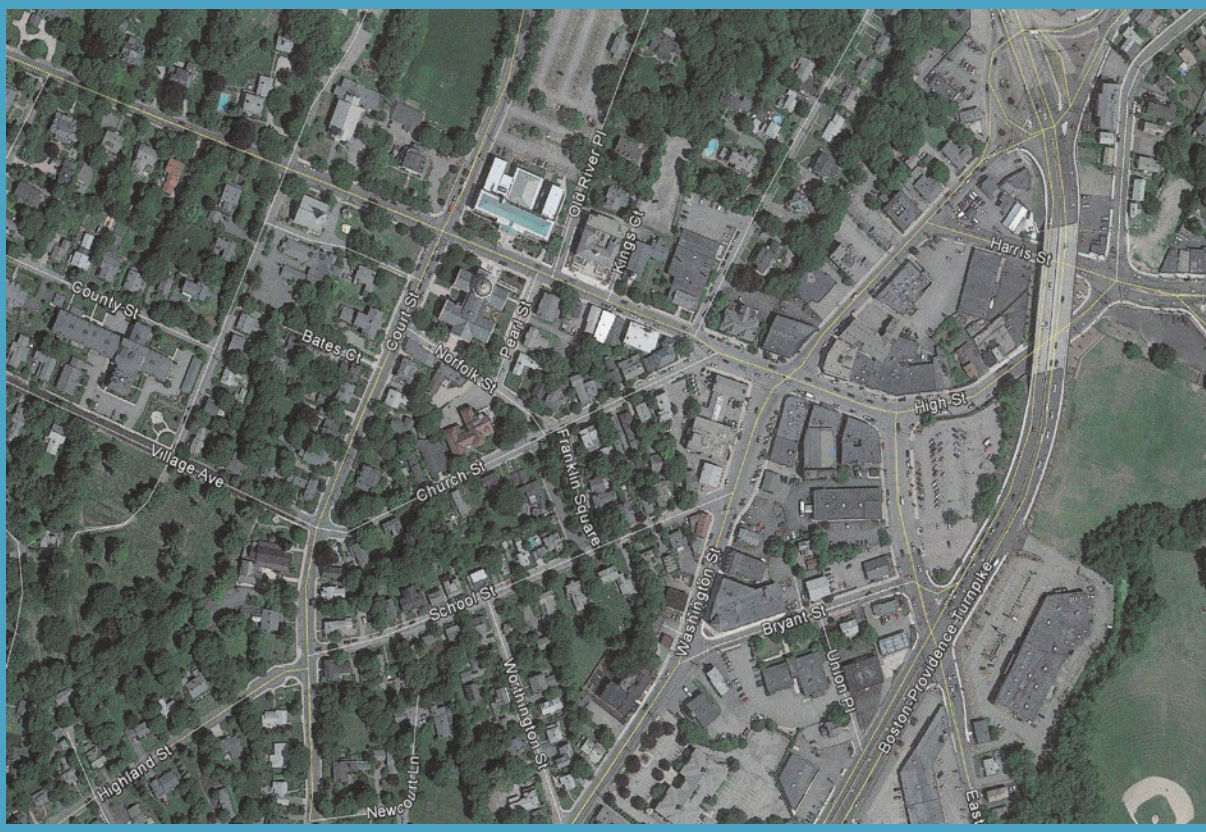
A TECHNICAL ASSISTANCE PANEL REPORT

Redevelopment Options for Dedham Square

Dedham, Massachusetts



September 26, 2013

Urban Land Institute
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Executive Summary

Under the direction of the Urban Land Institute's Boston District Council, the Dedham Square Technical Assistance Panel (TAP) convened in Dedham, Massachusetts in September 2013, bringing together stakeholders, community leaders, and a panel of planning, design, engineering, and development professionals for a day-long session focused on identifying the issues, constraints, and opportunities presented by three Town-owned sites in Dedham Square. The report that follows, which summarizes the TAP recommendations, is comprised of five chapters.

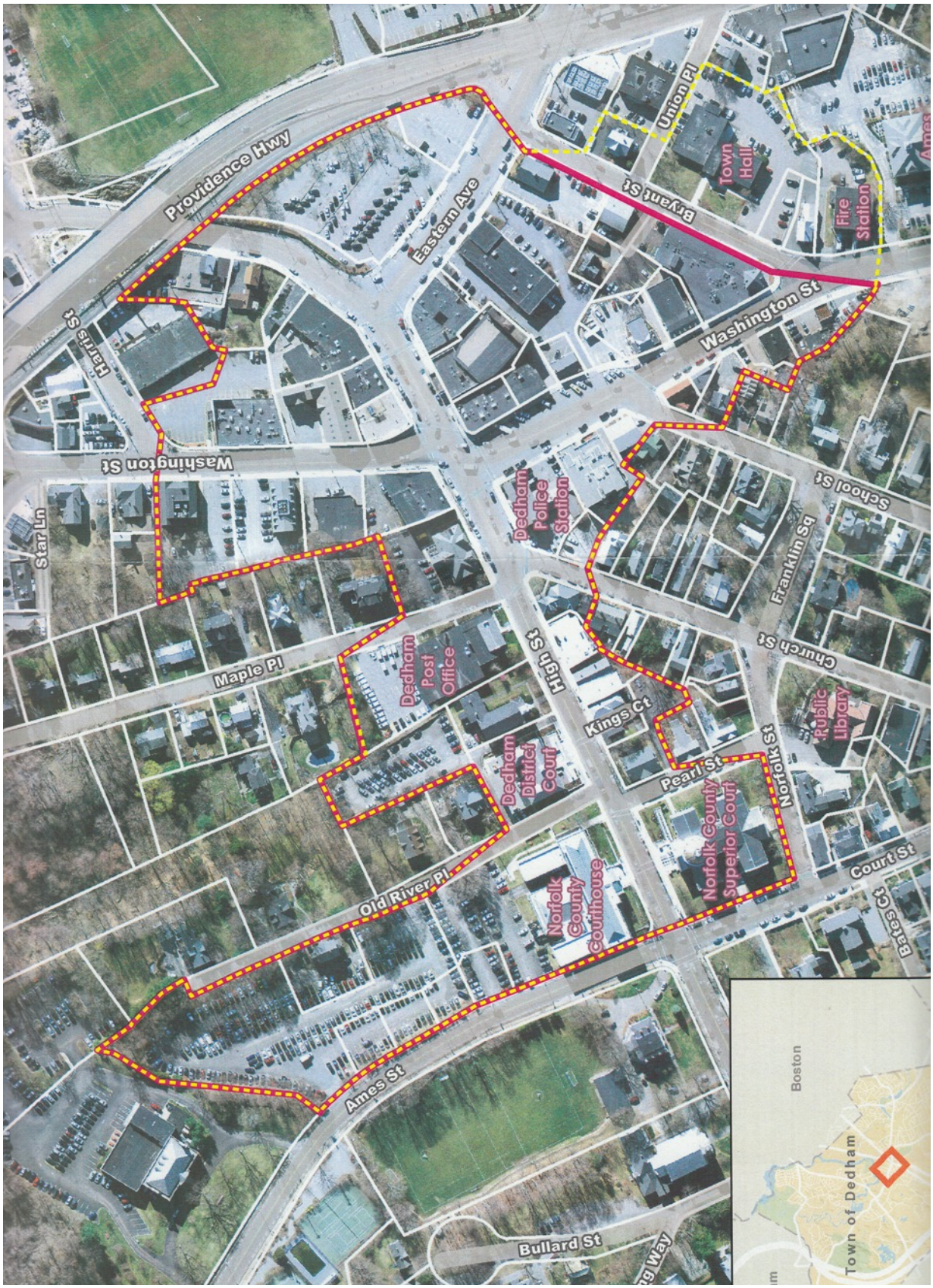
Chapter 1: ULI and the TAP Process gives an overview of the Urban Land Institute's Boston District Council and its Technical Assistance Panels (TAPs) and provides a detailed list of participants in the Dedham Square TAP including Town officials, stakeholders, and the panel of land use professionals.

Chapter 2: Background and Assignment gives background information about Dedham Square, and provides an overview of recent activity in the area, including the Dedham Square Improvement Project. This chapter also reviews the Town of Dedham's objectives for the TAP, as stated in its initial application, which were to explore and define redevelopment options for the Police Station and Town Hall buildings specifically, as well as more broadly for the entire Square, and also to consider issues relating to parking.

Chapter 3: Assets presents the Panel's observations about Dedham Square as a thriving commercial district with solid potential for continued growth.

Chapter 4: Recommendations begins with general recommendations about zoning, branding, and parking that can benefit the Town regardless of the disposition of the three sites under consideration. This chapter also includes observations about the way the three sites under consideration are linked to one another in terms of their redevelopment potential, then presents specific scenarios for the Police Station, Keystone lot, and Town Hall properties.

Finally, **Chapter 5: Next Steps** discusses the potential revenues that may be gained by pursuing the various options presented, as well as the next steps involved in moving the process forward.



Aerial photograph showing the study area (yellow line) and original area of Dedham Square Improvement Project (magenta line).

1. ULI and the TAP Process

a. Urban Land Institute (ULI)

The Urban Land Institute is a 501(c)(3) nonprofit research and education organization supported by its members. Founded in 1936, the institute now has nearly 30,000 members worldwide representing the entire spectrum of land use and real estate development disciplines, working in private enterprise and public service, including developers, architects, planners, lawyers, bankers, economic development professionals, among others.

As the pre-eminent, multidisciplinary real estate forum, ULI facilitates the open exchange of ideas, information, and experience among local, national, and international industry leaders and policy makers dedicated to creating better places. The mission of the Urban Land Institute is to provide leadership in the responsible use of land and to help sustain and create thriving communities. The Boston District Council serves the six New England states and has over 1,000 members.

b. Technical Assistance Panels (TAPs)

The ULI Boston Real Estate Advisory Committee convenes Technical Assistance Panels (TAPs) at the request of public officials and local stakeholders of communities and nonprofit organizations facing complex land use challenges who benefit from planning and development professionals providing pro bono recommendations. At the TAP, a group of diverse professionals specially assembled with expertise in the issues posed typically spends one to two days visiting and analyzing existing conditions, identifying specific planning and development issues, and formulating realistic and actionable recommendations to move initiatives forward in a way consistent with the applicant's goals and objectives.

c. Panel Members

ULI Boston convened a panel of volunteers whose members represent a range of the disciplines associated with the planning and development challenges presented by Dedham Square.

Disciplines represented include architecture, urban planning and design, development, and civil/traffic engineering. Members were selected with the intent of convening a robust array of professional expertise relevant to the Town's objectives for this TAP. The following is the list of panelists:

- Fern Kanter, Capital Hotel Management (TAP Co-Chair)
- Nyal McDonough, The Berkshire Group (TAP Co-Chair)
- Matt Marotta, ICON Architecture
- Barry Abramson, Abramson & Associates
- Dave Traggorth, Traggorth Properties
- Brian Timm, DiPrete Engineering
- Larry Spang, Arrowstreet
- Lori McWeeney, Samuels & Associates
- Christine Keches, VHB

Karen O'Connell, Director of Economic Development for the Town of Dedham, served as the primary contact for ULI Boston for the Town.

Virginia Quinn served as the consulting technical writer, while Michelle Landers and Michael Keimig of ULI Boston provided organizational and technical support in preparation for and during the TAP event.

d. Stakeholders

The TAP benefited from the participation of a diverse group of stakeholders — policy makers, Town staff, business owners, property owners, and representatives of area institutions — who met with the panel and shared information, ideas, and opinions on a range of issues affecting Dedham Square. Stakeholders at the session included:

- Paul McMurtry, State Representative
- Peter Smith, Oxbow Partners
- Jim Hooper, Dedham Resident
- Amy Haelsen, Dedham Square Circle
- Jim Conviser, Conviser Property Group
- Beth Winbourne, Legacy Place
- William Keegan, Town Administrator
- Giorgio Petruzziello, Developer
- Ken Cimeno, Building Commissioner
- John Bethoney, Planning Board Vice-Chairman
- Michael Morrissey, Norfolk County District Attorney
- David Raftery, Developer
- Jason Mammone, Town Engineer

e. TAP Process

The Dedham Square TAP was held on September 26, 2013 at Dedham Town Hall and the Endicott Estate. In the morning, Town Administrator William Keegan and Director of Economic Development Karen O'Connell welcomed the panelists, then led a tour of Dedham Square and the surrounding area.

The tour began on foot at Town Hall, proceeded across Bryant Street to the site of a new mixed-use development, then east onto Eastern Avenue past the Keystone parking lot to the intersection of Eastern Avenue and High Street. The group then walked west on High Street through the commercial district to the Police Station, then south on Washington Street and back to Town Hall, where they boarded a bus for the rest of the tour.

The bus took the group through Lower Dedham Square, past the courthouses on High Street through the Precinct One neighborhood, then along Route 1A behind Dedham Plaza, across Route 1 past Legacy Place and the Dedham Corporate commuter rail station, past the former Rustcraft industrial site, then north into the East Street residential neighborhood ending at the Endicott Estate.

After the tour, the ULI panel interviewed a diverse series of stakeholders to gain a better understanding of the relevant issues, dynamics, and opportunities surrounding Dedham Square. The panelists then engaged in an intensive charrette to develop recommendations addressing some of the critical issues associated with the redevelopment of key Town-owned properties in the area. The TAP concluded with a presentation to the Board of Selectmen and members of the community at a public meeting that evening at Town Hall.

The presentation is available electronically at the ULI Boston website *http://boston.uli.org*.

2. Background and Assignment

a. Dedham Square

The Town of Dedham is currently considering a consolidation and centralization of Town services into a single complex located at Rustcraft Road, outside of Dedham Square, the central historic restaurant and shopping district. This would result in two separate surplus municipal buildings, both in the Dedham Square area, the historic small business center of Town: the current Town Hall located at 26 Bryant Street, and the Police Station located at 600 High Street.

The continued economic vitality of Dedham Square is a major vested interest of the Town. They have spent significant time and money revitalizing the area, introducing new streetscape, lighting, sidewalks and crosswalks, and benches. Outdoor restaurant seating has only added to the street-level activity that gives Dedham Square its vibrancy. Town officials want to continue to plan and program to support Dedham Square's activities and have asked the Panel to assist in developing a strategy for an adaptive reuse of these surplus municipal buildings. In addressing this issue, the Town would like to think somewhat more broadly in terms of redevelopment options to include the other municipally owned parcels in the Square and some key underutilized private sector sites.

The relocation of the Police Station has been studied and identified for some time as a need and priority. The current building is outdated and the site is not suitable for required expansion of police services. As for Town Hall, while eventual improvements or expansion was a future consideration, it was not a priority. The change factor in the current situation is the availability of a commercial space (Rustcraft Road) that could house both expanded Police and Town Hall functions in addition to being the site of a new Senior Center. The new option of a combined facility only emerged in February 2013 with a change in the private property ownership of the potential offsite location. However, the general concept of centralized functions was not new, as the Town had issued an RFP seeking suitable combined space and received no responses. Note that in any scenario, the current Police Department building will become surplus.

One other significant new factor is the expressed interest of the Norfolk District Attorney to relocate his offices (109 employees) back into Dedham Square. There is an option for the Town to lease building(s) to the District Attorney, but neither of the surplus buildings is large enough. Multiple scenarios involving all these factors have been discussed, including a new building on the Police Station site with office space above and commercial at street level, with the District Attorney as the anchor office tenant.

Dedham Square is the traditional heart of the community and an important economic engine of small business. A major project underway now is the Dedham Square Improvement Project (DSIP), in total a $6.1 million dollar public infrastructure investment by the Town of Dedham in partnership with the State (awarded $1.3 million MassWorks grant) and with the local business and residential community. The underlying intent and goal of DSIP is to create jobs, foster small business growth/retention, leverage private sector investment, improve public safety, and increase tax revenues**.** Dedham is a member of the Metropolitan Area Planning Council (MAPC) which expressly endorsed this project as being consistent with the Comprehensive Economic Development Strategy (CEDS) for the region. Construction began in April 2012 and is scheduled to be completed this November.

c. Town of Dedham's Objectives for the TAP

The Technical Assistance Panel was asked to explore and define redevelopment options for the two surplus municipal buildings, looking at highest best use and impact on local economy as key factors; also taking into account a limited, but broader context of some underutilized private buildings in the Square when looking at the redevelopment picture. The second question built on this by asking what type of development would strengthen the existing business base and what can be done by municipal action to encourage this outcome. Finally, the overarching question for any consideration for downtown development is parking: generating more demand with development options, creating additional parking, or losing existing parking are vital elements of each redevelopment scenario. Feasibility and financing would also be part of this discussion relative to the Square.

*The Keystone parking lot is **the** key development site for the Town.*

3. Assets

Over the course of the day — through the walking and bus tours, stakeholder interviews, and subsequent charrette — it became apparent to the Panelists that Dedham Square is a lively downtown with solid potential for continued growth. Over the past five years, there has been a noticeable increase in activity, particularly in the evenings and on weekends. The proximity of the Precinct One residential neighborhood provides a critical mass of people within walking distance of the Square's shops and restaurants. Considerable infrastructure improvements are nearing completion: streetscape enhancements such as benches and lighting were well done, and new signals and crosswalks make the Square pedestrian friendly. There is now a more efficient traffic flow through the Square, and a strategic parking plan will soon be implemented to evaluate and improve parking issues. The recent granting by Town Meeting of three additional site-specific liquor licenses for Dedham Square has the potential to attract additional high-quality restaurants to the area.

Dedham Square is a thriving commercial district as evidenced by the level of activity and the lack of available space for rent.

Dedham Square is a thriving commercial district with solid potential for continued growth.

4. Recommendations

a. General Recommendations

In the course of studying the Dedham Square area and evaluating the Police Station, Town Hall, and Keystone site, the Panel ascertained that there were several key issues that apply broadly to the overall area. Adopting these recommendations would benefit not only Dedham Square but the entire Town going forward, regardless of the disposition of these three specific sites.

Zoning
The Panel recommends that the Town's zoning ordinance be amended to allow condominiums and two-bedroom units in Dedham Square and elsewhere. Many stakeholders familiar with Dedham's residential real estate market suggest that demand exists for such larger units, both rental and ownership. Increasing the size of allowable units will attract young professionals and empty nesters who will support the local businesses and contribute to the vibrancy of the Square.

Branding
Many of the Panelists were pleasantly surprised to discover Dedham Square; they had driven up and down Route 1 many times without any indication that, by making a simple right turn, they would encounter an unheralded gem of a commercial district. The branding efforts of Dedham Square Circle have already started to help drive more people here through improved signage, banners on light posts, and special events; the Panel strongly encourages the continuation of those efforts.

Parking
Almost every stakeholder articulated the disparity between the perceived shortage of parking versus the reality that Dedham Square has ample parking. When drivers can't find an on-street space in front of the establishment they are visiting, they tend to extrapolate more generally that "parking is unavailable." As Dedham is just implementing its parking plan for the Square, it is not clear what the "real" parking needs are for the area. The Panel suspects that the Square will have adequate parking for its customers once Square employees are encouraged (by the new parking plan) to park in spaces more removed from the Square; however, follow-up studies will be required once the parking plan is implemented to confirm any additional needs.

Regardless, the issue of parking could be further addressed with better signage/wayfinding, developing a map that directs visitors unfamiliar with the area to less obvious spaces/lots; educating retailers and residents about all available downtown parking options; and providing valet parking, possibly shared, for downtown restaurants, enhancing diners' experience of the Square by offering the convenience of curbside drop-off.

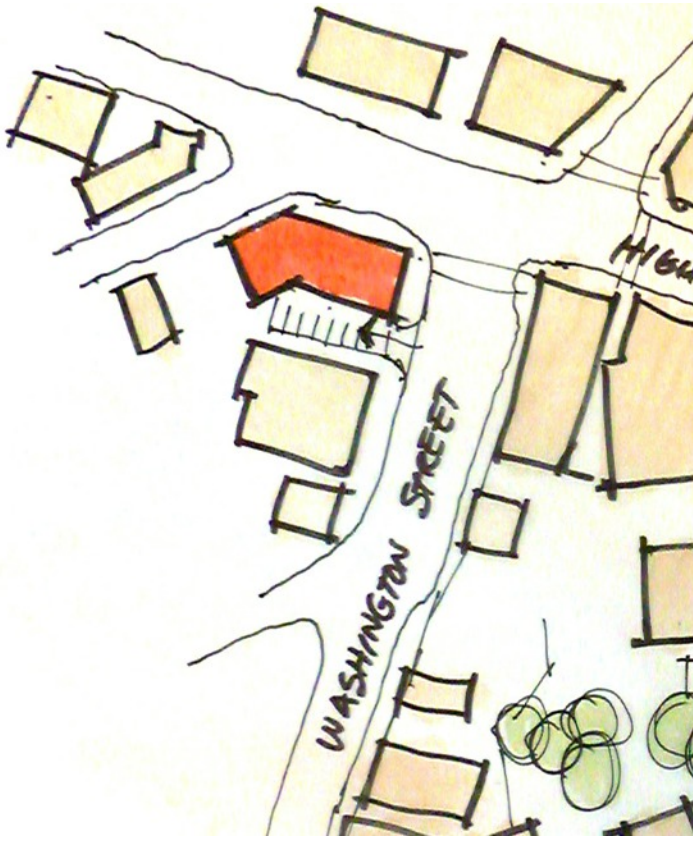
Furthermore, one possible available mitigant to address the Town's parking needs would be to evaluate the system for calling jurors. Currently, some jurors drive into town, wait for a few hours, and then are dismissed. If a call system was consistently used, whereby jurors could call-in the night before to find out if they are needed to serve, the pressure on Dedham Square parking, not to mention the reduction of juror frustration, could be mitigated.

b. Police Station Site

Given its location fronting High Street, the Police Station building provides a perfect opportunity to add retail frontage, more specifically a restaurant or multiple restaurants, to the Dedham Square commercial corridor. It provides a natural continuation to and enhancement of the retail activity along High Street and anchors activities on both Washington and High Streets.

Scenario 1: Housing and Retail/Restaurant
This scenario calls for demolition of the current building and redevelopment to include a three-story building of 35-40 feet in height, with 4,300 square feet of retail/restaurant usage on the ground floor and ten condominium units above (two floors of five 1,200 square foot units). Fifteen parking spaces, accessed from Washington Street, can be accommodated behind the building (combined surface and tucked in beneath), allowing a ratio of 1.5 spaces per to be reserved for the occupants of the residential units. The existing bumped-out parking spaces in front of the building could be repurposed to provide outdoor restaurant seating.

Scenario 2: Retail/Restaurant Only
A second option would be to redevelop the site for a one story (15 feet) building, in line with the heights and character along High Street. The nine surface parking spaces behind the building would remain, and one or two retail/restaurant tenants would encompass the entire footprint (7,000 square feet) of the building.



Police Station site showing building footprint and parking.

In either retail/restaurant option, operators should be encouraged to implement a complimentary valet service, to better serve restaurant patrons.

Scenario 3: Retail/District Attorney's Office

Post panel discussions, the Panel was asked to consider a third scenario, offering retail/restaurant uses on the first floor and developing offices for the District Attorney on three additional floors above. The Panel does not recommend this option for the following reasons:

- **Zoning:** This would require a zoning change, as it would be impossible to provide the required on-site parking.

- **Parking:** While on-site parking for the District Attorney's employees could not be accommodated, the District Attorney believes that his employees could utilize court parking areas and walk to their offices. While this may work on warm weather days, it is unlikely that most employees would use remote parking in inclement weather. This would create an issue of requiring strict adherence in the enforcement of the Town's parking program on state attorneys.

- **Future use**: The lack of on-site parking at this location would render this use suitable only for the District Attorney's office and would not provide sufficient on-site parking for any future office tenants, if and when the District Attorney were to vacate. It would also encumber the other government-owned locations that were used for parking to support the District Attorney's office space during its use at this location.

c. Critical Linkages

Because of its size and location, the Police Station site lends itself quite readily to redevelopment as either a retail or combined retail/residential project. But as the Panel moved on to consider the Town Hall site, they concluded that the Bryant Street location is a "tweener" – too close to Route 1 and an active fire station for high-quality residential, yet too far from Route 1 and too small for high-volume or high-activity retail.

The appropriately named Keystone site, on the other hand, serves as a prominent gateway for people coming in to the Dedham Square area. Its conspicuous location right off Route 1 sets the stage for the Square, and can frame the "mood" for people patronizing the Square's shops and restaurants, anchoring the entrance of the Square. Unfortunately, that entrance is a parking lot – a beautifully landscaped one, and one that provides ample and obvious space for many cars; but still, a parking lot.

The Keystone is ***the*** key development site for the Town, offering a real opportunity for solidly anchoring the commercial well-being of Dedham Square on many different levels; but because the parking it provides is critical to support existing activity, its current functions would need to be relocated before it can be redeveloped.

Given the less-than-optimal potential of the Town Hall site for redevelopment, this site is linked with Keystone in order to enable the development of the Keystone site to its highest and best use.

d. Keystone Lot Site

Although recent improvements have made the Keystone lot an attractive, safe, and affordable parking venue, it is a missed opportunity to have the entrance to Dedham as a parking lot. The Keystone site presents a pivotal opportunity for the Town of Dedham. Because of its highly visible location adjacent to Route 1, the site has enormous potential for a gateway building, attracting the attention of people travelling that busy highway and drawing them into the Square. Although not suitable for a typical Route 1

retailer with a large footprint and large parking lot, the site provides ample parking, and is an easy walk to the shops, restaurants, and venues in the Square. Based on those attributes, the Panel came up with two development scenarios.

Scenario 1: District Attorney's Office, Restaurant, and Parking

The Panel considered what options would work for a building on this site. As this location is up against the highway overpass, it is not a strong site for the type of major retail use characterizing the Route 1 corridor which would also require too much parking. There is a limited market for hotels in Dedham Square and medical office space, another use that would require substantial parking, is better suited to Route 1.

As previously indicated, the Norfolk District Attorney has expressed a strong interest in relocating his office closer to the Norfolk Superior Courthouse on High Street. Their current Canton location results in significant inefficiencies in the travel time of lawyers and office staff.

The Panel conceived a fairly ambitious plan for developing the Keystone site as a two-story building with a 25,000 square foot footprint, anchored by the District Attorney's office. The first floor would include 8,000 square feet of retail/restaurant space and a walk-in lobby; and the second floor would have 24,000 square feet of office space. A gateway public plaza in front of the building could contribute activity to the Square; the building itself could shield the Square from Route 1 traffic. Approximately 116 parking spaces (a mix of surface, tucked in, and underground) could be accommodated. Under this scenario, the Panel would expect the current Town Hall to be demolished and that site used to provide parking during the construction of the Keystone site as well as to provide additional parking once the Keystone site construction is complete.

Keystone Scenario 1, showing new office/retail building with 25,000 square foot footprint.

The concern/challenge with this scenario would involve persuading the State to allocate funding for design and construction. An alternate possibility would be pursuing private development with the promise of a turnkey lease to the District Attorney's office.

Scenario 2: Restaurant, Open Space, and Parking

The second scenario is a less ambitious, scaled-back plan: activating the corner of the site with a smaller retail pavilion of approximately 6,000 square feet that would include space for a small restaurant, gateway open space, and 80 surface parking spaces. Panelists cited the Sip Café in Boston's Post Office Square as an example of a small, well-designed urban eatery with both walk-up and drive-by appeal that generates more excitement than its small footprint would suggest. This option preserves much of the existing parking behind the building but transforms the corner with activity and connects the High Street/Eastern Avenue intersection with the rest of the Square. This option would also be viable in the event that the District Attorney's office were constructed at the current Town Hall.

e. Town Hall Site

Given the caveats mentioned earlier, that the Town Hall parcel is not ideal for either high-quality residential or high-volume retail, the Panel came up with three different possible options in determining what would be the highest and best use of this site.

Scenario 1: Town Hall

The Town could consider undertaking modest renovations to the existing Town Hall that would allow key public functions to remain in place, keeping a civic presence in Dedham Square and continuing to generate day and evening foot traffic. This would likely not be as efficient as incorporating the Town Hall with the other Town uses, but would preserve more Town-related activity in the Square.

Of the three Town-owned parcels being evaluated, the Keystone site is the best candidate for development, but it would result in a significant loss of parking. ***Any development of the current Town Hall site would prevent the development of the Keystone site unless***

Keystone Scenario 2, showing new retail building with 6,000 square foot footprint.

replacement parking for the Keystone lot could be identified. From the Panel's limited review, the current Town Hall site appears to be the only viable parking replacement option, should the Keystone site be redeveloped. Maintaining Town Hall and its associated parking lot preserves the Town's flexibility to develop Keystone sometime in the future.

Scenario 2: District Attorney's Office

The District Attorney's office could be relocated to this location, either by adding to and rehabilitating the existing building (if the size and configuration for the District Attorney's needs could be accommodated) or demolishing the existing building and constructing a building that could accommodate the District Attorney's office and parking needs. If an addition would be considered, a parking analysis would be required to confirm that adequate parking for such a use could be accommodated on-site. This option provides no tax advantage to the Town, although revenue would be generated from lease income. A demolition and new construction would involve a protracted process with the state Division of Capital Asset Management and Maintenance (DCAMM), although there may be some provisions for streamlined agreements between public entities. If, on the other hand, the District Attorney could be accommodated by an expansion and renovation project, monies through DCAMM may be available and the process could be shortened.

However, by redeveloping the Town Hall, Town officials are committing to retaining the Keystone lot as parking, unless and until an alternative public parking option can be found. If the Keystone lot was not viable for the District Attorney's office and the choice was made not to develop the Keystone lot, the Town Hall would be the best remaining alternative for the District Attorney's office. At this location, the District Attorney's office would bring a strong income demographic into Dedham Square daily without increasing the need for parking in the Square.

Scenario 3: Residential

There appears to be high demand for residential development in Dedham: existing apartment buildings like the one on Bryant Street across from Town Hall have consistently high occupancy rates. One conceptual scenario for this site proposes 40 one- and two-bedroom units, with 60 parking spaces (1.5 space per unit ratio). Residential development at this location would have the added benefit of creating a sustainable tax base.

Maintaining Town Hall preserves the Town's flexibility for future development of the Keystone site.

5. Next Steps

a. Potential Revenues

The Panel estimated reasonable ranges of supportable land pricing based on current market information provided by stakeholders, the Panelists' experience with similar projects, typical land pricing for comparable locations in the Boston suburbs, and preliminary estimates of real estate taxes to develop an order of magnitude comparison of the direct financial benefits of the various proposed scenarios to the Town.

These scenarios assume zoning changes occur to permit condominiums and two-bedroom apartments, that liquor licenses are available for restaurants at the Town-owned sites appropriate for such use, and variances for parking are provided as necessary. The estimates for residential components are based on rental apartments, and although condominiums are a natural market for Dedham Square, market pricing and feasibility of this use are yet to be tested. It is possible that, if feasible, land pricing for condominium development could be lower than indicated in these estimates, but real estate taxes would be considerably higher.

Although comparable to the figures in the HR&A study, the Panel's estimates are more conservative for both the Police Station and Town Hall sites. Ultimately, the best way of determining supportable land pricing is through a well-executed Request for Proposal process; that way, the market will indicate the real value.

Police Station Site
The residential-restaurant/retail option as outlined in Scenario 1 is estimated to yield sale proceeds in the $400,000 to $650,000 range. Real estate taxes are estimated at approximately $50,000 (higher if the residential is a condominium project).

As for Scenario 2, given the higher per-square-foot value of well-located restaurant/retail space and the amount of parking that could be provided in a one-story restaurant/retail-only scenario, supportable land price might be similar: $350,000 to $550,000, although real estate taxes would be lower, roundly $35,000.

Keystone Site
Scenario 1, the 8,000 square feet of ground-floor retail/restaurant and 24,000 square feet of rentable office space for the District Attorney's office on the second floor, might result in a broad range of $400,000 to $1,100,000 for the sale of the site. The significant range is largely dependent on the participation of the DCAMM, and whether the District Attorney's space could support a relatively modest land contribution of $20/useable square foot or, if there would be no contribution at all, to make the deal meet DCAMM's cost parameters. If the site were developed by a private party with DCAMM as tenant, then the building could be fully taxable; but if DCAMM built it themselves or developed the office space as a condominium separate from the retail/restaurant space, then that space would be tax-exempt. This scenario would yield relatively modest tax proceeds of $40,000/year.

Scenario 2, the restaurant-only scenario, with its smaller 6,000 square feet, land sale proceeds are estimated in the $300,000 to $500,000 range, with annual real estate taxes of approximately $30,000.

Town Hall Site
Scenario 1 is status quo and therefore has no incremental financial contribution, either in a land sale or tax base.

Scenario 2, the DCAMM/DA purchase/ development scenario, would yield anywhere from $0 to $500,000, depending on the financial arrangements that can be negotiated with DCAMM. This was estimated based on the development of 24,000 square feet x $20/building rentable foot. However, under this scenario there would be no real estate taxes. If the Town were to lease the Town Hall facility to DCAMM, there would be a lease payment, but no real estate taxes.

Scenario 3, a primarily residential project on this site, might support land pricing in the range of $800,000 to $1,200,000; however, it is more likely toward the lower end of the range. Real estate taxes for this development would generally be in the range of $100,000 annually.

b. Process

The Police Station site can stand on its own as a discrete development project, unlike the Keystone and Town Hall sites, and can be an achievable near-term project. The Town should decide what kinds of uses it wants to encourage there, and craft the RFP to facilitate that. Residential development in an upper-level addition may not add substantially to the sale value, but will generate a steady stream of real estate taxes. The Town's three available full liquor licenses should be used strategically to attract high-quality full-service restaurants with outdoor seating to Dedham Square.

The Keystone and Town Hall sites present less clear-cut options. The Keystone site could accommodate a smaller restaurant-only development option, but that would underutilize this very valuable site. If this option is pursued, this would be the scenario in which it could make the most sense to implement by means of land lease rather than sale, as most of the land would remain with the Town as parking.

Both the Keystone and the Town Hall sites could work for the District Attorney's office, but much discussion with DCAMM needs to occur to make that happen. The District Attorney's office's current industrial park space rents at an inexpensive rate of $19/square foot. New development in Dedham Square would require higher rent to support it, and DCAMM has a cost-based process for determining whether they will allow a lease.

A site purchase deal between the two government entities might avoid competitive bidding, and may allow for more flexibility. But the Keystone site has such enormous potential as a gateway to Dedham Square that it will be important to set clear requirements in the RFP about design considerations such as maintaining the view corridor from Route 1 into downtown and including appropriate ground floor restaurant/retail space. The site offers great raw materials to work with, but the process must be carefully crafted so as not to squander the opportunities.

An RFP could be issued for both sites, and private developers could respond to one or the other or both. The Town could prioritize its desire to accommodate the District Attorney's office, whether through an office condominium arrangement or by serving as an intermediary between DCAMM and the District Attorney. It is not clear that there would be an alternate office tenant to make it feasible.

Given the relatively small sizes of the parcels involved and the challenges to redevelop these locations, the Panel recommends that the Town structure the use for these parcels and then sell them to a developer, rather than leasing the land. Although the ground lease option was discussed, unless there are very compelling reasons for

retaining ownership, land leases generally diminish overall land value because of increased financing, legal, and exit encumbrances.

The Panel also respectfully suggests that the Town give further consideration to its decision to relocate all of the Town Hall functions out of the downtown area. Several Panelists have had experience with towns that regretted their decisions to move their municipal functions to remote sites for reasons of economics and convenience. Downtowns are often defined by their town halls; the civic presence they exude, as well as the day and evening traffic they generate, activates a town and preserves its integrity. Cost is often a driving factor, along with the desire to consolidate all town operations, but the Panel hopes the Town will give the option of staying in Dedham Square reconsideration.