



The Charles River Speedway Headquarters Building



REVITALIZATION STUDY

November 2012



Mission: To protect, promote, and enhance our common wealth of natural, cultural and recreational resources.

The Massachusetts Department of Conservation and Recreation (DCR) is steward to over 450,000 acres throughout Massachusetts. For more information on DCR and the Massachusetts State Park system, visit www.mass.gov/dcr, call 617-626-1250, or write to DCR, 251 Causeway Street, Boston, MA 02114.

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EXECUTIVE SUMMARY

The 1899 Charles River Speedway Building is an integral part of the legacy of the Department of Conservation and Recreation (DCR) and its predecessor agencies the Metropolitan District Commission and the Metropolitan Parks Commission. This iconic structure is one of the few remaining original Metropolitan Park structures designed by architect Charles Austin and demonstrates the intimate design relationship between Austin and landscape architect Charles Eliot. Despite its architectural charm and history, this century-plus old facility from a more graceful age is no longer suitable to support the maintenance needs of a modern parks agency without altering it or destroying the character which makes it special. The extraordinary property possesses a bounty of appealing and marketable qualities, including:

- It is a one of a kind example of architects Stickney & Austin's masterful joining of form and function and the Shingle Style
- Historical associations with a nationally significant park and recreation movement
- A prime location between urban Boston and its adjacent suburbs
- Proximity to the graceful Charles River and its miles of bicycle and waterfront activities
- Located on the edge of a vibrant residential neighborhood

In order to develop a strategy to assure the long-term preservation of the building, the Massachusetts Department of Conservation and Recreation (DCR), in collaboration with Historic Boston Incorporated (HBI) and the support of the Boston Preservation Alliance, commissioned a report through the DCR Partnership Matching Funds Program to study options for the future reuse and preservation of the property through an outside party.

The purpose of this study was to:

- Perform a comprehensive assessment of the current condition of the building
- Recommend rehabilitation and preservation priorities
- Estimate costs required to preserve the significant architectural features of the building envelope
- Investigate a series of potential site configurations
- Consider ownership and leasing scenarios based on the property's status as an historically significant state-owned property
- Develop a financial model based on a sample reuse which is allowed by current zoning in order to test market viability
- Identify next steps in moving forward.

Some of the key assumptions that guided the study are:

- The property will be rehabilitated according to the Secretary of the Interior's Standards for Historic Rehabilitation.
- The project will likely be rehabilitation, not a strict restoration because some flexibility will be required for the adaptation.

- The financial model of the sample reuse would not include costs associated with potential hazardous material remediation
- Any reuse of the property must incorporate some level of public access and benefit.

The conditions assessment found the building to be in disrepair consistent with a century-old building no longer in full, active use. While the “bones” of most of the structure are solid, major problems include the obsolescence of code-compliant systems (electric, plumbing, heating), deterioration to significant exterior features (siding, trim, windows), drainage problems, and structural damage to the 1920’s garage and adjacent structure. The report presents three different sample site configurations for the property that aim to maximize parking, circulation and accessibility, while preserving the historic integrity of the building. Estimates for the rehabilitation of the building core and systems are in the \$2.7 million range, depending on reuse.

The report looks at three potential ownership scenarios: disposition, long-term lease under special enabling legislation, and long-term lease through DCR’s Historic Curatorship Program. All three scenarios offer the ability for DCR to ensure the building’s long-term preservation through direct oversight or through a preservation restriction. Based on current state and local regulations, the report found that fee ownership through disposition would provide no substantial benefit to a potential developer over a long-term lease (up to ninety-nine years). The major difference among the three options is that in a disposition or a lease under special legislation, a developer would be required to compensate the Commonwealth for the fair market value of the property. However, because the Speedway Building is already legislatively authorized under DCR’s Historic Curatorship Program, a long-term lease through the program may be negotiated that substitutes lessees capital investment in rehabilitation for the fair market rent resulting in further benefits including relieving the Commonwealth of capital rehabilitation and maintenance costs, appropriate public access, enriching the surrounding parkland and the intrinsic benefit of preserving an important building for another generation.

As this report illustrates, the Speedway is not a typical real estate development project. Its reuse will require imagination and commitment to an unconventional project. As collaborators on the report, HBI drew on their extensive experience in the reuse of unique historic properties and developed a snapshot of the Speedway Building within the context of the current real estate climate. The product is a financial model for one selected market-based reuse allowed by right under current zoning in order to compare rents to the market. Given the building’s particular rehabilitation requirements and its unique physical characteristics, not surprisingly the bottom line does not work for a market based reuse using standard metrics. While the conditions do not support a traditional financial model, DCR is confident that the less tangible benefits the building provides – such as its metropolitan location, unique architectural character and its physical and historical connection to the river - will encourage a potential developer to formulate an innovative financing structure and leverage the resources needed to make the project feasible.

This report concludes that DCR's Historic Curatorship Program could help facilitate the nontraditional development model the property requires. The DCR's Curatorship Program, a national model for public-private partnerships, matches creative visionaries with other 'atypical' historically-significant properties. The Speedway Building was added to the Historic Curatorship Program legislation in 2010, and based on the findings of this study, DCR will release a Request For Expressions of Interest (RFEI) immediately following the release of this report, to identify parties interested in the opportunity to exchange the rehabilitation, management, and maintenance of this important resource for a long-term lease. The RFEI is will solicit creative ideas, foster outside interest in the property and the program, and gather feedback that will help inform the development of a formal Request for Proposals.

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BACKGROUND

The iconic Speedway Headquarters Building traces its origins to the late 19th-century beginnings of the Massachusetts Department of Conservation and Recreation predecessor agency, the Metropolitan District Commission (MDC), and represents the early development of America's first regional parks system. The Speedway is no longer in active park use. DCR has provided basic maintenance on the structure, but major capital investment has been a challenge. However, with assistance from the Division of Capital Assets and Management, DCR began a series of stabilization efforts in 2008 that included a comprehensive mothballing and the restoration of the deteriorated Western Avenue wall.

While DCR has maintained a presence by hosting the Massachusetts Department of Fish and Game's Public Access Board as well as some park support services, the only way to truly ensure the long-term preservation of the building is to bring it back to active reuse. In addition to continued occupancy, the building requires a financial commitment to long-term rehabilitation and maintenance from an entity that sees the one-of-a-kind historic qualities as an asset. Without an active or future reuse, and without the funds to invest in its substantial capital needs, DCR has taken the opportunity, through this Revitalization Study, to identify alternative options for the future of this century old landmark.

In 2011, The Boston Preservation Alliance partnered with Brighton-Allston Historical Society, Massachusetts Department of Conservation and Recreation, and Historic Boston Incorporated to host a public design charrette on April 30 to gather input from the community regarding the future of the property. Over 200 interested parties toured the building and came together to consider the major issues and to brainstorm on a new future for the Speedway Building; this report is the next step in the process of securing its future. The purpose of the gathering was to:

- Generate new ideas for a preservation-sensitive redevelopment of the Speedway Headquarters Complex that would provide a viable long-term use that would benefit to the neighborhood and the public-at-large
- Raise awareness about and interest in the Speedway Headquarters Complex
- Inform this Revitalization Study and the Boston Landmarks Commission's (BLC) Study Report for Landmark Designation.



The event was well attended (50-75 attendees) and included a tour, presentations by the sponsoring agencies, and group brainstorming/breakout sessions. The following is a summary of the resulting findings*:

Positives:

location
architectural style: unique
good site size
near population center
courtyard
could support multiple/shared uses
flexibility of spaces
river access
high visibility
proposed community health center next door
on a main route to Boston
historic appeal
working utilities
no water damage
close to neighborhood
bike path

Possible uses:

rollerblade/bike rental
health-associated use
farmer's market
antique market
multi-family residential
destination restaurant
preserve jail cells for visitation: museum
research archives for BAHS (Brighton-Allston Historical Society)
public garden
music venue
arts center/after-school activities
studio space
food truck venue, places to eat
public restrooms/showers/lockers
runners' center

Most Problematic Issues:

poor condition
poor car access to site; minimum parking
somewhat unsafe pedestrian access
no big floor plates -- limiting
Western Ave. is not a draw; harsh surroundings
money must be spent on "hidden" improvements
Mass State property disposition rules
Harvard's Land Banking
not on subway line
no foot traffic in area
maintenance costs
dangerous access to river

Next Steps:

start dialogue with neighboring sites
research zoning availability
improve access to river/bridge
explore community organizations who need a site
upgrade utilities
improve crosswalks
raise awareness: host events, create website
improve lighting
look for partnership groups
improve landscaping and visual appeal for potential users
demolish 1940 structure

* information provided by Boston Preservation Alliance

The partner organizations agreed to integrate the results of the charrette into a comprehensive conditions survey and report and committed to holding another public meeting following its completion to present the results. The follow up meeting was held on February 27, 2012 and DCR and HBI presented the preliminary results of the data provided through the conditions survey and preliminary market analysis. Additional public feedback was gathered and incorporated into this study.

The goal of this study is to guide the future development and long-term preservation of the property by presenting information about the property, estimating rehabilitation priorities and costs and investigating development challenges and opportunities. Through this study and with the input of the community, HBI and DCR hope to inspire a vision for the future of this important public resource.



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PROPERTY INFORMATION

HISTORY OF THE SITE



"Charles River Headquarters, Speedway." View of Superintendent's Residence and MPC Police Headquarters. Undated lantern slide 3.2.40, c.1900 (Courtesy of DCR Archives, Metropolitan Parks System Lantern Slide Collection).

In the late 19th century, the rapid growth of Greater Boston was having a significant impact on the urban landscape. Industrial and commercial activities had a destructive effect on many of the region's natural areas, and continued population growth and industrial pollution threatened the loss of publically accessible open space. Under the visionary leadership of Charles Eliot and Sylvester Baxter, and inspired by the example of Frederick Law Olmstead's Emerald Necklace parks, a movement began to create a system of protected parks and natural areas across the Boston metropolitan region. The establishment of the Metropolitan Park Commission in 1893 heralded a new era of natural conservation and public recreation. The centerpiece of this 9000 acre multi-city undertaking was the Charles River Basin Reservation. Once an unattractive and uninviting stretch of tidal mudflats accentuated with the sights and smells of industrial waste and sewer runoff, the river was transformed into a place for natural beauty and public recreation. One of the first major recreational facilities developed for the Reservation was the system's first parkway: A 1.75 mile scenic riverside drive and pedestrian path with a mile long harness racetrack that became known as the Speedway. Soon after its opening in 1899, the Speedway quickly became one of the city's most popular gathering areas, bringing together strolling pedestrians, bicyclists, horse racers and automobile drivers.

Another important development introduced by the MPC was the creation of an efficient park management administration and the construction of multi-purpose headquarters buildings. These facilities streamlined the management structure by centrally locating all management and maintenance functions for the reservation, in addition to providing onsite housing for park Superintendents. In 1899 the architectural firm of Stickney and Austin was hired to design the headquarters complex for the

Charles River Reservation. The renowned firm built most of the fledgling agency's signature structures, designing similar complexes at Revere Beach, Nantasket and the Blue Hills Reservations. Their site specific interpretations of contemporary architectural styles tied the facilities together while giving each property its own signature aesthetic. Construction began the same year, and the sprawling complex included offices, police headquarters, stables, and the park superintendent's residence, all gracefully connected through the elegant Shingle Style, and creating an inner courtyard which provided functional non-public space within the boundaries of the small lot. Shortly after its construction, an additional 2-story stable was added to the eastern end of the original stable. This original core remains intact today.

By the time the MPC became the Metropolitan District Commission (MDC) in 1919, advances in technology had transformed park management operations, and the Speedway building changed as well. In 1923 many of the open storage sheds and stables were enclosed and in 1924 the 2-story stable was adapted by Stickney and Austin for use as a police station and dormitory, reflecting the end of the horsepower era and the beginning of the Automobile Age. This transformation came full circle with the addition of the concrete 9-bay garage added in 1940. The building continues to exhibit characteristics of both periods and stands as a living example of a how a building can retaining its historic integrity while adapting to changing uses and needs.

Horse racing remained popular at the Speedway until mid-century, when the track was razed and became integrated into Soldier's Field Road. The operational and management structure of the MDC changed over the proceeding decades, and the police force was absorbed into the State Police in 1970. By the 1980s park offices were moved to the adjacent Almy's Building and the Speedway Building lost its role of prominence as a park management facility. As is inevitable when activity wanes at a historic property, the building fell into disrepair.



"Charles River Headquarters, Speedway." View of Superintendent's Residence and MPC Police Headquarters. Undated lantern slide 3.2.41, c.1900 (Courtesy of DCR Archives, Metropolitan Parks System Lantern Slide Collection).



Metropolitan Park Commission Stable and Police Station, 1941 (Courtesy DCR Archives, Metropolitan District Commission Parks Buildings Photographic Survey Collection, 1941).

The buildings possess many characteristics common to the Shingle Style: an irregular roof-line with cross-gables, turrets, continuous wood shingle siding, porches, and wide eaves. The buildings retain most of their original features and have generally maintained their structural integrity. The elaborate Shingle/Colonial Revival style used has connotations to the importance of the Speedway complex when constructed.



Metropolitan Park Commission Police Headquarters and Superintendent's Residence, 1941 (Courtesy DCR Archives, Metropolitan District Commission Parks Buildings Photographic Survey Collection, 1941).

Recent History

The Speedway Building was in use by MDC until approximately 1990, when offices moved to the adjacent Almy's Building on Soldiers Field Road. The building continued to house a residential tenant until approximately 2005. Currently, occupied spaces include a small office space used by the Massachusetts Department of Fish and Game and some garage and outdoor spaces used for storage and equipment; otherwise the building is vacant.



Former Police Station Façade c. 2008

While the unoccupied sections of the building have deteriorated in recent years, DCR is actively taking steps to preserve it. Since 2008, DCR has invested over \$200,000 in mothballing the structure, making it weather-tight and renovating the Western Avenue façade.

With the mothballing of the structure in 2008, windows and doors were secured with plywood boards to keep out vandals and animals. Windows behind the protective boards could now be left open to allow air to provide continuous ventilation of the entire structure. Also, small roof leaks were repaired to keep the structure water-tight.



Western Ave. Facade Pre Renovation c. 2006



Western Ave Facade Post Renovation 2011

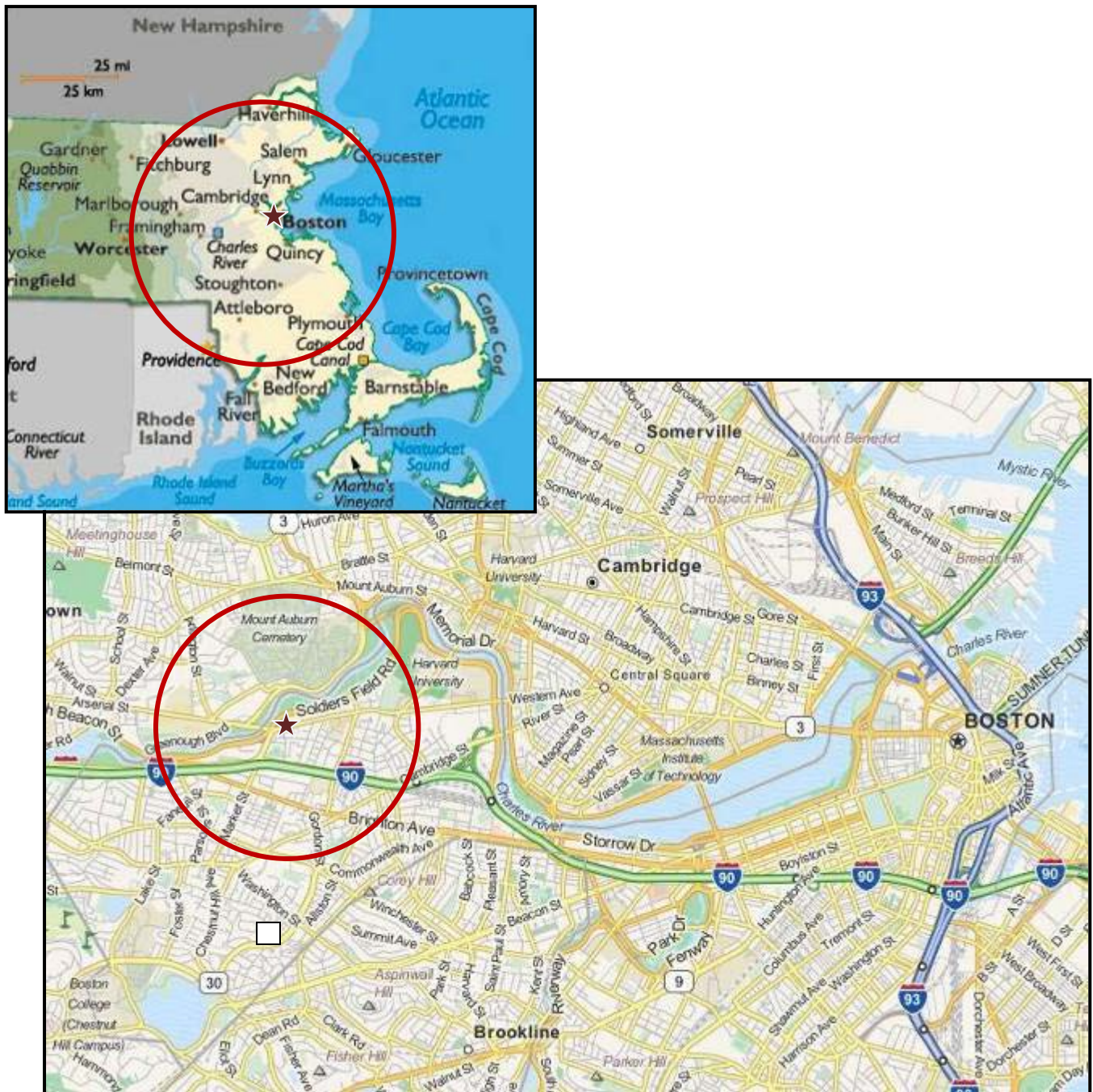
During the renovation of the Western Ave Wall, the entire exterior was stripped to the sheathing underneath, and in some areas the framing was repaired as well as new sheathing. Virtually the entire foundation was reconstructed from existing and new stone to original condition. Most of the sill was

replaced, as it had been badly damaged by infestation. All shingles were replaced, and old trim and architectural details were recreated to match existing trim and sightlines. The original gate doors were repaired and some custom-made hardware - molded in original-style brass and bronze - were installed to match the existing hardware.

This relatively low cost restoration truly shows the simplicity, strength, and beauty of the building and brings back the charm of its original design and character. The restoration of the Western Avenue wall shows how, with continued effort and investment, a revitalized Speedway Building would have a tremendous impact on the neighborhood and once again resume its role as a landmark icon along the Charles.

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SITE CONTEXT





The Speedway Building is conveniently located minutes from Downtown Boston, Harvard Square and central Cambridge, the Arsenal Complex in Watertown and the western suburbs. Located at the busy intersection of Western Avenue, Soldier's Field Road, Leo M. Birmingham Parkway and Arsenal Street, the property is situated just south of the Charles River and can be approached from Watertown on the north bank via the Arsenal Street Bridge. Soldier's Field Road is a divided restricted parkway and follows the path of the original "Speedway"- a scenic drive that included pedestrian and bicycle routes, as well as a harness racing horse track.

The building is located in the dynamic and bustling Allston / Brighton neighborhood of Boston, which features a diverse blend of residential, commercial, retail and educational activity. The neighborhood along Western Avenue is characterized by one-and two story commercial, multi-family residential and parking lots. The Soldier's Field approach is bordered by parkland and one to two story commercial buildings. The western approaches from Birmingham Parkway and Soldier's Field Road features riverside parkland, commercial development and retail shopping centers. Highlights of the building's immediate context include:

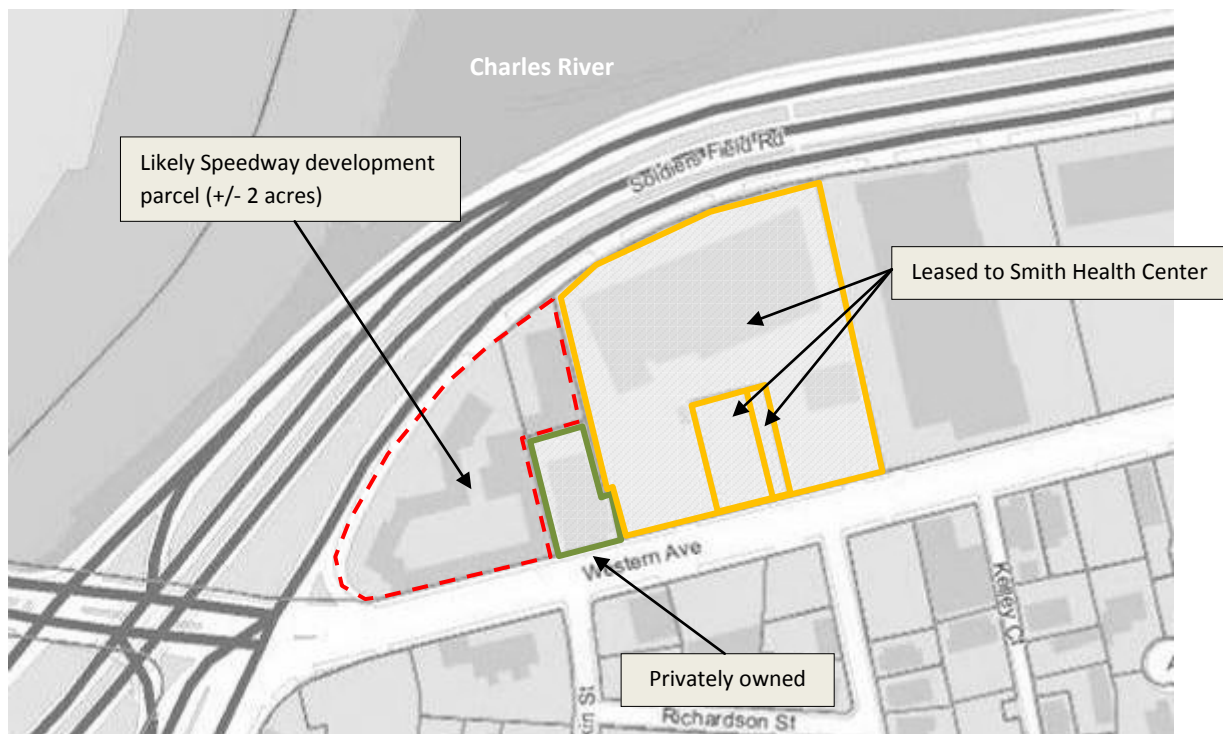
- Blocks from proposed 700,000+ square feet New Brighton Landing - a planned “health and wellness district” development which will include office, retail, restaurant, hotel, parking, green space, and potentially a future commuter rail station.¹
- Minutes from multiple research facilities and institutions of higher learning
- Near multiple world renowned medical and health care facilities
- Minutes from the Mass Turnpike (Interstate 90), and Storrow and Memorial Drives
- Convenient to public transportation - MBTA Bus Routes #70 and #86, both bring riders to Harvard Square T (subway) Station.

The Speedway Building also offers direct access to infinite opportunities for outdoor recreational activities offered by DCR’s historic Charles River Reservation including:

- A network of over 18 miles of bike and walking trails that connect much of the Boston metropolitan area
- Facilities such as athletic fields, pools, spraypool parcourses, picnic areas, playgrounds, a skating rink and tennis courts
- Convenient to public boat launches and watercraft rentals for river activities including rowing, canoeing, kayaking, sailing, standup paddleboarding and fishing. Less than a mile from both Community Rowing and Charles River Canoe and Kayak.
- Near countless cultural activities including outdoor theater, festivals and performance venues



¹ http://www.boston.com/yourtown/news/allston_brighton/2012/05/new_balance_to_spend_500m_to_b.html

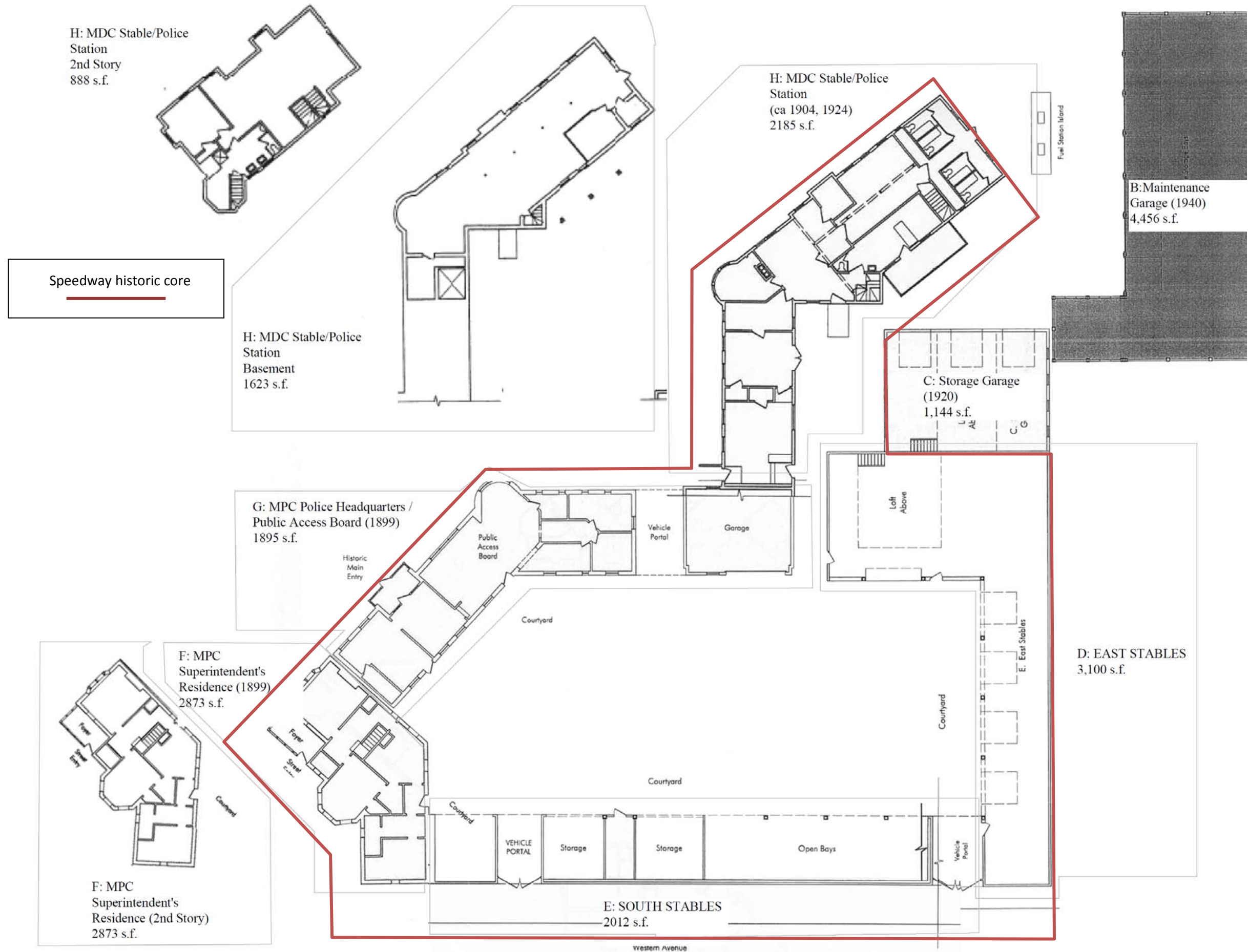


The most likely development area boundary for the Speedway Building is noted above. The site is bound on the south and west by Soldiers Field Road and Western Avenue, respectively. The adjacent parcel east of the Speedway Building will be leased to the Joseph M. Smith Community Health Center, Inc. through enabling legislation (Chapter 18 of the Acts of 2010.) The site will be redeveloped into a community health center. There is currently no access to the building from Western Avenue (the gates are not currently used open for vehicular travel). The only current access is from the eastbound lane of Soldier's Field Road. There is limited parking on the site itself and street parking along Western Avenue.

Currently the former MPC Police Headquarters section is occupied by the Massachusetts Department of Fish and Game's Office of Fishing and Boating Access. DCR Operations staff uses portions of the garage spaces for equipment and material storage.

The Speedway parcel is currently zoned as Western Avenue/ Soldiers Field Road CC-2 (Community Commercial Subdistrict 2) with a maximum floor area ratio of 1.75. The parcel is also located in the Soldiers Field Road/Soldiers Field Road Extension Greenbelt Protection Overlay District.² Under a long-term lease any proposed reuse under either scenario would most likely be subject to these zoning codes.

² See <http://www.bostonredevelopmentauthority.org/pdf/ZoningCode/Article51.pdf> and for more detailed zoning information and http://www.bostonredevelopmentauthority.org/pdf/ZoningCode/Maps/7_AllstonCentral.pdf for zoning map.



OVERVIEW OF CONDITIONS

In the late summer of 2011, Clark & Green, Inc., Architects, and their engineering consultant team visited the Speedway property and performed an overall assessment of the physical condition of the buildings and site (See Appendix A-2). The assessment was performed for the following categories: architectural, exterior and interior; structural; mechanical/electrical/plumbing; and site features, including drainage and utilities. Unlike the 2001 study performed by Wallace Floyd Associates, it did not extend to the Almy's building or site. The assessment focuses on the improvements required to rehabilitate the shell of the building. These numbers will of course change depending on the nature of the build-out of interior spaces. Clark & Green's assessment reports are appended to this document.

The complex is divided into two buildings:

- A concrete garage from the 1940s adjacent to Soldiers Field Road (B).
- The main building comprised of four distinct parts:
 - An attached garage, dating from the 1920s, on the entry alley, which backs up to a portion of the east stables, including a shared bearing wall (C).
 - The former MDC stable/police building, on Soldiers Field Road and the entry alley (H).
 - The former superintendent's residence (F) and Metropolitan Park Commission Headquarters (G) - the present-day offices of the Massachusetts Department of Fish and Game's Office of Fishing and Boating Access.
 - The former stables and garages around the courtyard further referred to in the reports as the east stables (D) and south stables (E).

Of all the structures, the two key ones for habitable reuse are the superintendent's house and the old police station. The east stable is an essential part of the courtyard, and possibly worth converting to habitable space, or kept for storage and parking. The south stable must also be kept, but cannot realistically be converted into habitable space because it is so lightly framed that it would need to be completely rebuilt, and again works best as parking or non-critical storage. The 1920s garage is poorly located and rather deteriorated, and should be strongly considered for removal, along with the section of the east stables with which it shares a wall. Any removed east-stable section of the courtyard should be replaced with new construction, to preserve the sense of enclosure of the courtyard. The 1940s garage, neither architecturally nor historically distinguished, although sound, is not essential to the historic architectural character of the courtyard; it may be kept and renovated slightly or completely, or removed for new construction, as best suits the intended project.

The 1940s garage is in acceptable condition, requiring mainly newer, more energy-efficient doors and replacement of all gable and eave trim that cannot be saved and repainted. The 1920s garage and its adjoining east-stable section have serious deterioration and consequent structural issues, to the extent that the structural report cites one roof-truss condition as actually dangerous. The other buildings themselves are relatively sound, with deterioration concentrated in certain areas, particularly adjoining the grade on the eastern and northwestern sides.

of the older portions of the complex. The southern exterior side of the building has been recently renovated and has a new roof, whereas the balance of the exterior is in need of rehabilitation.

The most critical items include:

- Through-deterioration of the balcony and wooden porches at the superintendent's house, sill areas in several locations, brick foundations at the old police building, and retaining walls along the eastern property line and the 1920s garage
- Required envelope repairs extend to windows, doors, trim, and cladding shingles
- Some posts in the stables area in need of augmentation or replacement
- The older portion of the fiberglass asphalt shingle roof, although fortunately still fairly tight, nearing the end of its life and in need of replacement, particularly before the buildings' interiors are upgraded.

With the exception of the rather small occupied office area, mechanical systems throughout the project are outdated, inefficient, and in need of replacement, as are plumbing fixtures and capacities. Although electrical service to the complex is sufficient, the electrical systems need replacement and complete updating, including measures to address the energy-efficiency requirements of present-day codes. In addition, the installation of a full fire sprinkler system throughout the main building is highly recommended, even if not strictly required by building and fire codes, due to the historic value of the project, particularly the older portions.

None of the building areas is fully accessible to persons with disabilities in conformance with the requirements of 521 CMR or ADA standards. Any adaptive reuse of the building is likely to involve variances from 521 CMR through the Massachusetts Architectural Access Board. This will almost certainly be the case for either of the second floors in the superintendent's house or the police station, which are both small in area and therefore do not warrant the installation of vertical transportation (lifts, elevators) from a cost-to-benefit standpoint.

On-site paving is bituminous concrete in fair to poor condition, which, although patchable, should be replaced with any major project. Site drainage utilizes drywells in the courtyard, and pitches to Soldiers Field Road elsewhere. The 2001 study made much of the absence of gutters and downspouts around the buildings, as significantly contributing to the general deterioration, but installing gutters typically creates some problems while solving others (for example, the need for regular maintenance in order to function.) There is no 521 CMR/ADA-compliant accessible parking, nor accessible routes to building entrances, so those considerations would inform any alterations to the site.

Landscaping, although cleaned up considerably in the last few years, is still in need of attention, including the probable removal of at least one of the mature trees. Fortunately, both the Soldiers Field Road side and the courtyard and alley areas offer areas for extensive landscaping.

COST ESTIMATES

Conceptual cost estimates were performed for each of the three suggested site plans with a focus on the rehabilitation of the shell and basic systems. (See Appendix A-3 for detailed estimates) Any proposed future reuse would need to consider the costs of building out interior spaces for the needs of the tenant or tenants. The estimates were predicated on the assumption that the buildings and site would be free of problematic hazardous substances at commencement of construction and also

assumed the payment of prevailing wages as a condition of the construction contract, since at some level public money is likely to be involved in the funding mix. The estimates also all included an under-pavement snow-melting system recommended by the design team, given the difficulties of removing snow from the interior courtyard, which would be necessary in order to maintain adequate parking.

Other factors could influence cost as well, such as the cost of material chosen for paving the courtyard, the number of areas within the complex to which the plumbing might be extended, the number of restrooms in the final design, and whether the second floor areas must be made accessible to persons with disabilities in order to be usable.

The construction cost for rehabilitating the shell of the Speedway buildings and surrounding landscape is estimated at:

Exterior siding, trim, windows and roofing	\$ 243,200.00
Interior construction and fit-up	\$ 646,000.00
Mechanical, plumbing and electrical	\$ 380,000.00
Sitework (landscaping, hardscaping, accessory structures + systems)	\$ 593,929.00
General conditions / profit / contingency	\$ 758,851.00
TOTAL	\$2,621,980.00

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DEVELOPMENT CONSIDERATIONS

HISTORIC DESIGNATIONS

The Speedway Building is listed in the National Register of Historic Places and the Massachusetts State Register of Historic Places. The Boston Landmarks Commission (BLC) has prepared a Landmark Study Report for designation of the building as a Boston Historic Landmark.³ A vote on potential Landmark designation is pending.

HISTORIC PRESERVATION PRIORITIES

As mentioned elsewhere in this report, the primary goal of this effort is to ensure the long term preservation of the Speedway Building, a goal best accomplished by returning the building to active use. The development of the site would be considered *rehabilitation* (as opposed to museum-quality *restoration*, or non-historic *renovation*) and a feasible proposal for development would be required to balance core preservation priorities with required improvements which make the building functional for a modern reuse. While details of a potential proposal would be developed according to the Secretary of the Interior's Standards for Historic Rehabilitation, in conjunction with DCR and in consultation with the Massachusetts Historical Commission and any other pertinent entities, the following assumptions can be made:

- The guiding principle in a rehabilitation plan will be to “repair and replace in kind,” especially on the building’s exterior. Since much of the historic integrity of the interior has been lost over time, more flexibility will be allowed for changes to interior spaces.
- The scale, height and massing of the building and its details and materials will be retained.
- The preservation and rehabilitation of 1920s and 1940s garages, while not prohibited, would not be required due to their condition (1920s garage) and context (1940s).
- Any new construction will be as secondary support structures only, and will not compete with the existing scale, massing and design of the original building.
- Any rehabilitation plan will require flexibility in the treatment of the courtyard space. Allowances for the introduction of, for instance, skylights, in order to bring light to the stable spaces, regrading for access purposes or developing garden space may support the long term feasibility of the project.

REUSE POSSIBILITIES

Some of the factors that will determine the range of reuses for the Speedway property include current zoning, neighborhood character, demand, access, available parking, projected nearby future development, historic preservation requirements, and the character and capacities of existing structures. Some of the potential uses currently allowed by zoning include community center, day care

³ http://www.cityofboston.gov/Images_Documents/1_CRSAB_StudyReport_FINAL_April15%5B1%5D_tcm3-24895.pdf

center, library, art gallery, elementary / secondary education, agency or professional office, general retail business, trade shops, and restaurant (1st floor). Some other potential uses currently conditional under zoning include most residential categories, fitness center, clinic or clinical laboratory, nursing home, bed and breakfast, hotel, and lodging house. Reuses not allowed under current zoning designations include college or university, dormitory, hospital, conference center, most industrial and storage uses and wholesale business.

Any proposed reuse will be required first and foremost to respect the historic integrity of the building and be compatible with the surrounding parkland and neighborhood.

OWNERSHIP SCENARIOS

An important consideration in any future development of the Speedway Building is the status of ownership and governance. DCR has two possible options to facilitate investment in the property through an outside party.

Scenario 1: DCR retains ownership and issues permit or lease

Under current state law, DCR has the option to:

- Issue a five-year permit. This scenario is unfeasible since a potential short term permittee would likely not be interested or willing to make any serious capital investment in the building. DCR then, would most likely be required to perform the majority of the rehabilitation work. A short-term permit fee could be paid in cash or in-kind services, for instance in maintaining the property.
- Solicit the property through DCR's Historic Curatorship Program, which is legislatively authorized to partner with outside parties to exchange rehabilitation, reuse, and maintenance services for a long-term lease. DCR determines lease terms for individual properties based on a fair market rents and rehabilitation costs. Lease terms in the program range from 10 to 65 years. Rent is not collected in cash, but rather in the rehabilitation, management and reuse of the property. *(See more on the program in Appendix A-4)*
- Pursue separate legislative authority to lease the property longer than five years. Any lease or transfer agreement of more than five years would be subject to oversight from the Department of Capital Asset Management (DCAM).

Scenario 2: DCR surpluses and transfers the property to an outside party through a disposition:

- DCR would be required to comply with Article 97 Land Disposition Policy for any disposition of state property⁴. Legislation approved by a 2/3 majority of the General Court would most likely be required, and any transfer of interest would include preservation and/or conservation

⁴ <http://www.env.state.ma.us/mepa/article97policy.aspx>

restrictions. Any lease or transfer agreement of more than five years would be subject to oversight from the Department of Capital Asset Management (DCAM). Transfer of fee interest in the property would require compensation to the Commonwealth of the property's fair market value.

REGULATORY AUTHORITY

Development of the property through an outside party through either Scenario 1 or 2 would require the same oversight under the following bylaws and regulations: (This list is for reference only and is not a comprehensive description of all regulatory considerations.)

- **Massachusetts Historical Commission Review**
As a state agency, DCR is required to comply with Massachusetts General Laws Chapter 9, sections 26-27C, which requires the review of any project requiring funding, licenses, or permits from any state agency by the Massachusetts Historical Commission (MHC). If MHC makes a determination that the project would result in an "adverse effect" to the historic property, DCR is required to enter into a Memorandum of Agreement (MOA) in order to mitigate the adverse effect. This review would be required under either scenario, since any transfer of interest in the property would require the placement of a preservation restriction that would continue with the deed in perpetuity.
- **Section 106**
This regulation requires federal agencies to take into account the effects that their federally funded activities and programs have on significant historic properties. This review would occur under either scenario if any federal funds or licenses were used in the rehabilitation of the property.
- **MEPA**
The Massachusetts Environmental Policy Act (MEPA) requires that state agencies study the environmental consequences of their actions, including permitting and financial assistance. MEPA applies to projects that exceed certain thresholds and that require a state agency action, specifically that they are either proposed by a state agency or are proposed by municipal, nonprofit or private parties and require a permit, financial assistance, or land transfer from state agencies.
- **Building / Plumbing / Electrical Inspectors. (For Certificates of Occupancy, Building permits, etc.)**
Under Scenario 1, most construction related permits (excluding fire and electric) would be issued by State inspectors. Under Scenario 2, construction permits would fall under the City of Boston's jurisdiction.
- **City of Boston Zoning**
The Speedway parcel is currently zoned as Western Avenue/ Soldiers Field Road CC-2 (Community Commercial Subdistrict 2) with a maximum floor area ratio of 1.75. The parcel is also located in the Soldiers Field Road/Soldiers Field Road Extension Greenbelt Protection

Overlay District.⁵ Under a long-term lease any proposed reuse under either scenario would most likely be subject to these zoning codes. Among some of the likely reuses, Community center, day care center, art gallery, professional office, restaurant, and general retail business are allowed, while residential reuses are conditional.

- Conservation Commission
Projects that can potentially impact wetlands under either scenario are subject to Boston Conservation Commission review.
- Boston Landmarks Commission
If the property is designated a Boston Historic Landmark, any proposed changes to the building under either scenario that are within the public view will need to be reviewed and approved by the Boston Landmarks Commission.

The major difference identified in this review between disposition of fee interest and long-term lease is that a future owner would bear the cost of acquisition, where a lessee under DCR's Historic Curatorship leasing program would not incur initial acquisition costs, the lease payments would come in the form of the rehabilitation, management and maintenance services.

⁵ See <http://www.bostonredevelopmentauthority.org/pdf/ZoningCode/Article51.pdf> and for more detailed zoning information and http://www.bostonredevelopmentauthority.org/pdf/ZoningCode/Maps/7_AllstonCentral.pdf for zoning map.

SITE DESIGN OPTIONS

The constrained nature of the Speedway site will require efficient site planning and creative design in order to maximize the limited area for parking, circulation and handicapped accessibility, while retaining what remains of the site's historic integrity and character. This report provides three possible site configurations that address the practical and aesthetic considerations and are also amenable to a wide range of potential reuses (*see Appendix 6*).

Flexibility in balancing the preservation of the building's integrity and the functionality of the space will be required of any plan to return the building to active use. All three site configurations propose the removal and/or reconstruction of the 1920s garage, which is severely deteriorated and greatly limits the courtyard access options from Soldiers Field Road. The plans also utilize the 1940s concrete garage as parking space; however this area may also be a location for introducing a secondary structure.

These three plans do not proscribe any specific use, but can ideally provide potential developers creative solutions to the property's challenging site issues.

SAMPLE MARKET ANALYSYS

The following sample market analysis is provided by Historic Boston, Inc. to provide an example of one reuse scenario in the context of current market conditions. This analysis is provided only as an example and does not represent an endorsement of any particular development model by DCR or Historic Boston, Inc. A financial proforma produced by this examination can be found in Appendix A-5.

BASELINE ASSUMPTIONS

The market/Reuse analysis is based on the conventional development concepts previously highlighted and is assumed to meet the following baseline requirements:

1. The development concept must preserve the building in accordance with the Secretary of the Interior's Standards for Historic Rehabilitation and any other applicable state or municipal historic preservation standards and regulations.
2. The development concept must adhere to the legally defined ownership and development process defined by the State of Massachusetts, as administered by the Department of the Conservation and Recreation.
3. The development concept must be focused on a specific likely concept in order to make the most use of the limited feasibility.
4. The development concept must be legally permissible, based upon potentially applicable local zoning.

Within this broader context, the focus of the study was further refined, based upon feedback by the project consultant team, the suggestions of local stakeholders through meetings conducted by the Boston Preservation Alliance and at the discretion of Historic Boston Incorporated and the Department of Conservation and Recreation, as co-funders of the study.

Based upon these considerations, this study focuses on the redevelopment of the Speedway complex as **a multi-tenant office/commercial complex**. Any number of specific uses can be accommodated by this development concept, including but not limited to medical office, professional offices, day care, restaurants, limited retail, or other commercial uses.

FINANCIAL PROJECTIONS

The proforma financial projections and cash flows included in this packet are conceptual in nature and are based on a combination of information discovered through the feasibility process and Historic Boston Incorporated's experience developing and operating historic commercial buildings in Boston, Massachusetts. The purpose of these projections is not to provide a definitive determination of financial viability for any one party, but to provide perspective developers and users with a realistic sense of the potential costs and returns for the redevelopment and operation of a multi-tenanted, commercial historic building.

Different developers and users will have varying capacities for debt, tax credit programs, subsidies, access to equity, tax status, fee requirements, return expectations, etc. As such, the analysis is based on a standard financial structure utilizing State/Federal Historic Tax Credits (see *Appendix A-8*), private debt, and Developer/Sponsor Equity.

The following analysis provides a more detailed explanation of the specific assumptions and variables.

Revenue Projections:

Projected Rent/SQFT: The analysis assumes that the winter 2012 market is paying between \$22 to \$27 gross rent per square foot for newly constructed custom fit out space. These numbers are based on the 2011 GRC Market Study, as updated by 2012 phone interviews. In this model, \$25.72 gross rent per square foot is assumed to equate to \$23 per square foot NNN, plus tenant utilities, insurance, and property taxes (CAM = \$2.7/sf.) (This is more reflective of a NNN⁶ rent structure, which places the risk of escalating operating expenses such as taxes and insurance on the tenants, as opposed to the developer and owner. Accordingly, perspective developers would expect a discount from the rent described by GRC commercial. (See *Appendix A-5* for GRC Market study.)

Vacancy: A cumulative allowance of 10% of gross revenues is forecasted to account for periodic vacancy and credit loss.

Annual Reimbursable Expenses: As more thoroughly described above, this analysis contemplates finding tenants that will reimburse the landlords for the prorated share of the buildings insurance and property taxes expenses. This is a more favorable (less risky) lease structure for a developer and owner, but will result in a discount on gross rental income as currently forecasted. It is assumed that the City of Boston will levy property taxes or another payment in lieu of taxes (PILOT).

Operating Expenses:

Operating Costs: The operating cost information provided in this model is based upon the cost to operate other commercial historic properties owned by Historic Boston Incorporated.

Lease and Inflation Assumptions:

Inflation Assumptions - The inflation assumptions anticipate slow rent and operating expense growth, followed by a more industry standard forecast of 3% growth per year.

Lease Term Assumptions - The financial analysis provided in the Reuse study includes a standard ten-year forecast and anticipated cost of having to re-lease space.

Duration - The lease duration of five years is an assumption based upon conversations with GRC commercial. Generally, longer-term leases would be preferred and are possible.

Renewal Vacancy - There is currently no budget for renewal vacancy in this proforma. The analysis assumes that with proper advance notification and accounting for the small size of the subject property, an owner should be able to find a suitable replacement tenant or entice the existing tenant to renew. As stated above, the model already accounts for a combined 10% of gross revenue allowance for vacancy and credit loss.

⁶ NNN: Net-Net-Net (Triple Net) Lease: A lease agreement that designates the lessee (the tenant) as being solely responsible for all of the costs relating to the asset being leased, in addition to the rent fee applied under the lease. The structure of this type of lease requires the lessee to pay for net real estate taxes on the leased asset, net building insurance, and net common area maintenance. The lessee has to pay the net amount of three types of costs, which how this term got its name. (Definition from www.investopedia.com.)

Tenant Improvements (TI) - Most commercial leases involve the negotiation of tenant improvements as an inducement for a tenant to sign a long-term commercial lease. According to GRC commercial, it is common in the subject market to offer free rent in lieu of tenant improvements. Based on their input, the proforma capitalizes a 25% discount of forecasted 'effective gross rental income' (which corresponds to three months of free rent) as a budget to entice to potential tenants.

Leasing Commissions - The proforma capitalizes a budget of \$1 per square foot of annual leased space as a leasing commission to brokers. For example, if a broker provided a lease for 1,000 square feet for 5 years, he or she would receive a commission of \$5,000 (Rate [\$1] x Square feet [1,000] x years [5].)

Development Costs:

Acquisition - This proforma assumes the project is subject to the DCR Historic Curatorship program and will not require an acquisition payment.

Soft Costs⁷ - The Soft Costs provided in the proforma are based upon standard design and consulting expenses, regularly incurred by Historic Boston Incorporated in the normal course of the redevelopment process. Additional costs may be incurred.

Hard Costs⁸ - The Hard Costs in this proforma were provided by A. M. Fogarty and are included in this study.

Financing Costs - During the development period, the Financing Costs include fees and interest associated with both a conventional construction loan and construction period bridge financing equal to 50% of the total yield from the State and Federal Historic Tax Credits. The Permanent Loan is sized based on projected net operating income and conservative assumptions for interest rate and term.

Contingency - The Soft and Hard cost contingency included in this proforma are developer contingency allowances that are in addition to any contractor's contingency.

Developer Fees - Understanding that a Developer Fee is a likely requirement for Lender Underwriting, the analysis assumes a Development Fee of 10% of Total Development Costs (excluding fee.) It is assumed that this Fee will be pledged as part of the 20% Developer Equity commitment.

Linkage or Public Benefit - This analysis does not include a budget for public improvements or linkage payments. It is extremely unlikely that the redevelopment of this building would warrant any additional money for public benefits beyond the preservation and restoration of the building.

Ten-Year Cash Flow Projection:

The ten-year cash flow projection combines development and forecasted operating expenses to the 'cash flow before debt' level. As with all long-term projections, this cash flow is speculative. Potential

⁷ Soft or indirect costs associated with construction/improvement are insurance, commissions, engineering and architecture fees, legal services, etc.

⁸ Hard or direct costs are expenditures used for acquiring land for development, physical site preparation, building and rehabilitating structures, etc.

developers and owners should complete this projection using debt and equity assumptions appropriate to their individual circumstances. Further, a complete 'discounted cash flow' model should include a projection of a disposition value at some point in the investment horizon under consideration. Should the property fall under the DCR curatorship program or be leased from DCR, a developer should understand any applicable limits in terms of transferring interest in the property.

Most likely, if a future developer was required to invest in an initial purchase price at market value (or the payment of cash rent beyond in-kind rehabilitation, maintenance, and management services) the financial models presented here would not be financially tenable. Even if the building were acquired free and clear through a disposition, as stated in the "Planning Considerations" section of this report, similar development restrictions and preservation protections would be passed on to a hypothetical future owner as would be required if the property was under lease with DCR. Therefore the management of the property through a master lease with DCR (such as through the Historic Curatorship Program) would make the prospect of investment more financially feasible for a future developer. This said, it is important that the term of the master lease be established understanding its impact on Lender Underwriting. A rule of thumb is that the lease term should be as long as possible, but a minimum of 51 years, to avoid negative impact on the project's financeability.

Any determination about financial viability based solely on this information, whether favorable or unfavorable, would not be reliable. Similar to the architectural design process, this financial analysis is conceptual in nature. All financial analyses should be regularly updated and refined when new and more accurate information becomes available through additional refinement or changes in market conditions. Perspective developers and users must finish the exercise of financial modeling by more specifically defining the variables specific to their circumstances or proposals. However, it is common that preservation real estate development projects are financially challenged, not only by the normal substantial risks of real estate development, but also by a combination of poor existing physical conditions and the expense of updating older buildings to modern codes. Great care and thorough due diligence is warranted when considering the redevelopment of the Speedway Administration Building.

Assumptions and Sensitivity Analysis: The financial assumptions utilized in this analysis are deemed to be conservative, in that interest rates and tax credit raises are much more competitive in February 2012. This is a prudent assumption given that the key financial metrics can change quickly. As calculated, the proforma identifies a funding gap of \$730,000. With more aggressive assumptions – increase rent by \$2, decrease interest rates by 100 basis points and increase the raise on tax credits by ten cents – and the gap would decrease by approximately 50% (roughly \$372,000) to \$350,000. Changes to the metrics in the opposite direction would have the opposite impact.

CONCLUSION

Consideration of the potential future reuse of the Speedway Building inspires a wide range of exciting possibilities, as reflected by the comments and general enthusiasm generated in the April 2011 Design Charette. As this report outlines, however, there are a number of major factors that would influence any proposed reuse of the site: major capital is required for its rehabilitation as a useable building as well as for its preservation; the consideration of substantial acquisition and related financing costs; its status as a state-owned historic property brings with it certain regulatory responsibilities; and lastly, the unique configuration and location of the building presents multiple limitations on the scope of possible reuses.

However, the property also possesses great strengths, primarily its architectural uniqueness, its significant historical pedigree, and its location astride the Charles River Reservation and situated between central Boston and its western suburbs. The right developer with the requisite resources, experience, and most importantly the vision will see the enormous potential of the property.

DCR believes that the best way to attempt to identify the creative and resourceful entity that could make the preservation and development of the Speedway Building feasible is to solicit a Request for Expressions of Interest (RFEI) through the Historic Curatorship Program. The Historic Curatorship Program, a national model for preserving public historic properties through partnerships with outside parties provides the opportunity for a true win-win scenario. An outside partner could develop the property with no initial acquisition or associated rent or financing costs since the rehabilitation, management and maintenance work would serve as the rent payment. In return, the Commonwealth would be able to keep this legacy property within its ownership, and working with the Curator, allow the public to benefit from the improvement of the building and the parklands. Since 1996, the program has preserved 17 historic properties representing an outside investment of over \$12 million, leveraging the unique skills, resources, and vision of a select group of committed parties towards the preservation of endangered historic resources. With many Curatorships, the benefits spread beyond the initial goal of preserving the structure itself. By drawing on the unique strengths of the public and private sector, the partnerships often result in programs, services and amenities that might not be possible with both sides acting alone.

DCR plans to release the RFEI with the final version of this report (summer 2012). The RFEI will solicit creative ideas, foster outside interest in the property and the program, and gather feedback that will help inform the development of a formal Request for Proposals. Based on the response to this solicitation, DCR plans to release a formal Request for Proposals in winter 2012. Ideally this search will identify a party who appreciates the unique building characteristics, proximity to the Charles River and the surrounding location, and the potential for future development that can return the Speedway Building to its status as a centerpiece of the Charles River Reservation and the greater Boston Community.

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APPENDICES

- A-1 2001 Wallace Floyd Conditions Study
- A-2 2012 Structure/MEP/civil reports
- A-3 2012 Cost estimates
- A-4 Historic Curatorship Program information
- A-5 HBI Market Analysis Performa
- A-6 Site Design Options
- A-7 Secretary of the Interior's Standards for Historic Rehabilitation
- A-8 Federal and State Rehabilitation Tax credit information

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