A meeting of the Bedford Planning Board was held on Monday, February 10, 2020 at the Bedford Meeting Room, 10 Meetinghouse Road, Bedford, NH. Present were: Jon Levenstein (Chairman), Hal Newberry (Vice President), Chris Bandazian (Town Council), Rick Sawyer (Town Manager), Randy Hawkins, Mac McMahon, Kelleigh Murphy, Charlie Fairman (Alternate), Matt Sullivan (Alternate), Becky Hebert (Planning Director), and Mark Connors (Assistant Planning Director)

I. Call to Order and Roll Call:

Chairman Levenstein called the meeting to order at 7:00 p.m. Karen McGinley, Alternate Town Council member Phil Greazzo, and Alternate member Priscilla Malcolm were absent. Mr. Fairman was appointed to vote.

II. Old Business & Continued Hearings: None

III. New Business:

1. **206 Route 101, LLC & Bow Lane Bedford, LLC (Owners)** – Request for approval of a condominium subdivision to create four condominium units for a proposed restaurant and three apartment buildings at 206 Route 101 and Chestnut Drive, Lots 20-22-14, 20-99-1, 20-99-2, 20-99-3, and 20-99-4, Zoned CO and R&A.

IV. Concept Proposals and Other Business:

2. **ER Bedford, LLC c/o Encore Retail, LLC (Owner)** – Request for Design Review of a site plan for the Market & Main mixed-use development, proposing changes to eliminate proposed office uses; to reduce retail uses; to modify the hotel use; minor changes to the restaurant uses, cinema, and parking garage; and to add 200 upper level multi-family units in two buildings with associated architectural and site changes, at 125 South River Road, Lots 12-33 and 12-33-2, Zoned PZ (Continued from January 13, 2020).

Mr. Connors stated the condominium subdivision application has been reviewed by staff and staff would recommend that the Planning Board find the application to be complete. The Market & Main application for design review was already determined to be complete by the Planning Board at its January 13, 2020 meeting. The abutters have been notified; it is the opinion of staff that the application does not pose a regional impact. Staff would recommend that the Planning
Board accept the agenda and in so doing, adopt the staff recommendation that the condominium subdivision application is complete.

MOTION by Vice Chairman Newberry to accept the agenda as read. Ms. Murphy duly seconded the motion. Vote taken – all in favor. Motion carried.

1. 206 Route 101, LLC & Bow Lane Bedford, LLC (Owners) – Request for approval of a condominium subdivision to create four condominium units for a proposed restaurant and three apartment buildings at 206 Route 101 and Chestnut Drive, Lots 20-22-14, 20-99-1, 20-99-2, 20-99-3, and 20-99-4, Zoned CO and R&A.

Ms. Murphy and Mr. Sullivan recused themselves from hearing and voting on this application.

Tom Burns of TF Moran was present to address this application on behalf of the applicant. Mr. Burns stated this is a relatively straightforward application. The intent of this is to consolidate the parcels as part of this project into a condominium with four units for the building and the proposed common area as a remainder around the property. There are no changes to the site.

Chairman Levenstein asked have you seen the staff report? Mr. Burns replied yes. Chairman Levenstein asked do you have anything to say about any of their proposed conditions of approval? Mr. Burns replied no. We are fine with the conditions as proposed.

Chairman Levenstein asked for any comments or questions from the Board. There were none at this time.

Chairman Levenstein asked for any comments or questions from the audience. There were none.

Chairman Levenstein asked Ms. Hebert, please explain what this is all about. Ms. Hebert stated as Mr. Burns explained, this is a subdivision application for the creation of four condominium units. Each building would become a condominium unit, the individual apartments within the new apartment buildings would not be condominium units. It is really changing the form of ownership of the property, and per our Land Development Control Regulations, condominium applications are included in the definition for subdivisions, so the Board does typically review a condominium proposal. I would say that this was always contemplated by the developers.

Ms. Hebert continued staff has six recommended conditions of approval. The first one is that the site plan approval that was granted by the Board in 2019 be finalized and that those plans be signed by the Planning Board and receive final approval before the condominiums are created and recorded at the Registry. Chairman Levenstein stated it is my understanding that the reason they haven’t been signed is because the conditions haven’t been met yet. Ms. Hebert responded correct. There were several conditions related to that site plan approval and the applicant is still in the process of finalizing those conditions. The condominium subdivision doesn’t change any aspect of the site plan that was previously approved or any of those conditions.
Ms. Hebert stated the other conditions have to do with making sure that the condominium documents include reference to the affordability restrictions for the proposed workforce housing, that the condominium documents also clearly address maintenance of any private utilities, including utility lines that might extend off from the property, such as the sewer line, which was proposed to be extended from the high school, and that the condominium declaration also be revised to address annual reporting and maintenance of the stormwater treatment facilities, which will be required as part of the stormwater and land disturbance management permit. Lastly, that a copy of the final as-built site plan and floor plans be filed with the Planning Department.

Chairman Levenstein asked for any further comments or questions from the Board. There were none.

MOTION by Councilor Bandazian that the Planning Staff recommends that the Planning Board grant final approval of the subdivision of Lots 20-22-14, 20-99-1, 20-99-2, 20-99-3, and 20-99-4 into four condominium units, in accordance with the plan prepared by TF Moran, Inc., revised on February 3, 2020, with the following precedent conditions to be fulfilled within one year and prior to plan signature:

1. Planning Board’s conditional Site Plan approval granted on June 10, 2019, shall be finalized and plans signed by the Planning Board, prior to Planning Board signature and recording of the condominium site plan.
2. All recording fees shall be submitted to the Planning Department at the time of recording.
3. The condominium site plan and condominium documents shall be revised to clearly address the maintenance of the private utilities, including the privately owned utilities located off site.
4. The condominium declaration shall be revised to include the affordability restrictions for the workforce housing project and other units that may be income restricted. The affordable units must be distributed throughout the apartments and cannot be concentrated within one condominium unit.
5. The condominium declaration shall be revised to include reference to the annual reporting and maintenance of the stormwater treatment facilities required by the Bedford Stormwater and Land Disturbance Management Permit.
6. A copy of the final as-built site plan and floor plan shall be filed with the Planning Department.

Mr. McMahon duly seconded the motion. Vote taken - all in favor. Motion carried.

Ms. Murphy and Mr. Sullivan returned to the meeting.

2. ER Bedford, LLC c/o Encore Retail, LLC (Owner) – Request for Design Review of a site plan for the Market & Main mixed-use development, proposing changes to eliminate proposed office uses; to reduce retail uses; to modify the hotel use; minor changes to the restaurant uses, cinema, and parking garage; and to add 200 upper level multi-family units in two buildings with associated architectural and site changes, at
Chairman Levenstein stated this is a design review, a concept proposal, there will be no voting on this as far as giving final approvals as the final plan has not been submitted yet.

Chris Riley of TF Moran, Attorney John Cronin of Cronin, Bisson and Zalinsky, Terry Robinson of Encore Retail LLC, Kevin Triplett and Joel Bargmann with BH&A Architects, and Charlie Keels from Encore’s multi-family division were present to address this request for a design review on behalf of the applicant.

Mr. Robinson stated thank you for having us again. As you all know, this is a continuation from the January 13th design review meeting. You had some additional questions and asked for some additional information, so we went back and have gone through that in more detail, everything from architecture to the other issues that came up last time. We are here tonight to answer those questions and any other questions that you might have based on the information that we have brought to you tonight.

Mr. Robinson continued we spent some time working on the actual architecture of the site to give you a little bit better idea of what the plan is as far as green space amenities, even who the tenants are going to be, plus the look of the building. We heard some additional comments last month about how you had hoped that it would look and we have tried to reflect that in the changes that we have made since last month. We have our team here tonight, Attorney John Cronin, Chris Rice, Charlie Keels from Encore Multi-family, and Kevin Triplett and Joel Bargmann with BH&A Architects, who is the design team. I will now turn it over to Attorney Cronin.

Attorney Cronin stated I just don’t want to rehash a lot of what has been covered and we have already had a design review and a conceptual in this particular case, but just for full extent of those who may not have been involved with this since the beginning. This was approved initially as a mixed-use project that had retail, office, hotel, and cinema components. The first part of that particular development had been built out with Trader Joe’s, Friendly Toast and Carrabba’s, which is a long-standing building, which is part of the development has been there, and there are some issues with respect to leasing rates that would allow the construction to go forward. The folks at Encore went back and took a look at this to see how it could work. DH was one that was looking for one of the office buildings initially but they changed course buying some land up off from Kilton Road and changing course again looking at other opportunities. So they went back to the drawing board to see what would work here and how they could make it work and still be consistent with a first-rate luxury type development that they envisioned from the start.

Attorney Cronin continued during the prior design review and conceptual a lot of questions were asked, and I know we have gone through many iterations of the architecture and design. Some of the feedback was that some members liked portions of it, others did not like any of it, and the folks at the design team and Encore have listened to the feedback all being good. We also conducted a private focus group and invited all of the people who had sent letters of opposition
previously and others in the community to attend thinking it was a better forum to have open
dialogue rather than a Planning Board meeting where you are pressed for time and our backs are
facing the people that have questions or concerns. We thought that that went quite well and a lot
of the feedback that we received was informative, things that we hadn’t thought of that other
people had seen and viewed that they thought were important were excellent ideas.

Attorney Cronin stated tonight I just want to summarize what we want to cover. I want to go
over the architecture and discuss that again. We have heard you loud and clear with respect to
amenities and green space. I know Mr. Rice has been asked many times by Mr. Robinson and
others to go back and see what he can do to improve that, make some connectivity with the
walking trails, dog parks, etc. There were some lingering issues with the respect, or rather some
developing issues since the last meeting with respect to Police and Fire. We had heard some
feedback and, again, you have to discount hearsay, and it is typical in every one of these cases
that Police and Fire had some concerns about their ability to protect the health, safety and
welfare of the community. The team had met with those folks and we are happy to hear that that
was not the case. They did have some issues; the Police Department thought that the counts that
were reported in Mr. Fougere’s study may be low by including a residential component, it may
increase the number of calls, there was no consensus with respect to that, but rather to be on the
side of caution and be conservative, Mr. Fougere is adjusting his numbers to be consistent with
what the Police Department thought was more appropriate. Also with respect to Fire, there were
some questions about equipment. My understanding is that there has been a pending or prior
request for a ladder truck that may be in the works, may not be in the works, but the Fire
Department thought that that would be something that would be necessary for a project of this
size and scale. That is also being taken into consideration by Mr. Fougere. A couple of other
items which Ms. Hebert was kind to note. There were some omissions with respect to the value
of the parking garage with respect to the tax revenue generation, so when that is added back in, it
will add some to the tax positivity. Also a request to pull out the hotel because it wasn’t in the
current phase; that is all going and will be taken care of.

Attorney Cronin stated with respect to housing; we know that has been an ongoing question, not
only from this Board but from many of the people that have come and spoken here, so we have
brought the President of the housing group with us. We have done a lot of work, I have done a
lot of work with him and with Mr. Robinson since then taking a look at it to try and answer some
questions. We are going to talk a little bit about why housing is necessary and appropriate for
this particular site and workforce housing is not.

Attorney Cronin stated as you look up at the screen, we have also done some things that are
probably not typical of a project at this stage of its development where you have retail tenants
that have signed commitments either in letters of intent or some kind of contingent leasing that
relate to occupancy and build-out and timing, but people have asked continuously who are these
tenants going to be. I know we have used the name Athleta at different times and they have
given us permission to do that. But for the first time I think you will see on this board that is on
the blowup is a layout of all of the tenants that have been proposed for this particular site and
their relative locations. As you can see, the various layout of the particular retail tenants where
you have Carter’s and OshKosh, Ulta, Athleta, Surf, a restaurant that I believe is connected to the
Michael Timothy’s chain, an upscale restaurant, Bedford Spa, the Regal theater is back, a
cellular store adjacent to that, a couple of spaces there heading out towards Route 101 that are not committed. If you look at the other building, the panel building that would be on the south side, you have Charles Schwab that is there, the residential lobby, Sports Clips, a European wax center, Pressed Cafè, and a Wahlburgers restaurant, which would be south facing. That is some information that we hadn’t provided before.

Attorney Cronin continued also, some questions with regard to some of the economics. I have taken a look at the numbers, and kind of an interesting issue, I think Encore was prepared to provide something concrete and circulate it until I cautioned them that when you put things on the public record, it is public not only for the Board members to see, the public, but also your competitors and tenants and maybe other people that are looking at spaces, and we are prepared to provide that information. Maybe I can work with staff as to how we might be able to do that in a way to protect proprietary information and whether that is by circulating a handout at the final hearing with the details on it and talking about it, so at least you can digest it, but that we are willing to do and give you the documentation. I am prepared, when we get to the housing stage, to talk some of the numbers as it relates to housing and why and I can entertain any questions and defer to Mr. Keels when it is appropriate.

Attorney Cronin stated with respect to the architecture; I would like to call up at this point Mr. Bargmann to go through the architectural changes so he can explain what he has done, why he has done it and what the changes are. Mr. Bargmann stated the first slide posted is an overall site plan and Mr. Rice will get into the details of that. I just want to mention one additional factor in addition to what Attorney Cronin mentioned about the tenants. We have added a terminus to Main Street, as was talked about at the last meeting, so on the right side of the terminus is a green space, public space, and that is fronted where the cursor is by a tavern/restaurant space that comes out from underneath the hotel block that is at the end of that and you will see that in this perspective. The intent was to provide a commercial and a public end to Main Street that previously was not there on the design. The renderings will show our renderings so we wanted to just have a real image of what these renderings reflect. Posted now is Port Walk Place in Portsmouth. The building at the far end is residential, this part is the hotel, we were the architects for the residential portion, and it is just intended to show you a built example of some of the architecture we are showing today which has a podium-level retail and then four levels above it. As part of the discussion last month, there was sort of discussion of what is historic type of architecture, commercial architecture, so posted is another picture of Portsmouth but an older building that shows the retail at the ground floor, the four stories and then the cornice on the upper floor, which you will see we have begun to incorporate into our building to not only reflect what is maybe a more historic image, but also to bring the scale down somewhat. You will also see on the drawings the breakup of buildings sort of in a similar module and a similar vein to the way these buildings are articulated along Portsmouth. Posted now is the first image that you have seen looking down Main Street from South River Road. As you come into the site, you have the existing Friendly Toast, and here you can see at the end the tavern/restaurant that comes out from underneath the hotel building and then hidden by the trees an open green space. So Main Street doesn’t end in an open space, Main Street ends in a rather significant element that will draw visitors to it. On the left you have the Regal Cinema with the retail below. The issue with the cinema is that it is a 1,200-seat building, it doesn’t really require windows, so it has been cleverly brought up to the second floor and the retail provides the ground level amenities
for it. We had some discussion last time about these white bands. Those have been on the design from quite some time, they are part of the Regal design and they are incorporated into the lease documents, as I understand it, and Mr. Robinson may expand on that later, but that is a component that we have been asked to retain for the cinema tenant. Then on the right you will see the other building has been sort of brought down, as we began to explain last week, to the height of the cinema and we have the Pressed Café with the more robust storefront at the base of the building. Posted now is that same orientation but moving your view a little bit to the left so you can see the cinema block with the Surf restaurant on the corner, that is a 1.5 story height space, the spa and then the Regal Cinema, with the sign and the digital marquee here at grade. Posted now is the same orientation by now looking to the northwest, so now you see the building on the other side of Main Street. It is set back about 20 feet from the corner of the cinema so there is no longer that sense of wall that goes on, there is a step back. Now you will see more clearly the breaks in the building similar to that image that we showed you of Portsmouth where it broke up the building and incorporating the rooftop elements either a setback or a slightly sloped roof of a different color to emulate what we showed you in other images and to bring down the scale of these buildings. You will see at the end is the Wahlburgers, here is the Pressed Café and then at this end it ends at the Charles Schwab space. Now we are at the end where Charles Schwab is on your left and looking back down, you can see the sort of two sides of the street have more articulation. The cinema has a different feeling to it than the side with the Schwab and the smaller retail elements at the base, so it is intended to be a rather rich and varied urban street that is Main Street with pedestrian activity but a little bit more varied in its architecture. The last image is looking to the north from the corner of Main Street, so now you are seeing the Surf restaurant, that taller 1.5 story space that I mentioned, Athleta and then working down to some of the smaller retail tenants, and at the end you have the residential apartment entry. Again, the sort of theater scale versus the residential scale, broken down into more to 25- to 35-foot façade elements. This last view is what you would see from I-293 looking to the west with the hotel on the right, the Regal Cinema in the middle and then the residential building that has been more articulated on the back to match the streetscape environment that we showed on the front of that building.

Attorney Cronin stated everyone present will be available for questions when we get to the end of it. Mr. Rice will talk about what he did with the amenities from the last time that we were here.

Mr. Rice stated as you know we have been looking at various alternatives or things that we could add for green space amenities on the property. I will start in the front. Shown are the three existing buildings that are on the property as of right now, which are the Trader Joe’s, the Friendly Toast and the Carrabba’s, and we do have the existing green space out in front of Friendly Toast, which I think has enjoyed a pretty regular use by patrons of the site and it will continue to do so. That area is not dedicated for any one tenant, it is for use by anybody that is on the property. The other green space area that we have, which we had shown some internal pictures of before, this internal courtyard area, which is in the middle of the Building C residential. For Building C what you have on the ground level is this L-shaped building here as indicated on the screen, and then on the second level is the cinema, which is the large rectangle here, and then the residential component is this square here and this courtyard is internal to that structure starting on the second level because there is parking underneath everything that you are
kind of seeing here. That area in itself is approximately 9,000 square feet, that is on the inside of that building, then moving around to the back of the site this is the future hotel and restaurant, this was all previously a dog park area, we did scale back that size to be about 1,000 square feet for the dog park just in this corner, and that opened up about 7,000 square feet here. We did lose some parking and such to accommodate that but we have shown a gazebo and basically a public park area for people to congregate. There is also a walking path that kind of ties in along this whole back here. This is about 250 feet of sidewalk that would connect to the other sidewalks on the property and then you can actually cross the road and continue down to the Bowman Brook trails to the left if you wish, or you could continue right and basically walk through the site. So the piece of new sidewalk here is about 250 feet and then this kind of gray hatching in the back is at a gravel accessway that is really intended for the Town’s access to maintain the sewer manhole that is in the back there, but it could also double as a walking trail/dog park area or a walking path for the dogs. This is about 450 feet from end-to-end, so total loop distance of just walking area in the back is about 700 feet. I know we probably have another 1,000+ feet on sidewalks all throughout the site if you chose to take that long of a walk. On the right-hand side of the future hotel and restaurant we have also created a public space. We have shown a reflecting pool with a mural wall, we have also shown a pergola and a seating area in the back and also just additional landscaped green space that people can congregate. Moving around to Building D, kind of the similar site to Building C, where the first floor is all retail, commercial, restaurant space, and then you have the four floors of residential above it. This area here that is kind of in a lighter maroon is a patio area and a pool that would be for tenants of both Buildings C and D for the residents. That is pretty much it for the green space areas that we have added or shown on the plans. We had previously taken out a couple of parking spaces along the rear to just add in some islands to put some trees to help break up the view from the highway, but we are kind of limited at this point as to how much parking we can remove for these amenities because, as you know, we have structured parking onsite, which is rather costly to construct, so any space that we essentially take away at this point, we are adding to the garage and the garage spaces are about $25,000 a parking space. We have done what we can to maximize the open areas on the property.

Mr. Rice stated we also did take a look at the traffic. We are still in the process of finalizing the updated traffic report, but we did perform the new counts at the seven intersections that were studied in the original traffic analysis. We also performed internal traffic movement counts that were requested by VHB. All of those counts have taken place and we have rerun the trip generation, so that has been finalized for the site. The new trip generation, when you compare it to the old, and when I say old, I mean the previously approved plan, to just give you some numbers. In the prior approved plan for the PM peak hour we had 724 trips, which was 326 coming in and 398 going out, and with this proposed development we have 445 in the PM peak hour, which is 245 in and 200 out. Chairman Levenstein asked does that take into account the hotel? Ms. Hebert stated before you get into traffic we haven’t reviewed any of these numbers. Traffic and engineering has not been reviewed with any of those numbers. Mr. Rice stated I just wanted to let you know the status. I can stop there if you would like. Basically the trip generation shows that there is roughly a 40 percent reduction from this current plan to the prior plan in terms of site generated traffic during the peak hours, and that is mainly due to the office reduction because at 4:00PM you have a lot of people that would be leaving to go home and we no longer have that scenario.
Mr. Rice stated to add to what Attorney Cronin had mentioned for Police and Fire. Bob Duval from our office and Mark Fougere met both with Police and Fire. My understanding is that Police really need one additional officer, and this is carried in the fiscal impact study, and I know staff doesn’t have the final report, there are still some numbers to tweak for that. And then for Fire they do need one additional staff member per shift, which, again, this is carried in the fiscal impact analysis and the fiscal impact analysis, again, that staff hasn’t reviewed. I think you have the current one, but it still has to be updated to include the parking garages, which would be an added revenue generator and this discussion is to possibly take the hotel out because that would be a future generator. But the results from the new fiscal impact to the old basically shows that there is a reduction in the number of total police calls, a reduction in the total number of fire calls, and the reduction of one for EMS, although EMS calls are a revenue generator because I think the average ambulance call is about $660, don’t quote me on that number, but it is somewhere in that neighborhood. So the EMS calls that are projected for this site would generate about $18,500.

Attorney Cronin stated now for the housing piece and why is housing necessary for this particular development. To make this work with the vision that they want as a first-class development to build it out to support the retail, you need housing there. If you could put office in there at $30 to $35 a foot, it might work. There is just not the current market for office of any sizeable square footage. Looking at the research, which Encore does, a lot of these projects around the country, they haven’t done one in New Hampshire before, but they have a team that looks at it, they hired some of the best consultants in the country and said New Hampshire has new apartments in most communities, they have a lot of market rate housing, they have a lot of subsidized housing, LIHTC type deals, and workforce housing is something that is new and that is expanding, but there is very little luxury rental housing in the state, with the exception of maybe Portsmouth. Their research told them that there was a demand for that at this particular location, people would be willing to pay premium rents if they had an opportunity to be in a community that is mixed-use, that is easy access to restaurants and shops and the highway and travel and so forth. That is based, I believe, a lot of my age group, which are probably moving from their family home, may have homes elsewhere, may want to keep a footprint in the community, so there is a demand for that. And when you look at the numbers, the only way that is works is with premium rents. Just to give you some of the facts to date, and I know some people had asked about some of the numbers. Land purchase, and these are approximates, about $13 million, the demo and abatement work $900,000, site work a little over $6 million, offsite improvements, including improvements between Kilton Road and South River Road along that corridor and adding the new lane onto Meeting House Road to give direct access to the highway, that is a little over a million dollars. You have existing costs with respect to the construction, carry cost with taxes and insurance, you are looking at probably in the neighborhood of $70 million. When you look at building the apartments on a mixed-use type platform with a podium, you are looking at another $35 to $40 million in cost to build those, it is not cheap, it is not something that is easily done. From my take looking at it, for someone doing that there aren’t any apartments of that type and nature where you are looking at 2 bedrooms at the $2,800 range, they believe that they can do it and attract people at that location. When you take a look at apartments and where can you do this type of development, initially I think the old Master Plan, and I know it has been updated since, called for apartments in a mixed-use with residential over
retail just on this location and they earmarked 200 residential units on this particular site. Also, when the TIFF was adopted, one of the prerequisites and one of the driving forces for that bond financing was maximum density, maximum development, and maximum tax revenue. This particular property sits within that tax TIFF district.

Attorney Cronin continued when you look at other opportunities, and having been involved in other housing projects throughout the state and the Bow Lane project, we know that there is a lot of controversy over housing. There is no dispute that New Hampshire in general, and almost every community, needs housing and certainly there is a demand for workforce housing, entry level housing, and that is because of the state of supply and demand. There are more people looking for rentals rather than buying the single family home than there is supply, and we have heard everything from we don’t like apartments, which people can have that opinion, we like apartments but not in our community, that is okay, we don’t want workforce housing but we are amenable to luxury apartments, we do want workforce housing because we think there is a growing demand for that. So we know the opinions are emotional and they are very broad, but when you look at this particular site and some of the things I have heard back, the urbanization of Bedford is a problem with this site, you are looking at 80 2-bedrooms and 120 single bedrooms or studio type units. What I checked was the 2017 or 2018 report; we have about 7,000 single family homes with an average of about four bedrooms. If this housing component was approved, it would be less than one percent of the stock. By your own data, your ratio of privately-owned single-family homes in total is around 10 percent. That may have gone up with some of the new ones that are onboard, but you are still very much below what a statewide average would be for the ratio of rental housing to fee-simple owned housing. When you look at your zoning ordinance and what is allowed, you have a river corridor ordinance, which I know has not been enacted because of the rulemaking provision, but I think a close look at that contemplated that those rules would be adopted within three months. My understanding is those rules haven’t been adopted yet, I don’t know what the state of them are or even if they have been started yet, but if you look at this project and you look at the draft of that river corridor ordinance, this fits perfectly with what was envisioned for that particular zone. It is dramatically tax positive, even with the changes with Police and Fire, you are projecting about $500,000 on an annual basis. That is a pretty good project. That meets the goals of what the TIFF wanted. The traffic is less than the project you approved, which was office and retail, because with that type of development all of your peak hour traffic is concentrated at the same time, which is peak hour morning and peak hour evening. This particular project spreads that out. When you look at the impacts to this housing and the impacts to the retail, one of the things that was said loud and clear and that Mr. Robinson and his team heard was we are really disappointed, and I think there was a use of that retail term bait-and-switch, which from my viewpoint is misleading. That is an old retail term when the guy is selling you a car and advertises for $9,000 and puts you in one for $25,000. Every property owner has a right to change their mind at any point in time. It happens every day. There are properties in this town and throughout the state that are repurposed, and when you look at this particular project and you look at the analysis for it, it really fits what the goal is. There was someone that asked a question at the last meeting, I was not here but I looked at the minutes and the tape, which is, is the cinema contingent on housing and the answer to that question is yes. The cinema won’t be here without the housing. Again, if we can figure out a way to do it, I am happy to provide provisions of the lease in hand or in some protected way that you can look at it and satisfy any concerns. If you want to get premium retail tenants, what
attracts them? That is customers with money, customers with money that are close, people that can come downstairs and have something to eat, go back, and patronize their shops. So this is an important component of it and we think what better place. I know there have been some recent zoning amendments, I know this particular Board, I think, in the minutes said that they were not in favor of them, that they passed, but you do have the waiver power. There is nothing suburban about the intersection of Route 101, I-293 and South River Road. When you look at the traffic counts in that particular area with or without this project, this is beau colic Bedford. In 1970 you had 5,000 people here, and your big population shifts were in that sector through 2010. You had a dramatic jump in population in the early stages, and in the last ten years your population has been relatively flat, maybe 3,000 to 5,000 as an increase. So when you look at that traffic and you look at South River Road, what these folks have done at over a million dollars of their own money, is really made that corridor a lot better than it was in anticipation of this development.

Attorney Cronin stated why not workforce housing. Everyone knows it is an important statewide need, but it is not appropriate for every single housing development, it just can’t be and I kind of tried to think about how I would analogize it. When you look at the numbers, the current numbers for workforce housing, it is supposed to be suitable for a family household of three. Let’s start with 2 bedrooms for each one of these units, and let’s talk about the median income for someone to qualify. That is $47,840 a year; that is well below the median in Bedford, which is one of the highest in the state. How many people would be eligible and how many of these 2-bedrooms could you afford to do if your market rent is $2,800 and your maximum rent on the workforce housing statute is $1,200? It is not doable, but substantial losses are a government subsidy or a contribution. I am not asking this town to contribute to it because I know they won’t. The State hasn’t done it yet, although there is some talk of some tax relief for housing, but it not available yet. It simply doesn’t work. Some of the things that I have heard is that we want fewer 2-bedrooms. I have never seen a project of this structure with so few 2-bedrooms, less than half. You have 80 2-bedroom units. If you want to put a workforce housing component in it, I don’t think it is doable under any scenario based on the capital costs and what you need to get a return, and when I asked for some of the numbers to look at the return because I had a perception that people said here it is the greedy developers, they want to make their 50 percent and ride off into the sunset. Ingoing cap rates are at about 4.5 percent, some of the lowest that we have ever seen for retail developments of this size. If you look at an unlevered stabilized rate of return, you are probably looking at 7 to 8. If you are looking at long-term stabilized return, probably 15 percent. I think anyone here that had an IRA or some money in the market probably did double that in the past year, so the returns aren’t handsome. These people in the development business know the game, they know what they are doing, they are willing to move forward at that. But I think as far as the thought of workforce housing, that is just a non-starter for this particular development, and when you look at the size and scale of the retail and the capital costs to build a first-rate development, this housing is necessary. I have nothing further on the housing piece.

Attorney Cronin stated I do want to talk a little bit about procedure, if I can, for the final hearing. I know in practice in these hearings generally, with few exceptions at least in my practices, that people can take the microphone and comment any way they want and there is really no opportunity to question people about foundations and conclusions. In this particular era of social media and everything else, it is easy to put labels on things without any facts. I would like the
Chairman, which historically any questions of witnesses go through the Chairman, which am willing to do, would the Chair be amenable if we had some questions for witnesses to be posed through the Chair. Chairman Levenstein replied I don’t see why not as long as they are appropriate. Ms. Murphy asked Attorney Cronin, are you seriously suggesting that you cross examine the public on their testimony? Attorney Cronin replied that is for the Chair to do. I would like to have that opportunity. Ms. Murphy asked is there any precedent for that ever? Attorney Cronin replied I have done it a number of times. Chairman Levenstein stated people make applications and ask questions. Ms. Murphy stated I just don’t want anyone in the audience to feel intimidated, like they can’t stand up and express their opinion because they feel like they are going to be cross examined on it. Chairman Levenstein responded I am asking the questions, so I am not going to cross examine them. Attorney Cronin stated that is not my goal here. I recognize how important public opinion is to these cases and to the ultimate vote. I wouldn’t be doing my job if I sat here and if I thought something was way off the radar. I don’t have an intent to question, and I certainly respect people can have a broad spectrum of opinions, and that is not my point. But at the last meeting when I watched the tape, we had some folks that came in here and made some accusations about people living in groups and St. Anselm’s and everything else. I would like to know the foundation for that, particularly in light of your own ordinance that prevents that type of behavior. So I think if there are situations where people are far afield and I, as a representative of the applicant, feel that that could be prejudicial to their case, I would want the opportunity to ask questions through the Chair. I may not ask anything, but I just don’t want to do it by surprise because it is not typical. Chairman Levenstein stated you can ask me to ask the question, and if I feel it is inappropriate, I won’t ask it. Attorney Cronin stated and secondly with respect to subpoenas; typically for these types of hearings subpoenas are issued only by the Chair and my regular power as an attorney and a JP does not work. There have been a number of maybe important people that we particularly would accept a letter, and that may be fine, but as we start preparing for this final hearing, if there is someone that I would want to appear in person just to ask about some of the conclusions or have the Board ask in the conclusions, what are your requirements for me issuing a subpoena through the Chair? Chairman Levenstein stated have never seen a subpoena issued by this Planning Board. Attorney Cronin stated if you get a chance to look at the statute, it says that you can issue subpoenas through the Chair, but I don’t have that independent power. Again, it may not be necessary, I suspect it won’t be, but as we prepare for this and start looking at all of the information, I don’t want to be here trying to confront a letter that may have a conclusory statement in one paragraph without trying to attempt to learn the foundation. Chairman Levenstein responded you can ask for it and take it off, but like I said, I have never seen a subpoena issued by this Board.

Attorney Cronin stated that is pretty much it in a nutshell. I did talk about the 2-bedroom rents and the 1-bedrooms I didn’t. The 1-bedroom with 1.5 baths, the rent will be $2,180; 1-bedroom with one bath will be $2,153, and the studios at $1,935. It is pretty aggressive pricing. It would almost be like me coming in to do the Rolling Woods subdivision or Laurel Woods and say I would like to put a few $230,000 homes in that neighborhood, it just wouldn’t work. Thank you. Mr. Rice stated just one correction for the Board. I believe the architect had specified 1,200 seats for the cinema. It was initially 1,200 seats in the original approval, and it is 1,800 in this proposal. I just wanted to make that clear.
Ms. Murphy stated I have questions, and I will cop to being the member of the Board that both used the term bait-and-switch and asked the questions about the cinema. My concern is that I asked, I think, numerous questions, about the cinema being tied to the apartments and every time received an answer that they weren’t tied to the apartments. So what happened between that meeting and today to change that statement? Attorney Cronin responded I did some homework and asked to see the lease and to get a representation of what the lease stated. Ms. Murphy asked so does your representation that the lease specifically states that without the approval of 200 apartments there is no valid lease? Attorney Cronin replied the lease would still be valid. Ms. Murphy asked is there an out in the lease if the apartments get denied? Attorney Cronin replied I am going to give you the lease and you being a smart lawyer, you can make that determination. I am representing to you tonight that without having the apartments, you are not going to have a cinema. Now, things can happen, maybe something else comes along downstream and there is a cinema, so I am not going to go on the record at design review and tell you one thing or another. What I will tell you is a cinema is coming and we’ll make that a condition of approval if there are apartments. Ms. Murphy stated I am assuming if you disseminated the lease it would be under some sort of a confidentiality agreement where nobody gave that information out publicly, so I am not here to represent myself as a lawyer, I am here to represent the people of the Town of Bedford. I am just asking if there is a provision in the lease that ties the apartments specifically to the cinema coming in. Attorney Cronin replied and my answer is yes.

Mr. Hawkins stated I am interested in that as well, the provision that ties the cinema to the apartments. I am actually more interested in when that provision got put into place. Because when you came to us in 2017, there were no apartments, we weren’t having this conversation, so let’s talk about what happened between then and now to make it a provision, that the cinema we can’t have unless the apartments, we don’t want, are in place. Attorney Cronin responded that’s fine. Like I said, we are happy to provide you with the lease, we will give it to you under seal if we can. Mr. Hawkins stated let’s go back to my question. My question isn’t about the lease. My question is about the provision and the timing of that provision as it relates to the first proposal that we approved that didn’t have any housing tied to anything because there was no housing. So what transpired, because I think we are going to get to the crux of the issue here when we talk about what business or market dynamic changed your position to where we have to have 200 units. I would like to know about when that occurred and when the provision got put into the lease, which you are willing to share. Attorney Cronin replied I am happy to do that. Mr. Hawkins stated I am still in conversion. Attorney Cronin responded I don’t know why it is relevant, as far as the change, when this first came in here, all of those upper floors were filled mostly with office, and that went away, that is gone. The cinema says okay we don’t have this space to support our cinema, what are you going to do to support it. Mr. Hawkins stated good, now we are getting to where I want to go. So when you look at the plan that is up on the board, we had the notion of, for example, REI, anchor stores, things that made this what it was proposed to be, a destination, some place that most people would want to go for some reason. If you look at the subdivided space on the place now, we have a number of small carved up boutique shops lining that first floor of apartments above. What you have done, it seems to me, and I could be wrong here, correct me, but it looks like you have boxed out the whole notion of anchor stores ever coming in because there is no room, and if that is the case, how can we ever turn a jewel, a destination, of a mixed-use development that was retail, that was office, hotel, restaurants in a fair density that looked very attractive, how can we get people down here, because right now I
have to get my hair cut or I have to talk to my financial client or I have to get my cell phone switched from Verizon to US Cellular. That is what is going to bring me down here now and that is for the foreseeable future because we no longer have the footprint, the square footage to bring anchor stores in. What do you think about that, because I am worried about the permanent nature of this plan boxing out any improvements in this plan? Attorney Cronin replied my personal opinion of that is government really shouldn’t be designing what goes in there in terms of tenants. They are taking the risk on that, that they are going to have tenants that are going to survive and thrive and people are going to come in there and do well and the parking and all of the public impacts will be within their tolerances. So, for you to dictate what a particular tenancy is going to be or to have an anchor, these folks are in the business of looking at what they think they can get in here at the right rates to make it work. They have taken their research and they have said these are the people that we can get to go in here, that have made a commitment to go in here, and I don’t think they feel the same way that you do. I think they feel that they are very good tenants and strong tenants and I don’t know what anchors you envision. REI was interested initially but now is not. They are not expanding their footprint, they don’t want to be in here, so I don’t know what you can do to make them come in here. If there is someone else that you would like to go in there or that you think would go in there at the right price, I know there is available space that they would be happy to talk to people about. Mr. Hawkins stated the definition of the notion of an anchor is that establishment where most people would find a reason to go, as opposed to a niche sort of clientele that is somewhat segmented or compartmentalized to one area like financial services or getting a European wax or something like that. That is the difference between an anchor and a strip mall tenant of a square footage that is very unique and specific. That is what I am talking about. Attorney Cronin asked what would your vision of an appropriate anchor for this site be? Mr. Hawkins replied REI would have worked. Attorney Cronin asked what else? Mr. Hawkins replied most people would have gone to an REI. Other stores of that ilk that are not necessarily big boxed but big interest stores. This is the State of New Hampshire, we have an interest in outdoor activities, the resources and the equipment to make that kind of stuff happen, something that permeates the fabric of where we live. That is traditionally what an anchor store looks to do, and I don’t see the availability here. I wish we had some of the multi-level use being of the retail/restaurant and other uses other than housing, because this feels more like a housing development with some stuff, as opposed to a crown jewel of the Town of Bedford.

Ted Chryssicas, broker, Executive Managing Director from Newmark Knight Frank, stated I am responsible for the leasing here, I have worked with all of these tenants, including the cinema, as well as REI, and I do the retail leasing, not just around here, but throughout the eastern New England region. The whole foundation of retail has changed, it has totally transformed, and anchor stores are great if you can get them, but that is not how it is going. Everyone is coming down to smaller stores, smaller footprints. We worked with REI, we were aggressive with them, we gave them a very subsidized rent, and then they went away and there wasn’t enough critical mass for them. Right now if you really look at our anchor stores here, we have Whole Foods, which is not part of our development, that is a draw, the cinema is 100 percent of an anchor and that is a subsidized deal. In order to support a cinema, it is not easy. Everyone is after them right now and they demand deals where you have to subsidize them through other rents, whether it be apartments, whether it be office, or whether it be other retail. So that is what we are facing right now. If you look at a lot of these plans throughout the region, they are all pretty much
small stores and boutiques and they are offering something a little unique versus an anchor. A lot of the anchors around here, whether it be Kohl’s or the others that are around here, they are kind of going on the wayside. That Kohl’s is 107,000 square feet; it really should be about 30,000 square feet. It is part of the retail fabric right now that everyone is getting down to, much more boutique type of spaces. One of the biggest attractions right now in all retail leasing are restaurants. The restaurants would drive the traffic and they keep coming back, so we have a nice balance, I think, of restaurants, from Pressed, which is a local phenomenon, which is based in Nashua, to Surf, to Wahlburgers, which is much more of a regional or nationally known and this is in addition to Carrabba’s and Friendly Toast. We are trying to balance that whole restaurant offerings at different times of the day, as well as different price points, and that is what is really going to bring them in. In the conjunction, if you look at a cinema, their biggest ask is, and there are conditions in the lease that there be a certain amount of square footage of restaurants, so that is what is really dictating the leasing here. You are right that we still have spaces to lease, we are going to improve, but we are going to get something going. A lot of tenants won’t commit unless they see a structure and where it is almost completed so they can kind of get a feel of things. We anticipate finishing up the leasing as soon as we get going here and then the momentum will build. We have been involved in a lot of different projects and that is how it kind of goes, and we can really drive the type of tenancies that is going to service the community and get something a little bit different. There are a lot of just homogeneous type of retailing around here. You just look at South Willow Street and that is not what we are trying to create here. We are trying to create something a little bit upscale, but it takes momentum and it takes something of a critical mass and right now these apartments are the critical mass that is drawing it. The promise of luxury apartments is what is really attracting us and getting us momentum on the retail leasing. You have to get the momentum on one side and then the momentum comes on the other side.

Mr. Chryssicas stated with regard to your question concerning when that provision was going. We were after a number of different cinemas, from CineMark to CineMagic to Regal and we didn’t get Regal until, we were talking to them for a long time but they had never committed until recently, so it was a big challenge to get them here. If you recall, CineWorld bought them out, Regal is based in Knoxville, TN, and CineWorld out of London bought them out and that delayed everything. The same thing with REI. REI was going through a transformation and then they killed all of their deals and then they are starting to get back up and going but it takes a while, and now we had to shift our program. The whole thing about retail is so fluid because there is not all that much demand for it, so you have to balance the game and kind of plan for the future. This kind of lifestyle type of feel and mixed-use is where people are going. They like the cross functionality.

Ms. Murphy stated Mr. Hawkins asked a very good question, which is when the provision went into the lease tying the apartments to the cinema and you didn’t answer that question. Chairman Levenstein responded he answered it. Ms. Murphy stated then I missed it. Chairman Levenstein stated he just said they discussed Regal recently. Ms. Murphy responded that doesn’t answer my question. Let me be more specific; the provision tying the apartments to the cinema, did that go in in between the last design review meeting and tonight? Attorney Cronin replied I don’t know. Mr. Robinson stated when you asked the question last month, I wasn’t sure of the answer to that. We went back and looked specifically at that and found that it was already in the lease. The
lease has been under negotiations for months, and to follow up on your question and comment, I have been working on this for almost five years, so many things have changed since those early days. We had REI, I believe they were one of the first true tenants that we had and they backed out, and then they came back, we convinced them to come back. We reduced the size of the building, we even spent a significant sum of money to redraw the plans and separated from Building C so that we could get that building built before any of the rest of Building C or the parking garage was built because that was one of their stipulations. We had negotiations with, as Mr. Chryssicas said, I don’t remember who was first, and then we just went from one to the next, and we spent a significant amount of time with each one of them looking at their layouts and trying to figure a way to make it work. We have a significant amount of money already in the ground here, notwithstanding what is already open out there, but the infrastructure, the fair share, the permitting process, and the offsite work, all of that is already here. As I have stated before, the multi-family component here was not considered before it wasn’t necessary for the project to work. For a lease with a cinema, being it Regal or someone else, it would never have been a stipulation before because there were other things that drew them here, and, again, I am not involved in the leasing, which why I didn’t know the answer to the question last month. Mr. Hawkins stated it just feels like you are arguing with my point. When you say conditions were different, market dynamics were such, we didn’t have this problem, now we do, here is how we are going to fix it by putting a bunch of apartments on top of it and call it good. That is what you just stated, and I am with you because that is what I think has happened. I am trying to understand is there more to this than things change, we kind of made a misstep, it is now up to you Bedford to accept what we need to make this fiscally viable and apartments are the only way we could do it. We don’t want to go back to REI or we don’t want to talk to any other office tenants, we don’t want to do that, so it is housing or nothing, because I heard there was no Plan C. Mr. Robinson stated with all due respect, I think that you are classifying this completely incorrectly. That is not at all what happened. We did not come back to this and go we messed this up. A number of factors went into the overall decision making process of what would make this work, and when we got to the point where construction costs had gone up, the retail market had changed dramatically from the time when REI and a big box was a possibility, things have changed from there. We have a multi-family group within our company, and it was a way to make this work, and then we went back and pieced it all back together, and this is not just going to be some apartments thrown on top of some retail. This is a $120 million development that is going to be very nice. I just don’t want to get the impression out there that this going to be anything other than a first class development. We are here because this is where we need to be right now.

Mr. Hawkins stated just humor me. Take the apartments out, is there nothing else that could possibly make this development work? Is there no mix of office, retail, other things that could go in this development besides housing? The only thing that can make this work for you is housing or the revenue generated by housing? Mr. Robinson replied the answer is yes. That is the only thing that we can come up with that will make this project work and it is not a bad thing. Mr. Hawkins asked the previous project would have failed? Mr. Robinson replied it was under a different set of circumstances, under a whole different set of criteria. Mr. Hawkins asked but if you had built it, it would have failed, is what we are saying? Mr. Robinson replied no. Mr. Chryssicas stated I am focused on the retail. We had Collier’s from Manchester focused on the office and for years we were looking for an office tenant to kick this thing off. You need another
critical mass to kick off any development, so if we had built it, it would have failed, it would have remained empty. In order to get this office, you needed a certain rate and then the market didn’t support the rates, and then the discussions we did have with tenants, they would never commit. The same thing with the cinema. It takes a while, so it is this balancing game to try to do it. This came up as an alternative to get this thing, otherwise it is going to sit empty and it is going to be a blighted site. I am not threatening it; it is just that it is sitting empty right now. We are trying to balance this thing. When it will work? We have seen it work in so many different markets throughout the country, and maybe Mr. Keels can speak to that as they have developments throughout the country. This is what is being customarily done and around and it works with the blend of residents and retail. That is the situation about the office.

Ms. Murphy stated when you came before us October 7, 2019, there was significant public testimony about wanting some more recreational facilities. I know the question was asked about a bowling alley and some other things that would draw people to the development that weren’t necessarily office space or residential apartments, and I am wondering to what extent you have explored those options. Mr. Chryssicas responded there are a number of players that can be in that category. There is one that would have been ideal for this and I can’t recall the name, Pin Stripes, and they are higher scale. Because you have to be concerned about who you attract, it has to have the right elements and attract the right type of people for the other retailers as well. It is all about co-tenancy. We did explore that. We have had conversations with King’s and Lucky Strikes, they weren’t expanding in the north, they were actually going down the east coast, and King’s is Boston based. I was meeting with them this past week. Those are kind of lost leaders too. Everyone wants an entertainment type of retailer or environment and this cinema is a lost leader for this development. In order to support it, we have to get all of the other rents around it, it is a typical development, this is how you balance it. The entertainment of the bowling would have been the same thing, kind of the lost leader, and it has happened in Burlington, it has happened in other locations where they are. They get in their first, but our bowling is our cinema basically.

Mr. Fairman stated I have a couple of questions. One of them is on architecture. You showed the apartment architecture for both Buildings D or C where Charles Schwab is, but you didn’t show the architecture for the other apartment buildings. I would like to have you comment to say something about those. The other question I have is on the housing side. With luxury apartments, and I don’t know the rental business at all, it is hard for me to believe that people paying this kind of money for apartments aren’t going to want a dedicated parking place, and that dedicated parking place I would think should be behind a gate so that people coming to the theater and to restaurants aren’t in it, it is always empty if I am not in it. Finally, I would think people paying $2,200 for an apartment would want it be close to the apartment and it better be covered because I don’t want to have to shovel snow off my car if I am paying over $2,000 for an apartment. That is my second question. I would like to hear how your housing people are going to market this very high-cost apartment building. People in New Hampshire that don’t have a place to park are going to be carrying groceries, children, whatever else up to their apartment from some parking place 200 yards away that is going to be covered with snow when they come out at 6:00am to drive to Boston. I just don’t see how that is going to play as a sales pitch, and I would like to hear you response to that.
Mr. Bargmann posted the drawing showing the residential to the left side of the Regal theater, which is Building C. Mr. Fairman asked it is going to be taller than the theater? Mr. Bargmann replied by a half story. Mr. Fairman stated I would like to see the back side of Building C, but I guess they don’t have it. Is that same architecture going to go all the way around to the garage? Mr. Bargmann stated the back side of it is hidden by the garage. Mr. Fairman stated the side facing Whole Foods isn’t hidden by the garage. Mr. Bargmann stated I don’t have that as a rendering. Mr. Fairman asked is your intent that it is going to look like the other side? Mr. Bargmann replied yes.

Attorney Cronin stated the question about the designated parking came up at the focus group that we had about parking. I think there are 500 or so parking spaces in the garage that would be covered, and the expectation is that the people in inclement weather would be using that, even though it is not specifically assigned, but it would provide covered spaces for them. Mr. Fairman asked you think that you can rent these apartments to people paying $2,200 a month and not have reserved parking so they don’t know when they come home and the movie theater is full, the restaurants are full, that they will have a place to park? Attorney Cronin replied I thought the same about Portsmouth and I marvel at what they get for rents. Mr. Fairman stated you can’t find a place to park in Portsmouth. Attorney Cronin stated but they still rent apartments as fast as they go on the market. Mr. Fairman stated you also have luxury apartments going in Manchester and they have dedicated parking, by the way, 160 apartments, going in right on the river, high-end luxury apartments. Attorney Cronin responded not for everybody. That is a podium, so there won’t be enough parking for everybody. There is some underground parking, but it won’t be assigned. Are you talking about Dunbar Street? Mr. Fairman replied yes. Mr. Keels stated we have done our market research with not only our internal research but also with Gray Star, who is our third-party management company. Gray Star manages around 450,000 units. We also have lots of experiences with projects just like this and it has not been an issue yet. Actually, some of the projects in our portfolio that demand the highest rents are in projects that are similar to this.

Mr. McMahon stated I would like to piggyback on Mr. Hawkins. For Mr. Robinson, this is taken off from the notes of our last session and Attorney Bisson said this, “If you look at your Master Plan promoting this cluster development in order to make it work, the workforce housing component doesn’t work and the minimum number of units is 200 and that is what everything is focused on in order to sustain this.” It sort of begs the question, if that doesn’t work, what does. Does it stay the way that it is, sort of a partially developed site with some use but underutilized? That is kind of like a neighborhood where only one kid has a football and he tells the other kids if you want to play football you have to play by my rules, and if you don’t, I am taking the football and going home. Are you telling us that if we don’t approve everything you ask for, that you are leaving? Mr. Robinson replied no, Sir. We are not telling you that at all. What we are telling you is we are doing everything that we can to deliver the project that we intended to deliver to you five years ago and that we have been here every single day working on it since then. Again, we have a substantial investment already in the ground, we have spent a substantial amount of money providing offsite amenities and improvements to the Town of Bedford that are already there and that will be completed in the next couple of months. What I can tell you is that I am not sure what comes next. If this is not approved, I am not sure what comes next. That is
not my decision. I just don’t know; I don’t have an answer for that right now. Mr. McMahon responded that is a fair answer.

Mr. McMahon stated I think if I can read many of the people that are out there and that you maybe talked to in your focus group and a lot of letters we have been receiving, one of the things that they are concerned about is the residents of Bedford passed a warrant that limited it to four. So, one of your requested waivers is that you go above four. If that waiver is not approved, what would be your reaction? Ms. Hebert stated we don’t have a height limitation. There is a limitation for workforce housing in the Performance Zone that it not have more than 12 units per building. Mr. McMahon asked aren’t they requesting a waiver to go above four? Ms. Hebert responded I think we talked a little bit at the last meeting that dropping it down to four would be more in keeping with architecturally. Chairman Levenstein stated I think it is 80 feet. Ms. Hebert stated yes, it is.

Mr. Fairman stated I would like to follow-up with Mr. McMahon’s question. I was one last time that was very strong, but several others were also, about having workforce housing included. Also, I requested that you lower by one story so that it is less height than the theater, to get it down to a 4-story building. By the way, your fiscal analysis says that they are 4-story buildings, and when you are correcting that, would you correct it to talk about five stories instead of four stories. People in New Hampshire tend to be pretty patient, and I for one when you said you didn’t have a Plan B, I am willing to let you sit on your $30 million until you do have a Plan B because it doesn’t work. For me without workforce housing it doesn’t work, without lowering that building, it doesn’t work. Make them smaller and come up with a plan that works before you come to final review, if you want my vote, and get workforce housing included.

Mr. Sullivan stated the concern I have looking at it and hearing from the leasing expert is this idea of the field of dreams, if you build it, they will come in terms of new tenants, and you keep talking about this being luxury apartments and a luxury resort, and not to disparage those that have already signed, but they are not luxury that have signed. They are high-end, they are good, but they are not luxury brands. You have a few QSR’s, you have a Super Cuts and you have a cell phone place. If like attracts like, how do you expect these tenants to start attracting the luxury tenants you expect to have and have this be the jewel of Bedford that we all wanted it to be? Mr. Chryssicas responded it takes some time. We have empty spaces and we are shooting for a higher caliber tenant and it takes time. Those are the ones that have expressed interest and signed up. I would say, to secure somebody like a Charles Schwab or Fidelity Investments, it is a nice statement for a development. To get Trader Joe’s, who is very selective on their sites, that is a certain level. Even though it is an everyday, they only go in the nicer communities. Ulta started off here and they have increased where they are at. I agree with you with the cellular store. It is not great; it is an everyday use. Bedford Spa is getting up there on the luxury list. We are never going to get Louis Vuitton, we are never going to get Cartier, it is just not going to happen, and if you do, it is not going to survive, so it is a balance of that. If we could have gotten Apple, if they weren’t so successful at the Mall, and they are so successful in New Hampshire because there is no sales tax, and everyone drives here to purchase in bulk, and they do very well. They are not going to change it. If they weren’t in this market, there would be a very good chance that we would get them. But this isn’t the type of attraction, this location, it is a very good location, and Surf is not an Outback. It is a little bit more upscale. If given some
more time and everything else, we could have gotten maybe a Ruth’s Chris, I’m not sure if we could have. They are the type of tenants we spoke to and we pulled along, we had many meetings with them, either here or we have to go out to a national convention in Las Vegas every year called the ICSC, and we exposed this project to a lot of tenants. We have aggressively done this, and we started off with office, we really tried to. Dartmouth Hitchcock didn’t come along, Pegasystems didn’t come along. I wasn’t responsible, but those are one I actually had meetings with because they wanted to know what type of retail was coming along. It is a very symbiotic relationship. They want to know who is going in, so the same thing with our residential leasing. If it is going to go for luxury, they have to have a certain level of retailing and this is at the bare minimum to do it. We have to actually increase the unreserved spaces and we have to make sure we have a caliber above what you are seeing right now. It is a very good point that you are saying that this is not super luxury, but relatively speaking, it is going in the right direction and it is better than anything else right around the marketplace, especially South Willow Street, and we are trying to improve it, we are trying to get to like a Burlington, we are trying to get to a Linfield level, but it takes some time.

Town Manager Sawyer stated I have a basic one, probably for Mr. Rice, just because he is used to us asking it. Would the Pressed be serviced by an interior corridor or is that just a front door? I was looking to see if it would have an interior corridor from Wahlburgers across the back inside or is it just a front door business service. Mr. Rice stated there is a corridor right in here on the back side. Town Manager Sawyer stated I just wanted to make sure.

Councilor Bandazian asked of the two vacant retail locations, what are the dimensions? Mr. Chryssicas replied it is roughly around 70 feet in depth. Councilor Bandazian asked of which one? Mr. Chryssicas replied this one here between Pressed and Wahlburgers is closer to about 75-80 and the other one is about 60-65. You are about 100 feet on one side, and it is almost a square, so it is 70 x 70. Mr. Rice stated between Pressed is about 4,000 square feet, and the other one in the upper left-hand corner is approximately 5,000. Mr. Chryssicas stated they allow us to subdivide them or lease them out as a whole. The depths are not that deep. If they are too deep and we did play around with this, and when they were all designed, they were just getting too large and it was very challenging to subdivide it. Athleta is considered to be right up there with Lululemon. We went after Lululemon, they would have been ideal, they would have really satisfied the market here. We just couldn’t get them and Athleta is owned by Gap and that is their athleisure competitor. So, by getting them, even though you may not recognize the name, it is almost a stamp of approval just like Schwab is. Once we get out in press when this is a real project, the retail demand will go up.

Vice Chairman Newberry stated at this point I am really not in favor of the waiver for housing here. I have heard a lot of why it is not so bad, I have heard a lot of it is the lynch pin to make this work, but I think there are significant vocal residents, I don’t know how widely it is really held, but there are a lot of vocal people who are dead set against this. I think they would rather see it remain a muddy lot than to be developed in the manner that you are proposing. If you decide to press forward with this, which I assume you will since you are already significantly into investing in it, some real emphasis on a clear bullet point, if you will, statement of why is this good for the community, why is this good for the neighborhood. I haven’t really heard that, and I would like to hear that in order to sway my vote to provide that waiver. Waivers typically
are asking for relief from a regulation. This waiver ask is for the removal or the allowance of a use that is not permitted in the area, and I think that puts it on a significantly higher bar to justify why we should support doing this. I get that your current assessment of it is that it is required in order to make this a viable development, and I certainly don’t think the Town wants to see a development that is so marginal that it is likely to fail, so if you pursue it, I would really like to hear that in order to change my opinion of supporting the residential waiver.

Chairman Levenstein asked for any comments or questions from the audience.

Michelle Palys, 7 Rockingham Court, stated I have been to the past two meetings. I still don’t like the housing aspect at all. I was not a fan of the look of the last project, and I don’t think the buildings look anything like what we are used to seeing in this area. There are so many different profiles, so many different colors, and to me it just looks like everything was kind of an add-on and add-on like Legos. It doesn’t fit what Bedford looks like. To me it is just not pretty at all. I did hear that this is the only project that you have done in New Hampshire, I know you have done a lot in Massachusetts and south where there are many more people in very small areas, and New Hampshire is a little bit different than Massachusetts, actually a lot different than Massachusetts, than the Burlington area, than some of the areas that you have worked heavily in, and then maybe some of the studies have been done based on those areas as well. I am looking at this project and with the 12 retail spaces I have no reason to go here. I am not into Ulta, the cell phone store is almost the same as what is in a development up the street, it is not speaking to me as a destination, and when we talk about putting luxury high-end here, it is a total mismatch. I don’t like the housing; the housing doesn’t match what is going on in the space below it. I am also in real estate, and I did hear that when you start to bring in retail, now you bring in other retail and there are only two spaces left. My feeling is that if you concentrated on more retail on the multi-levels in these buildings, built them as a lower profile, put more floors in with escalators, made them more destination spaces with more things for families to do, maybe some smaller shops and some larger shops, you would have a mix of different retail use that many people could enjoy. I am seeing a family could drop their kids off at the movies and then go for dinner and then go shopping, but right now these retail stores don’t lend really to that. With a Charles Schwab you are going to get a portion of the community, and having been a realtor in Bedford since 2002, what I do know about Bedford is that everybody thinks Bedford has so much money, that everybody wants to spend so much money so everything needs to be high-end and that is not true. We like to spend moderate amounts of money on a regular basis, so you have to cater to that, and if you cater to that with the right mix of retail here, this will be a thriving destination for people in the area and for people to come from out of town. I think of different developments around the country that have a hotel and some retail but not resident spaces on top of retail with kids playing in parking lots and a pool where people are going to come out of their apartment, cross over the Main Street in their bathing suit to go to the pool that is designated for them as a resident in a building across from them. There is a lot of disconnect here. I do believe that if you go back to the drawing board and look at changing this, you will come up with some viable plan, and as I said at the last meeting, you are heading and focused on one direction, which is the apartments right now. You can only focus in one direction at a time, so until you stop focusing on the apartments, this isn’t going to make sense in any other direction for you, it is not going to be something that the town wants, and time is wasting. There is a time
element here that I am hearing from you, and I would be too if this was my project, but it needs to be something that the residents really want and respond to.

William Brennan, 73 Cider Mill Road, stated I know some of you but not all of you. I am here more as a part of that vocal group that Vice Chairman Newberry spoke about. I have sent a letter to Councilor Bandazian criticizing this project. It appears to me, having listened today, that when they first presented the plan to you, I recall it being published in the Bulletin and I recall looking at it, and now I am told that the economic lynchpin of this project, which is apartments, was somehow not included in that. In my opinion, that sounds like a mistake that was made by the developer after making his presentation to you, and I suggest to you that if in fact they had presented to you that kind of a project that included 200 apartments, you would not have approved it to begin with. I think that in that circumstance, because it violates all the zoning that we have in that area, and it appears to me that in that situation if it wasn’t to be accepted to begin with, now to try to change that is incorrect. Also, in my other life, I represented the School Board when we had some issues about the education of our children. Not once have I read or heard about the impact of these 200 apartments on our educational system here in Bedford. Chairman Levenstein stated I believe that is part of the fiscal analysis, which they still had some more stuff to tweak, I know it is. Mr. Brennan responded okay, and if that is the case, then I would like to understand how they intend to make that work, because I do know that adding 200 apartments to our town right now would increase and have an impact, have a direct impact on our schools, and that is an economic concern for the city and the Town of Bedford to begin with. So, there are a number of things that the developers, it seems to me, have to direct their attention on. I am concerned that they had a development that they sat down and drew up, but they didn’t consider what the impact would be on what they had to have. They had no leases; I don’t understand that, but they didn’t, and I guess if that is the situation, they shouldn’t come to the town to correct that mistake. They should come back again and present things much more, in my opinion, compatible to where we are in the town for that area. Thank you. Chairman Levenstein stated you mentioned that you wrote the letter to Councilor Bandazian. We have a copy of that and that will be put into the record along with all of the other emails and letters that we have received.

Mallory Shaffer, 49 John Goffe Drive, stated a couple of things that I was thinking about is that we have been talking about we don’t want the apartments, and if you had come to us with the apartments, that would have been a no go from the start, but also, other things that you were talking about as far as retail or people that would come and fill those spaces. What about an IKEA? Everyone loves IKEA. There was one that was supposed to go in Salem, that didn’t work out, instead of an office building that would be up there, that would be a good alternative or an arcade for the high schoolers and junior high kids to also get dropped off instead of just seeing a movie. I have two young children, anything for them I would be happy to go to, but, again, those are not stores that I frequent or would use, and I would rather see a mud pit rather than to see all of those apartments go up. Also, if you build the apartments, how do you know that you are going to get tenants to fill those apartments, because those high-end 2-bedroom apartments cost more than my mortgage, so how are you going to get people to fill those? And when you can’t get people to pay those rents, then the building is just sitting there empty, that’s not helping anyone either. That is just my opinion. Chairman Levenstein stated I think if they could get IKEA, they would take them.
Dave Gilbert, 40 Maple Drive, stated this gentleman here made a statement earlier about what the cinema is like as far as traffic and he said restaurants. In my opinion, why are we making apartments necessary for the cinemas to come in, why aren’t the cinemas saying we want more restaurants because that is what you said? Am I wrong? Mr. Chryssicas responded you are 100 percent right. I said cinemas like a certain amount of restaurants and there is a balance of it. You can fill the whole thing up with restaurants and then they cannibalize each other, then you have a bunch of empty restaurants, and that is why at different price points and different times of day, that is what we have been trying to do.

Mr. Chryssicas stated I think there was one earlier comment concerning multi-level retail. Unfortunately, even in Boston or New York, it doesn’t work. Multi-level retail is challenging. We have developments that we are working with escalators and they are empty, and it is not a good thing. I do appreciate it; we did try to get, and everything comes down to timing, correct, in this whole development, we did try to get Boston Interiors. If you look at Boston Interiors, they are on the second level in Burlington, MA, and they have other furniture retailers, and they weren’t patient enough and they went up the street next to now Bed, Bath & Beyond. We could maybe do that but trying to get that it is going to fail up there, so you have to be very careful who you put in these places to increase the chances of success. I think right now we have a good amount of restaurants. If we took those restaurants away, the cinema would go away. If we took away some other critical mass, whether it be the apartments, the cinema goes away. It is kind of a balance. Option A was really office because we listened. Bob Rohrer of Collier’s, local here, he lives in Amherst, but he is in this town every two minutes, he tried to secure that office component. We went down that road for years and they never secured to make it economically feasible. There just wasn’t the demand that we thought. When you are doing a development, it is not easy. You are always thinking what the market is. So now our Plan B are the apartments. I think what Mr. Robinson was referring to was that there really isn’t a Plan C right now. What is viable in this market, you have to try to see and determine what is viable, and right now apartments are very viable, and I think the one thing about luxury is that there are really no luxury apartments around here, so there is an alternative. Just like if we got a certain amount of high-end restaurants. Copper Door, I think, is very good and great, but it is amazing how well they do because it is pent up demand. That is one of the best performing restaurants in all this region. It is trying to give them to meet the marketplace. That is what this whole development is targeted to, where there are voids in the marketplace.

Michelle Ditomaso, 6 Colonel Daniels Drive, stated I do not like the design of the apartments. I don’t think the apartments belong there to begin with. My question is, you mentioned parking revenue a couple of times. Are you charging for parking? Chairman Levenstein replied that was in determining what the value of the property is when it is being taxed. It has the parking structure and it adds to the value of the property.

Michelle Palys, 7 Rockingham Court, stated if the buildings were single level, can you do parking on top of buildings? Yes? Is that right? So if you took more of the parking lot area and converted that to more retail, more restaurants, more space for teens, arcades and things like that, and kind of leveled everything and did parking over, is that something that you could do development-wise? What I am trying to do is get more to do in this area rather than the few
retail shops, the few restaurants and then everybody else living on top of that because I don’t like
that. Mr. Chryssicas replied the whole structural programming of retail has changed. Arcades
aren’t going to work because it is not going to pay the freight and you have to have that balance. An arcade will detract away, where we wouldn’t even get Athleta or Charles Schwab, they just
wouldn’t come here, so there is that balance of type of tenancy. Regal is a well-known theater, their new design is much different from the ones that you have seen around here, it is night and
day, and if you even have the right design and the luxury type of theaters, it is not going to attract people in from their living room because why would you, so it has to be a special thing. It has to be
a special night out. It is the same thing with the restaurants and retail as a whole. You have
to pull the people in. Could we put parking on the roof? It hasn’t been done; I wouldn’t want to
test it here. I am trying to think where it has been done. We had demand from Wegmans, they
wanted to be here. Do we want another supermarket? That was early on, and the developers
turned them away because there was already Whole Foods here and it was duplication. You
could have leased this thing out right in the beginning to a Wegmans. Is Wegmans upscale?
Yes, it is really nice. There was another question concerning IKEA. You don’t want IKEA here. They would crush your traffic; they would just obliterate it. I did the IKEA deal in Somerville,
there is no IKEA there. They were going to build, they didn’t get the permits and now it is
Assembly Row, it is a mixed-use development. What is above Assembly Row? The majority of
it is all residential. That is being developed by Federal Realty. Federal Realty has a lot of these
developments, whether it is Pike & Rose down in Bethesda or Santana Row out in San Jose, and
this kind of symbiotic relationship between the higher-end residential, because if it is lower-end,
it is not going to work, but if it is a certain luxury level above the retail, it works. In Assembly
Row there are a lot of restaurants, with some shopping and they did outlets down there, because
they had to shift their game, and they did outlets, and then we put the residential above that.
Then after that they got the critical mass and they were able to get an office development, which
was Partners Healthcare. They are at the base, they are almost 1 million square feet, but that was
originally supposed to be an IKEA. IKEA owned that, they sold that to Federal Realty. Market
timing wasn’t there, it just didn’t work, and then Somerville was so concerned about one thing,
and that was traffic, and having a blue and yellow box as a front door of their community, as
they termed it. Here we are trying to get a balance of the retail and there is a void in the
marketplace. I don’t think Assembly Row would 100 percent work here, but this is a smaller
version, and it has been successful down there. That is my answer to you on that one.

Anna Giraldi, 36 Cider Mill Road, stated I have a couple of comments because I think a lot has
been said. I, like the others, do not like the apartments there. One thing with a movie theater, I
remember when Walgreens came in and everyone was very concerned about the look and they
put in the fake windows to make it look like there were windows there, but they are not real.
That seemed to have worked right there. I have a question about the traffic because you said this
was reducing the traffic from what you had before. Won’t there be a lot of traffic from people
then who would live there? They would come in and out during rush hour, even though you
weren’t going to a store. That seemed to me to not quite add up. Those are my comments for
right now. Chairman Levenstein stated I know you don’t have your numbers right now, but do
you want to address that point. Mr. Rice responded as you know, Mr. Chairman, for the traffic it
is not just one use and one component, there are multiple factors that go in and it looks like at the
peak hour traffic, which typically varies between 3:00pm and 5:00pm and 7:00am to 9:00am, I
could say that the residential units were taken into account with the updated traffic analysis that
is just being finalized. But, again, the trip generation shows that during that peak hour there is approximately a 40 percent reduction in the trips. That would be the entering and exiting the site during that peak hour time period. There will be a full report explaining the details of that. Chairman Levenstein stated there will be a written traffic report prepared, which will be available if anybody wants to get it from Ms. Hebert.

Doug Groff, 23 Green Meadow Lane, stated I have lived in Bedford for 30 years, and I avoid South River Road now. You don’t need to do a traffic report to tell me there is going to be more traffic. I go shopping in Merrimack now because I stay away from this location. I don’t know who it is that you are trying to attract, but if you are trying to attract the residents of Bedford, or whether you are trying to attract people from outside to come to Bedford to buy, to support our tax base, it is not clear to me what it is your goal is here. We don’t have enough restaurants; that’s a good thing. If you are going to bring in restaurants, that is wonderful. I can’t get a reservation for Valentine’s Day, so if you can make it happen quick, that would be good. I hate the street because I can’t get down there. There is not a dirty word that doesn’t come out of my mouth when I go down South River Road right now. Also, I just came from the school tonight because it is parent/teacher conference night; the school is maxed out right now. My concern with apartments is, and I think what I heard was studio apartments, that probably doesn’t support families with children, 2-bedroom apartments, okay, a parent with a child. I think I would like to know more about the impact on the schools. Hopefully you guys are looking at that. That is a big concern, and I think that is probably shared by most of us in town who don’t want these apartments and it is probably driven by the impact on the schools. If you can show that it doesn’t impact the schools, not that I have a vote, but that would be one of my largest concerns. With the movie theater; we have plenty of movie theaters. That is not going to pull me in. With Schwab, unless they left downtown Manchester, I don’t need to have everybody here crowding South River Road. I go down to Manchester. My daughter lives on Elm Street and right outside of their apartment are the homeless people. It is beautiful architecture for Portsmouth; I go down to Portsmouth to see the water, to go out to dinner, with the environment there is a draw there, why people want to be in those apartments and paying all of that money because there is something there for them to do. I don’t want to go, when my children move out, into a luxury apartment right on the side of a highway, crowded around with all this traffic. That is the last place I am going to want to go. I am one of those people, I would imagine, that you are envisioning you would want to draw. We used to have a couple of timeshares, and anyone who has ever been familiar with people who have bought timeshares 30 or 40 years ago, they can’t get rid of them. It is written into their lease that you can’t ever sell them, you can’t get out of it, the only way to get out of it, is to sell it. So it is great that you think who you are going to be putting in these high-end apartments and think you are going to be able to fill them, and then all of a sudden you can’t and they go half empty and then things are going to change. Talk about a bait-and-switch, not that this is intentional, but you guys, I am sure, have thought about the fact that when they go empty, it is better to have apartments filled at the half the rate than it is to have it empty and getting nothing. So, what happens is all of a sudden it is not high-end people anymore. I have probably said enough. Hopefully there are some good things in there that will give you some thoughts. Thank you very much.

Steve Clough, 5 Huntress Road, stated I think everybody has said what I wanted to say. All my fellow citizens, I came in a little late and when I looked up at the projector I am like, this looks
Orwellian for Bedford. I don’t know whether you watch Project Runway, but I would say that it is a hot mess, make it work. I just don’t see a lot of creativity here, and also, I heard we are an urban environment and we are not an urban environment, we are a suburban town. Then I also heard them say you have waiver power. Basically, what they are asking you is; you have the power to give the citizens the middle finger because this is not what we want. Thank you for your time, and I just wanted to voice my opposition to this.

Joseph Hannaford, 36 Hickory Lane, stated my wife and I do want to go on the record as being in opposition to the apartments, not necessarily the development, but having 200 apartments. We were also opposed to the ones that were to go near the high school. We have been here almost 23 years, and I agree with two speakers ago where we try to avoid South River Road. It reminds me of South Willow Street, and South Willow Street reminds me of a smaller version of Route 1 in Saugus. I grew up in Massachusetts, so that is not what we are about here. I empathize with the developer, but I don’t think it is up to the townspeople of Bedford to bail them out. The fact that this is a financial hardship for them should not be a hardship for us, and I would propose that the Board stand fast. We have laws for a reason and stick to those laws, unless it can be proved significantly beneficial to the townspeople of Bedford. I have a question about the cinema. What are those white bars? Are they lights? Mr. Rice replied yes is the short answer. Mr. Bargmann stated they are LED lights that is part of the branding for the cinema. Mr. Hannaford stated and I agree with the other resident who had a question about the flow of traffic. I know you are going to be doing further study, but it doesn’t seem to make sense. All you are doing is reversing the flow. You don’t have people going in as much now that there aren’t offices, but you certainly have people coming out at those times who have to go to a job somewhere else.

Vice Chairman Newberry stated I have a question and the answer I would kind of like to be something that the industry would agree with rather than maybe the rosiest possible. What is the typical trajectory of a development like this in 10 years, in 20 years? What do you expect a development like this to look like in 10 years, to look like in 20 years? Is it just going to be the same as it is today? How does it likely evolve, I guess is what my question is? Mr. Chryssicas replied I will speak from a retail perspective. I think it can get stronger over time. There may be a failed restaurant, or a failed retailer and you backfill that with a better retailer who is much more appropriate for the marketplace. I am trying to look at some examples. There is not that much retail being built right now. If you give them the right ones and fit in the right places, they just get stronger over time. I think there is such a transformational shift in retail that this is a beacon at a corner that it will always attract good retail. You are right at the off ramp, you are right at the edge of town, and the nice feature about this site is that you are at the edge of town, you are not in the middle of town. Yes, there is traffic for the retail, but it minimally impacts the rest of the town. So, you get the benefits of having good retail, having a cinema here, having restaurants, but not being right in the heart of your town, and I think that is one of the best features of this site. The other feature is that it is regionality. It is going to draw people from Concord, it is going to draw people from Merrimack, it is going to draw people from all over. Certain towns have a certain cache and Bedford has that cache. Chestnut Hill has that cache, so certain retailers are going to be drawn to it and it is always going to get better. We have to make sure that these retailers perform, and I think they will based on my experience, and I have been doing this for 30 years and I have worked on all sorts of developments. This has the ingredients
of a successful retail development as long as you don’t over-retail it. If you put too much retail, it has just the opposite effect. Just like having too many restaurants, they steal from each other and cannibalize each other, and they don’t do as well. From a retail perspective, I see this getting stronger and stronger. Mr. Fairman stated you just gave us all of the reasons why your original concept should have worked and yet it didn’t. I guess I don’t understand that. It is a great location, the highway, yadda, yadda, yadda and yet it failed, it didn’t work. Mr. Chryssicas responded the original concept had the office component in there and the majority of it was office. Mr. Fairman responded no; the majority was retail. Mr. Chryssicas stated there was 200,000 of retail that we had and then we had 160,000 of office. Mr. Fairman stated 200,000 is still more than 160,000. Mr. Chryssicas responded you are right, but we had that, and we overshot the retail, so there is that certain balance. If you look at the retail here, we still have the majority, we have 70,000 of retail plus we have a fit on top of that as well. Mr. Fairman stated the theater was there too. Mr. Chryssicas stated that was included in that 200,000, but that was the issue, we couldn’t get the office to be part of this. Even if it is with this regionality, the market didn’t support it.

Mr. Fairman stated one of the things that we are hearing a lot is that Bedford also is very attractive hub for medical communities and medical office, and we have seen a lot of development on those lines, and we don’t have much empty office space at this point. So, I am a little confused as to why the office didn’t work and why it still can’t work. Mr. Chryssicas responded I did preface this before that I am not an office expert, I am responsible for the retail in this, but I can tell you my quick opinion because I was involved with a lot of meetings, is that medical practice groups up here are dominated by a couple. One is Dartmouth Hitchcock and the other one is CMC and then there is the Elliot. Those are the three and they have a lot of practice groups around them. The Elliot landed, CMC is not going to change, and we had lengthy discussions in trying to draw Dartmouth Hitchcock here and it just didn’t pan out. There was no lack of effort there. There were meetings at high levels, and the same with Pegasystems and a lot of other companies that I wasn’t even aware of. There was a concerted effort to make this thing work and have that balance. It is just that these types of developments have a very strong track record right now for mixing residential as well. As I pointed out, even throughout the country they are very successful, even in the suburbs and around Washington DC and Maryland, or out on the west coast. There is precedence here that the residential over retail works quite nicely if you get the right mixture and the right type of tenancy upstairs.

Mr. Hawkins stated the project won’t get my support if the housing component is in there, but let’s set that aside for a second. What I am having trouble reconciling is this was pitched, and rightly so, back in the day as a destination and it is a very special 16-acre parcel of land in our community, it just is, for all of the reasons you just articulated and if any place in Bedford, we don’t have another spot like this, warranted a destination, this would be the spot. Where we are today with this proposal, with this plan, is not a destination. Period. It is just not, and we shouldn’t kid ourselves to thinking that it is. It is just not a destination. There is not enough there. I don’t want to just remove the housing for the sake of removing housing, I want to put more stuff in there that would attract people to this spot. With all of the cars that pass by, all of the visibility that it has, because the image that I like the best in support of our point, is that the I-293 view when you are looking at the urbanization of Bedford, it is not what the town looks like. I know you want to talk about the percentage of the total residents that will occupy these
apartments as compared to all of them, that is not the point. This is a highly visible 16-acre parcel, and when you drive by it and it looks like that, it looks like that, and there is not enough density here of retail and restaurant establishments to draw people in. I won’t go there. I have two families, both related to me, that I am trying to get to this town and back in the day when I pointed into the Encore site and you had Market & Main, even back in the day when it was called something else that we had to change, they were okay, let’s come up and look at housing. I can’t get them here. My brother is a surgeon in North Carolina, and he is not coming. My sister teaches primary education in Connecticut and she is not coming because of how this thing has changed and more they are wondering about the viability of the whole place on the basis of such a signature component of our community being turned into housing. It doesn’t make any sense. That is what I would like to leave you with. It doesn’t feel like a destination and I can’t get past that.

Vandna Sharma, 3 Sonoma Drive, stated basically the reason I moved in Bedford was because of the school district, because of the look of the town, and the people in general. If you are going to take that away from the town, I don’t think that there are going to be people who have been here forever who going to like that and people who are coming here might like that. I hear about the rental, which is almost $2,000, which is almost like a mortgage that I am paying on my house. Who would want to be renting an apartment and having the kids in that apartment when they can buy a house somewhere with that amount of money? If you are going to keep crowding the schools, eventually the schools are going to go down, like how Londonderry schools went down, which was my first-time experience living there for 12 years. When we moved there, it was almost ten on the rating. Right now, you can check the rating on the schools, and it is down. That is what is going to happen to the Bedford town, and nobody would like to come here. The amount of money we have paid on our house is going to go down. That is what happened to our house.

Mr. Fairman stated one of the things in your fiscal analysis that I think you need to take another look at is the school count. You give examples of several other developments. I think the one thing that you are not taking into account is the draw that Bedford schools have. People who come to these apartments, particularly with the younger children, and that fits into our school system alright, but I do think that the counts total needs to be looked at, that part of it and take that into consideration. You did talk about the 4-story buildings not 5-story when you were talking, on Page 11, and it says, the proposed project will have three 4-story buildings and I don’t think that is correct, this is in the prior analysis. Make sure that you correct that. Chairman Levenstein stated it does say three 4+story buildings. I am looking at another spot where it says in the proposal, they had three 4+story buildings. Mr. Fairman stated in the bottom paragraph on Page 11. Chairman Levenstein stated it says the other in the paragraph before that. Attorney Cronin stated I think there is some confusion with podium versus story, but we will get it right. Mr. Fairman stated it would be nice if you reduced it to four stories and then that will be correct, that would be the best way to fix that.

Paul Giraldi, 36 Cider Mill Road, stated can we get a little bit more on why REI didn’t come. I drive through Norwalk, CT and there is an REI there that doesn’t have any supporting structure around it other than itself. I am not really getting why, and they don’t have a presence in New Hampshire as far I understand. I am just wondering why the REI fell through. And then, would
that income have offset all of those apartments? Mr. Chryssicas responded REI was kind of a lost leader. They are considered one of the key draws of development and there was no lack of effort. It really came down to timing. Right around 2018 they just dropped their whole program. They got frightened by the retail environment and then everyone caught their senses. Amazon was dominating and REI is based in Seattle. Mr. Giraldi stated I understand, but like I said, they are in Norwalk, CT. Mr. Chryssicas stated that Norwalk deal was a while ago. Mr. Giraldi stated it is at least 10 to 12 years. Mr. Chryssicas responded so there were different real estate directors during that time. I do their work, I did the one in Framingham, which is a free-standing right on the edge of Shopper’s World. We did another one down in Hingham and they subbed a development down there. I am pretty familiar with them, and it just came down to timing. Mr. Giraldi stated I echo the gentleman on the board who says that really is a definitive anchor store, everyone wants to be there. Mr. Chryssicas stated we would have loved to have REI and that is why we fought, we went back up to Seattle, we had special trips to there, flying up there to sit down with them to try to convince them otherwise. It just didn’t work. Mr. Giraldi stated, and I feel strongly too that this school impact doesn’t seem that it is really being recognized. And then to the Board I have a question. There is a lot of undeveloped land on Route 3. I don’t what precedent this would set, but if we were to do this, I am not a fan of the apartments for all the reasons that previous residents have mentioned, but what kind of precedence, where there is a lot of real estate that is not developed on Route 3. So, if we do this, if we just say okay we are going to change the zoning, the biggest impact is the schools. But then one of our neighbors said behind us, how do you support that. Fiscally that is not supportable. Does the Planning Board when they entertain a project like this and giving someone approval, is there a question what is the impact on the schools? Chairman Levenstein replied there is going to be a fiscal impact study that is done. They have partially completed it, they didn’t finish it today, which is why they haven’t presented what their findings were. It will set forth how much income the Town will derive from taxes and from ambulance service, and then it will go and look at what the costs are going to be to the Town, and then it will make a determination as to whether it is a positive impact or a negative impact and what that impact is. They look into a whole bunch of things. We have a draft of one here, which is probably about 15 pages, so they will look at all of those things and it will be available to the public.

Kathy Shartzer, 7 Roblin Road, stated I actually have a specific question about the green space that was added. If you could talk a little bit on the intention for this green space. Was it for the residents? It just looks like you kind of put some green space where you had a little room as opposed to having any real thought. What is the purpose of this green space? Is it for the residents, is it for the people who are coming to a movie or shopping, they are going to go down to that far corner? Is that your intention that that green space is actually for the residents and are these luxury apartments going to have pets, is that going to be worked in or are people going to be driving to the dog park? The rationale behind what green space you chose and who the target audience was? Residents or people visiting? Mr. Rice responded the common areas are for the public as well as the people that live there. I think the internal courtyard is going to get more use out of that from the residents that are in Building C and similar to Building D, I think you are going to get a mix for people using the pool. The other areas were kind of at the ends of the loops of our walking system. Like I mentioned, we do have a sidewalk that pretty much encompasses the whole site that you can pretty much walk in any direction you want and get around any one of the buildings. It provides an area for people to just hang out, or in the case
where you are waiting for your child to get out of the movie theater, if you wanted to sit down
and have coffee at the gazebo or walk around the reflecting pool while you are waiting for that
happen, that was the intent of those areas. Similarly with the dog park and the walking trails.
There are areas that if you want to walk and get some exercise or you have a pet and you want to
bring them out somewhere, it is somewhere to do that where you are not conflicting with traffic
and people visiting the site.

Michelle Palys, 7 Rockingham Court, stated in thinking about this still, and I never really
thought about the kid’s version, but there is a total lack of place for families and kids to go. I
know you guys aren’t from town, that was alluded to in the beginning, but people move to
Bedford to be in a community that supports families and on any given weekend, you can find
family sports going on all over the place, groups of kids and families looking to go eat after
games, you fill up restaurants fast. I live right off from Route 3 in the same area and we don’t
even have a pizza shop in this area. I think the demand is greater in certain areas where maybe
you guys aren’t as familiar with us as a community, and in going forward, spending more time
kind of in that process of looking at like let’s do away with apartments and do more research
about what the community really wants, because as it has been alluded to, once you start to put
the right people in here, more people are going to want to come. You can turn this into a
destination for the residents of Bedford, it might be slower than you want it to, but it can really
be a beautiful project if you get the right people at the beginning. It has to start, right, so you
have to start to build. I do ask the Board please do not allow apartments here. I think hearing so
much tonight I really believe there is a much better plan on the horizon and that it can be done
very well because the potential is there, and the people will come to this beautiful location that
we have here in town.

Zach Morgan, 5 Wolfe Lane, stated I have a few questions, mostly starting with the definition of
critical mass and how the apartments justify having critical mass there. When we have roughly
23,000 residents in Bedford, along with 115,000 in Manchester neighboring, when I go to the
movie theater, I go to Hooksett or Merrimack, I drive a half hour. I have been here in Bedford
since I was four years old, so I have very fond memories of always going to the movie theater
that was originally where Kohl’s and Home Sense and all that is, that is all gone, but I have great
memories and would appreciate going to a movie theater like this. I am trying to wrap my head
around how when you also have Nashua with 90,000 in the surrounding area, Merrimack with
26,000 in the surrounding area, how does it justify having apartments when there are also four
apartments right in the area, to have more apartments. There are already three standing
apartments on South River Road, one being built right behind Whole Foods, which no one seems
to remember it is being built, and it is odd that you are doing cartoonish buildings now when we
had such, they were okay, they weren’t terrible looking, but now it is just extremely cartoonish,
and like she said, Legos, which is great. What is the justification for critical mass? If you are
going to have all of these people in the surrounding area flocking towards all of these shops and
a movie theater that I would really like to not drive a half hour to, I am still trying to wrap my
head around that. Is the demographic shift still being garnered towards millennials like myself or
is being garnered towards people who are making way more? I went from a $1,300 apartment in
Manchester to owning my own house finally, and it is painstaking to own as I am well aware
now, but trying to justify going out now is a pain and a pain something of a homeowner’s
Chairman Levenstein stated we have to determine whether to continue the design review, which I don’t think the applicant has any desire for us to do. Attorney Cronin responded I think we would like to wrap it up and make that determination as to whether to file a full application and go forward. Councilor Bandazian stated I don’t have the information that I have asked for and we don’t have a complete impact statement. Chairman Levenstein stated we will get it for the final, but I don’t need it for design review. Councilor Bandazian stated they don’t need approval of design review to file a final either. Chairman Levenstein responded that’s right. Attorney Cronin stated it is an optional process, I think, in the ordinance. Councilor Bandazian stated I am not close to some fiscal analysis to justify this design. I don’t have it. Vice Chairman Newberry stated I think also, as noted in the staff memo, there was some material that has been submitted so recent that staff has not been able to review or comment on it. I think the fiscal analysis still needs work and the traffic study still needs work. My take would be we continue the design review, particularly given the potential impact of this proposal. I think we want to have as much complete information as possible before we go into considering a final approval. Mr. McMahon stated Vice Chairman Newberry, from your previous suggestion you made, I don’t know if you have this in mind, but would it be the impact if they have designed based on the increase in e-commerce. Vice Chairman Newberry responded I would hope that they address that also in continued design review of why is this a value, what of this is of value to the community. I think that is a key thing that you guys really need to be able to come and make a case for in order to support what you are asking, from me anyway. Town Manager Sawyer stated as tough as it is to say, I think our opinion whether we keep it open or closed is moot because they control this process. They could just withdraw it tonight or they could withdraw it tomorrow and this would be over. But I think they have heard our concerns and this Board isn’t ready to close it, but they can close it on their own accord. Ms. Hebert stated it would simply mean that they are not vested to any future changes in our Land Development Control Regulations or our zoning. They are vested as long as they file an application within 12 months of the Board determining the end of the design review process. Mr. Fairman stated I am not sure with their unwillingness to come up with another option and change the designs to do some of the things that we have requested, they continue in the design review is particularly going to be helpful, as something that is stated in the traffic analysis we usually get at final, fiscal analysis we usually only get for design review, we get it for the final. So I am not sure I see any real benefit to continue the discussion on design; it is a waste in my opinion. I don’t like the design and they are not going to change it.

**MOTION by Vice Chairman Newberry that the Planning Board continue the design review process for this application. Mr. McMahon duly seconded the motion. Vote taken; majority in favor with Mr. Fairman and Ms. Murphy voting Nay. Motion carried.**

Attorney Cronin asked when would the next design review be if it was going to be conducted? Chairman Levenstein asked how long do you need? Attorney Cronin responded I suspect a couple of things will happen here. If they decide to apply, they are going to do so and apply. That doesn’t mean that there may not be an intervening meeting or that we can provide the information. My take is, it is not to be disrespectful, we have been through this conceptual and a
number of different elements. With the fiscal impact there are some notes that need to be made to it but it is really not going to change the outcome of it much. I think the school initially was at 20; there was some discussion that Mr. Fournier agreed with that, but it would be best to revise it to 37 students, some change with respect to the calls, that is not going to change much. I think the tweaking with respect to the buildings, they have been through it a number of different times and I think that is the building design that they have right now, plus the longer that this goes on, the more expensive, the more uncertain it is, the more concern that some of these tenants that are committed see that it is not moving forward, so I think there are a lot of reasons for them to try and advance it forward. Does it mean that we won’t continue to supply information, and maybe Ms. Hebert can circulate it. I would like to talk to Ms. Hebert and maybe Bart and figure out how we can provide the information that Councilor Bandazian is seeking and others maybe, where you can get it. It is pretty self-evident when you look at it, you probably don’t need a lot of feedback from us on it once you get it. I am not saying that we won’t continue to provide you with information as we go along, but I don’t know that it would be very productive to just continue with more design review. Ms. Hebert stated with the design review staff saw the plans tonight for the first time, so we didn’t have a productive back-and-forth with the applicant over the past month. If we are continuing the design review, I would like to hear that the applicant is going to work with staff and address comments that were heard at the meeting. Otherwise we are just in this in between where it is not a cooperative process, which is what the design review process is supposed to be. Attorney Cronin stated certainly they will continue to work with you. They have spent a lot of time, as you know, with respect to designs, asking for feedback, trying to temper the best way that they can, and they will continue to do that as this thing goes through its normal process. We will continue to give you everything that you ask for and try and get you what you need. Chairman Levenstein asked what do we have for dates? Ms. Hebert replied we have March 9th available. Attorney Cronin stated that’s okay. Chairman Levenstein stated then this design review is continued to March 9th. Councilor Bandazian stated if we need to amend the motion, we should do that. Town Manager Sawyer stated and state that it will serve as notice.

**MOTION** by Councilor Bandazian that design review continuance be heard on March 9, 2020, with this to serve as public notice. Town Manager Sawyer duly seconded the motion. Vote taken; motion carried, with a majority of the Planning Board voting in favor.

IV. Approval of Minutes of Previous Meetings:

**MOTION** by Town Manager Sawyer to approve the minutes of the January 27, 2020 Planning Board meeting as written. Councilor Bandazian duly seconded the motion. Vote taken; motion carried, with Ms. Murphy abstained.

VI. Communications to the Board: None

VII. Reports of Committees: None
VIII. Adjournment:

    MOTION by Chairman Levenstein to adjourn at 9:25 p.m. Ms. Murphy duly seconded the motion. Vote taken – all in favor. Motion carried.

Respectfully submitted by
Valerie J. Emmons