Statement in Support of Chestnut Place Worcester Owner, LLC Application to City of Worcester Zoning Board of Appeals for Variance for Noncompliance with Minimum Building Front Yard Setback for Multifamily Development Project at One Chestnut Place a/k/a 10 Chestnut Street and

Two Chestnut Place a/k/a 22 Elm Street, Worcester, Massachusetts

I. Background and Project Scope.

Chestnut Place Worcester Owner, LLC¹ ("Synergy") is the owner of the property known and numbered as One Chestnut Place a/k/a 10 Chestnut Street and the property at Two Chestnut Place a/k/a 22 Elm Street, Worcester, Massachusetts (collectively, the "Property").² One Chestnut Place contains an 11-story approximately 199,809 square foot office tower (the "One Chestnut Place Building"). Two Chestnut Place contains a 4-story approximately 34,365 square foot office building (the "Two Chestnut Place Building").3 The Property is located within the Business, General 6.0 ("BG-6.0") zoning district and the Commercial Corridors Overlay District-Downtown Subarea ("CCOD-D") and is bounded by Chestnut Street to the west, Elm Street to the north, Pearl Street to the south, a public parking garage to the east and various businesses in the surrounding area (e.g., museum, social services organization, church, adult daycare center, public parking garage, banks, restaurants, bars, offices, etc.). Both the One Chestnut Place Building and the Two Chestnut Place Building have been used for office use for decades. The One Chestnut Place Building is currently occupied by Fallon Health, which has significantly reduced its employee headcount at this location over the years, and will completely vacate the building. Synergy intends to split the Property lot into two separate lots, including an approximately 28,598 square foot lot containing the One Chestnut Place Building (the "New One Chestnut Place Lot") and an approximately 21,715 square foot lot containing the Two Chestnut Place Building (the "New Two Chestnut Place Lot"). In order to obtain financing for the Project, the New One Chestnut Place Lot and the New Two Chestnut Place Lot will be in separate ownership. It should be noted that the Property lot was previously in separate ownership by virtue of a variance, therefore, Synergy is merely re-establishing separation of the ownership through a new variance.

Like many cities throughout the country, the City of Worcester has been facing challenges with respect to office vacancies and housing. In response, Synergy is proposing an unprecedented adaptive re-use and conversion of the existing office buildings at the Property to large-scale multifamily dwellings by constructing 198 market-rate residential units within the One Chestnut Place Building and 22 affordable rate homeownership condominium units within the Two Chestnut Place Building (the "Project"). The One Chestnut Place Building will contain approximately 72 studios, 85 one-bedroom and 41 two-bedroom units. The Two Chestnut Place

¹ Chestnut Place Worcester Owner, LLC is a wholly owned subsidiary of Synergy Investments, LLC.

² One Chestnut Place a/k/a 10 Chestnut Street and Two Chestnut Place a/k/a 22 Elm Street both share a tax parcel identification of 03-031-24-04.

³ Note that the gross floor area excludes the basement, which is 42,060 square feet.

Building will contain approximately 6 one-bedroom and 13 two-bedroom units 3 three bedrooms. The Project also includes the construction and/or installation of related renovations and site improvements at the Property, including, but not limited to, new landscaping and open space amenity areas (e.g., a landscaped extension of the plaza to replace the outdoor surface parking area, planters between the street and private sidewalks). The height, footprint and gross floor area of each of the buildings will not be altered as a result of the Project. The existing parking layout within the garage plus two existing surface spaces will continue to be largely maintained as is, and will accommodate approximately 210+/- parking spaces, which spaces will be used for the One Chestnut Place Building; however, a portion of the spaces will include new EV charging spaces (installed and EV-ready spaces). The Two Chestnut Place Building will be served with parking within the neighboring city-owned parking garage located to the east. The One Chestnut Place Building and Project will contain amenity spaces including shared workspaces, a fitness center, a roof deck, an outdoor pool with expanded landscaped plaza area, common area lounges, lobbies, a leasing office and interior and exterior bicycle storage areas.⁴

The Project is focused on sustainability initiatives to reduce carbon footprint. Importantly, this adaptive reuse project significantly minimizes the need for new materials. The Project includes improvements to help reduce energy and drive sustainability, including, but not limited to, building electrification for carbon reduction, electric hot water and cooking, electric heat pump source heating and cooling, LED lighting, water savings fixtures, low flow toilets, kitchen and bathroom faucets and shower heads, low VOC selections for paint and millwork, steel construction with metal studs for recycled materials, upgraded roof terrace insulation to current code and electric car charging stations/infrastructure within the parking garage.

II. Requirement for Variance.

A variance is required to be granted by the Board⁵ for noncompliance with the minimum front yard setback requirement as set forth in Article IX, Section 6.A.1.a of the Zoning Ordinance, which requires a minimum front yard setback of 5 feet for uses with ground-floor residences. The Two Chestnut Place Building will contain ground-floor residences as part of the Project and is located at the zero lot line along Elm Street. Therefore, the Project requires a variance from the minimum front yard setback requirement. The One Chestnut Place Building will be compliant with all dimensional requirements of the Zoning Ordinance.

III. Reasons for Approval of Variance.

The Project satisfies the variance criteria as set forth in Article II, Section 6.A.3 of the Zoning Ordinance for the reasons stated herein:

⁴ A secure room within one of the buildings for storage of bicycles will be provided.

⁵ The Board is the permit granting authority pursuant to Article II, Section 6.A.3 of the Zoning Ordinance for the grant of variances.

1. <u>Describe how a literal enforcement of the provision of the City of Worcester Zoning</u>

<u>Ordinance would involve a substantial hardship, financial or otherwise, to the petitioner or appellant.</u>

Synergy would suffer substantial hardship if literal enforcement of the minimum building front yard setback requirement was to be enforced. In order for the Project to comply with the minimum front yard setback requirement, Synergy would need to do one or more of the following: (i) Relocate the Two Chestnut Place Building or replace it with a smaller new building; and/or (ii) eliminate all dwelling units on the ground floor of the Two Chestnut Building and convert the Project into a mixed-use development.

Reduction, relocation or replacement of the Two Chestnut Place Building would result in substantial and unnecessary costs for Synergy and would render the Project no longer financially viable. Removal of the ground-floor residences and/or adding a mixed-use component would result in a reduction of much needed housing for the City, and all of the housing units are critical to the Project's financing and the granting of governmental incentives.

2. Describe how the hardship is owing to circumstances relating to the soil conditions, shape, and/or topography of the land or structures and how the hardship especially affects said land or structures, but does not affect generally the zoning district in which it is located.

There exist circumstances relating to the shape and topography of the New Two Chestnut Place Lot that especially affect such lot, but do not affect generally residential properties in the BG-6.0 and CCOD-D zoning districts. Unlike other properties within the BG-6.0 and CCOD-D, the New Two Chestnut Place Lot contains an existing building, is narrow in shape and bounded by three streets, i.e., Elm Street to the north, Chestnut Street to the west and Pearl Street to the south, and is in close proximity to the One Chestnut Place Building, all of which limits the amount of area available to comply with minimum front yard building setback. The Project financing can only be obtained if the Property lot is split into two new parcels and all dwelling units are maintained, and there is no way the Two Chestnut Place Building can comply with minimum front yard setback without significantly modifying or relocating the Two Chestnut Place Building or replacing the existing building.

3. <u>Describe how desirable relief may be granted without detriment to the public good and without nullifying or substantially derogating from the intent or purpose of the City of Worcester Zoning Ordinance.</u>

The requested variance may be granted without detriment to the public good and without nullifying or substantially derogating from the intent or purpose of the Zoning Ordinance. The

proposed high-rise multifamily use is permitted by right in the zoning district, is located in close proximity to residential and complimentary business uses and will be compatible and in harmony with the neighborhood's character and abutting properties. The Project will allow for the preservation and adaptive reuse a former high-rise office tower and the unprecedented conversion to much needed large-scale multifamily housing. The Project will improve the economic vitality of the neighborhood and surrounding areas by increasing the number of residents in the area who will patronize local businesses and economic centers in and around the neighborhood. The Project will create new construction jobs, sustain post construction jobs and will generate additional tax revenues and fees for the City. The Project is a redevelopment of a prominent site that can no longer support large office use. The Project is in conformance with the purposes and intent of the Zoning Ordinance, as it will encourage the most appropriate use of the land in a manner that protects architectural and aesthetic qualities of the community and protects against the uses of land which are incompatible with nearby uses.

Further, a main objective of the CCOD is to reduce the amount of land devoted to parking and utilize parking areas more efficiently. The existing parking area, owned by Synergy and located in a subsurface garage, is designed to limit the overall surface area and visibility so as to maintain an urban look and feel by not overwhelming the site with surface parking.

4. <u>Describe how the dimensional variance as it relates to floor space, bulk, number of occupants or other relevant measures, if granted, shall be no greater than the minimum necessary to provide relief from the statutory hardship.</u>

The variance from the minimum building front yard setback requirement requested herein is no greater than the minimum necessary to provide relief from the statutory hardship.