

Notes¹ from Discussions Regarding Redevelopment of Foxborough State Hospital, with:

Marc Resnick, Former Town Planner, Foxborough, Currently Head of Brockton Redevelopment Authority, 508-586-1250 (May 6, 2013)

Kevin Weinfelt, Chairman of Planning Board and Chairman of Foxborough Re-Use Committee, 508-543-4697 (May 6, 2013)

Sharon Wason, Current Town Planner, Foxborough, (Cell) 781-929-3274, swason@elmknoll.com (May 16, 2013)

Walk throughs and Tours on May 2 and 16, 2013

Introduction

This investigation into Foxborough State Hospital (FSH) was prompted by developer Ron Roux who sent us an article on the remediation and redevelopment efforts in Foxborough suggesting that this might provide some insights, lessons, and data applicable to Medfield State Hospital (MSH.) After my first visit and walk around the site I contacted by phone Marc Resnick who was the Town Planner at the time the redevelopment project got underway in the 1990's and Kevin Weinfelt who was the head to the Re-use Committee, and then became Chairman of the Planning Board. A second trip with Ros Smythe and in-person meeting was then held on May 16, 2013 touring the location with Sharon Wason -- the Current Town Planner. Additional meetings and phone calls were conducted on September 4, 5 and 25, 2013 (see supplemental notes.)

The overall impression of the development is very positive. The renovated brick buildings are lovely and the new construction, although not breathtaking, is better than average. The land has been divided into a variety of uses: rental apartment units, two story townhouse buildings, mid-level single family housing, high end single-family housing, playing fields, recreation areas, and retail and municipal office space.

Two of the key developers (Vinco and Intoccia) have gone bankrupt and are in Chapter 13; their insolvency is attributable to the economic downturn in 2008 killing the condominium market and overall unsound fiscal management of over extending themselves during the 2008 real estate slowdown, and not because of this particular project. Doug King, a more fiscally conservative builder, has done very well financially on this project and is now assuming a greater amount of the development than he originally contracted.

Similarities and Differences

The FSH redevelopment has been very successful and may be a model for Medfield State Hospital to consider. The table below summarizes a comparison between the two sites.

¹ Notes prepared by Gil Rodgers and Ros Smythe, May 19, 2013; updated on September 25, 2013.

Comparison of Medfield and Foxborough State Hospitals

Characteristic	Units	Foxborough	Medfield
Year Opened	Year	1889	1897
Year Closed	Year	1976	2003
Year Development Started	Year	2005	?
Distance from Town Center	Miles	~ 1	~ 2
Total Number of Buildings	Number	~ 100	60
Total Acres	Acres	160	225
Size of Core Campus	Acres	98	93
Total Building Floor Area	Square Feet		600,000
Sales Price	\$ million	5.17 (2/28/2005)	?
Sales Price per Acre	\$/acre	53,000	?
Number Residential Units	Number	203	?
Commerical Office Space	Square Feet	100,000	?
Retail Space	Square Feet	55,000	?
Historic District		Partially	Yes
National Historical Register		Yes	Yes
Agricultural Area	Acres	None	400 +
Toxic Waste Dumps		Yes	Yes
Renovated Floor Area	Square Feet		?
Demolished Floor Area	Square Feet	280,000	?
Cost of Building Renovation (Pre tax credits)	\$ psf	220 - 230 (2006 - 2007)	?
Cost of Building Demolition and Abatement	\$ psf	13 (2005)	?

Building renovation and demolition costs for Foxborough were provided by phone conversations and meetings with the principal developers and partners.²

Notes on table:

Similarities:

- Similar history as a state mental hospital that closed when these institutions were phased-out in the 60's (FSH) through the early 2000's (MSH)
- Same architect designed in Queen Anne Victoria style with attractive brick buildings
- Similar size although FSH appears to be larger by some measures (number of buildings)
- Worked with the same state agencies (DCAMM) and some of the same people
- Both had serious toxic waste sites to contend with including petroleum residuals in a water shed, although more extensive waste remediation required at MSH
- Buildings in similar states of disrepair and abandonment before redevelopment
- Located near but not directly in the town center
- Both in historic protected area at federal and state levels
- Both near working railroad lines

² Vincent O'Neill (Head Developer of Chestnut Green) quoted renovation costs of \$220 – 230 psf, with tax credits of 20% State and 20% Federal reducing this to \$140 psf. This was collaborated by David Crocini (development partner and project manager) who said restoration costs were \$230 – 240 psf. Matt Abrams (development partner with Vinco for the restoration of the hospital buildings) estimated tear-down costs of about \$5 – 7 psf. David Crocini said they demolished 280,000 sf at a total cost of \$1.7 million for demolition and \$2 million for abatement or \$13 psf in 2005 dollars, verifying the demolition and abatement cost estimates. (Meetings and phone calls were held on September 4 – 5, 25, 2013. See supplemental notes at end of this summary.)

- Both near a water aquifer (Charles River and Neponset Reservoir)

Differences:

- MSH had extensive farm and was surrounded by agricultural property
- MSH in a much more attractive location on the Charles River, rolling fields, beautiful views
- Medfield a wealthier town (Median family income in 2009: Foxborough - \$64,100; Medfield - \$94,000), closer to Boston, and with reputation for better schools
- FSH near Gillette Stadium home of the Patriots
- FSH strategically positioned with nearby access to Rts. 95, 495, and 140
- Foxborough is a central location with good access to Providence, Worcester, and Boston
- Foxborough has Community Preservation Act, while Medfield does not. This gave Foxborough significant State funds, tax advantages, and other benefits

Development Process

The people we spoke to at FSH stressed the importance and need for control of the planning, design, zoning, and construction, and the importance of obtaining extensive input from the community. Foxborough used local media to advertise presentations to open meetings with its residents, and then used the insights gained from these meetings to guide its Master Plan.

A Reuse Plan incorporated the “vision” for the hospital site. It was prepared by the Re-use Committee in conjunction with DCAMM, and based on community feedback, market analyses, financial analyses, and input from many Foxborough town committees. This Reuse Plan was then provided to the developers when they bid on the property. The concept driving the Plan was the creation of a pedestrian friendly neighborhood complete with a variety of residential housing, retail stores, office space, and community services. Additional elements of the vision were the installation of walkways linking the whole site together; a coherent design theme for the new buildings, open space, recreational spaces, play areas, and efforts to keep mature plantings. Many of the historical buildings are preserved and renovated whenever it was possible, and if beyond repair, demolished.

Offices, for example, are occupied by games companies, temporary location for library, Stewart Medical Center, town library, and a design studio. Nearby stores and shops include Stop & Shop, Dunkin Donuts, Waxy O’Connors Irish Pub, Pizza Time, CVS, and Elite Dance Center. The plan also included a public safety building with firehouse and police station.

The development meets the needs of a broad range of market segments – smaller single family units, larger homes, renters, upscale more elegant homes, and very attractive smaller houses and condos for people wanting to downsize. An overriding criteria of the plan was the prevention of overdevelopment which would have overburdened the town’s municipal services. The Plan achieved this goal by limiting the maximum number of total residential units to 203. The Plan provided for a variety of stores and restaurants in the retail area, and numerous sidewalks and nature trails allowing residents to walk or bicycle to the nearby retail shopping district, recreational areas and playgrounds. (See map below.)

Kevin Weinfelt, chairman of the Re-use Committee, said that having DCAMM sitting on the committee and actively engaged was a good idea not only for their technical expertise but also because they contributed a number of good ideas. Also involvement of the Zoning Board was critical because zoning had to be changed in order to implement the Plan. The Plan is only six pages long, written at a very high level in plain English that is clearly understandable, and is

purposefully kept short and not too specific giving flexibility to developers so they could develop within a broad framework and not be overly constrained. The Plan is on the Foxborough website at:

http://www.foxboroughma.gov/Pages/FoxboroughMA_Planning/statehospitalreuseplan

After the Reuse Plan was finally completed and approved, DCAMM first attempted the RFP route to try to get interested and qualified bidders to respond. This was unsuccessful and DCAMM turned to an auction process under a provision in the State law. Weinfelt that the auction process was a much better approach than competitive bidding through RFPs and resulted in higher revenues to the town and more qualified companies. This resulted in Vinco buying the 98 acre property for \$5.17 million in September 2005. The company then sold 40 of those to Doug King Builders and to Intoccia Construction for construction of single family homes and townhouses. Vinco teamed with Abrams to clean up and renovate the old hospital buildings which were under historical protections.

A Master Permit was then prepared for VinCo. Sharon felt that this could have been improved by creating a more specific and detailed document that included items such as: mitigation conditions when the contractor failed to perform; design guidelines or oversight requirements on the style of the houses; more specificity of who was responsible for building sidewalks, playing fields, etc. In Sharon's words, If Vinco could find a loophole, they would use it. She strongly recommended a tighter and very clearly written Master Permit.

One important lesson learned that Weinfelt stressed was to have only one developer – “don't have multiple developers and establish clear authorities and responsibilities for this developer. “ When one of them runs into trouble or goes out of business they blame the others and absolve themselves of any responsibility”

Market Response

According to the Sharon the market response has been very strong:

- The 40 town houses sell in the mid \$400,000 range and are approximately 2500 sq. ft. Many of the units are sold and the remaining are fully rented out. The builder, Don King, made the decision to hold off selling the remaining units in the hope the market will rebound and he can increase the price on those units. A number of new townhouses are under construction. The proximity of the new construction appears to have no negative effect on the sales of the completed units.
- Mid-level price single-family homes are sold in the \$400 – 500K range and fully sold out.
- More expensive, elegant homes located in the Highlawn Farms area west of North Street are in the \$700 – 800 K range. The ones completed are selling well, and the area is being extended with many homes under construction. These houses are currently being developed by Norwood Bank, who took over the asset after Intoccia went bankrupt. The bank is eager to have the town release the permits to allow the next tranche of development.
- The Chestnut Green Apartments (chestnutgreenapts.com), in the 2100 – 2200 sq. ft. range and located in the renovated FSH buildings, are rented for \$2000 – 2500 per month. These apartments are 97% occupied with a waiting list for new lessors.
- Retail shops are all doing well and there has been very little turnover. Game days at Foxboro Stadium provide pulses of exceptionally high usage.
- Office space is being leased at \$18 -24 psf and occupancy is high (80%) relative to the market average in the area of less than 70%.

The marketplace has shown no reluctance to buy and live in homes that were once occupied by mentally ill patients, nor has there been any stigma relating to the fact that there were previously existing toxic sites on the FSH property. In fact, the prices being charged for FSH homes are above the median price of a home in Foxborough (\$330,000 in 2009) and rents well above the median (median rental rates in 2009 were \$1,100 per month). Despite this pricing premium, FSH housing has experienced high demand and enviable occupancy rate even during the depressed real estate market of the past few years.

This fact is especially impressive considering that the project is only partially completed and that a number of the original buildings, including a structurally unsound smokestack next to the old power plant that sways in high winds, are visible in close proximity to the new town houses and renovated apartments. Sharon felt that the planning efforts to create a neighborhood complete with open space, recreational areas, access to shopping areas, etc. more than compensated for any perceived shortcomings. There is a huge demand pressure and people are paying above market prices to live in this village setting because of its overall attributes and the site shows no signs of being stigmatized by its history or the fact that it is partially completed.

Financial Assistance and Grants

The Town used a number of State provided programs to assist in the development, for example:

- DCAMM paid for some of the renovation costs of the buildings in removal of toxic materials such as asbestos and lead
- Preservation tax credits (40% reduction in allowable building expenses) were used extensively by Vinco in restoration of the historic buildings
- \$1.9 million of MassDOT Public Works Economic Development (PWED) grants were obtained for roads, streetscape and parking improvements.
- State of Massachusetts provided \$3.7 million in road improvements such as North Street, Payson Road and the traffic circle.
- The Town Planner considers herself as an excellent “getter” of grants and funds from other authorities to benefit the Town.

Supplemental Notes from Discussions Held on September 4 - 5, 25, 2013 Regarding Redevelopment Costs of Foxborough State Hospital, with:

Vincent (Vinny) O'Neill, Head Developer of Chestnut Green, 617-285-3878, voneill@vincoproperties.com

Matt Abrams, Property Developer and Partner in Chestnut Green, 617-821-4005, mabrams@abrams-properties.com

David Crocini, Crocini Consulting, LLC and Partner in Chestnut Green, Former Project Manager 617-699-5722 (Meeting at Medfield State Hospital on 9/5/2013 with Gil Rodgers and Ros Smythe)

Eric Seitz, Current Program Manager for Chestnut Green, 866-440-2081, eseitz@vincoproperties.com

David Skinner and John Shocket, Skinner Demolition, 508-359-0123, jshocket@skinnerdemo.com (Meeting at Medfield State Hospital on 9/25/2013 with Gil Rodgers)

Interviews and meetings with four senior people that conceptualized, developed, invested and managed Chestnut Green had a number of comments based on their experience in redevelopment of the former Foxborough State Hospital (FSH) site. Follow-up calls with Skinner Demolition and site visit to MSH verified demolition cost estimates.

➤ **Current Market**

Eric Seitz, who is the current manager of the Chestnut Green and is close to the marketplace, confirmed that the buildings are very solidly built and holding up well. Tenants are very happy. The apartments are 97% occupied and only two units (in the basement) are available at this time, and he has a waiting list. Office space in the renovated brick buildings is 80% leased out at \$18 -24 psf (dollars per square foot) which is excellent for the area and above prevailing rates. Retail space is holding in there and the existing tenants are coming up for renewal of their five year agreements; he anticipates that most will stay.

➤ **Historic Building Tax Credits**

Historic preservation tax credits were critical to the financial viability of the Chestnut Green renovation project. For buildings on the historic registry that are being renovated to create some form of incoming producing activity, the Federal Government allows a 20% tax credit for allowable construction costs related to the buildings (but not included are exterior work such as site preparation, landscaping, sidewalks, roads, interior furnishings, etc.) and the State then added another 20% credit resulting in a total tax credit of 40%. This is huge. The way David Crocini put it: "If you can pick up and shake the building, it has to stick (in order to get preservation tax benefits.)" Vince O'Neill said that for FSH this reduced renovation costs for the existing hospital buildings that were being converted into condominiums from \$230 – 240 psf to \$140 psf, and commented that the project would not have worked financially without this tax benefit and they probably wouldn't have done it.³

³ As another reference point, the Kirkbridge Building at the Greystone Park Psychiatric Hospital in Parsippany, NJ recently got bids in 2013 for renovation of 678,000 sf. The range of 6 bids was \$110 - \$125 million or \$162 – 184 psf. The proposals ranged from a multifaceted business center to apartments to high-end residential development.

➤ **Renovation and Demolition Costs**

Matt Abrams indicated in a telephone conversation that renovation construction costs -- excluding site work -- were around \$125 psf for apartments and \$75 psf for office space, although, ironically, the building standards for commercial space are actually more stringent than for residential. Tear-down costs for complete demolition ran about \$5 – 7 psf (excluding environmental abatement) at FSH with the amount of asbestos removal being the big variable and unknown. In an e-mail commenting on the MSH site after reviewing photos and maps of the property and buildings: "Site work is the real unknown for this site as well as environmental abatement. Outside of that for any multifamily development I would anticipate \$100-125 psf without site work."

David Crocini commented that at FSH in 2005 they spent \$1.7 million for demolition and \$2 million for abatement for about 280,000 sf of building space. This would equal \$13 psf (2005 dollars.) When asked to confirm this calculation he thought that demolition and abatement costs for MSH today would be in the range of \$10 – 20 psf.

David Skinner of Skinner Demolition Company confirmed these numbers. He had worked on FSH and said demolition costs were \$3 – 4 psf.

After a site review and walk through MSF⁴ David Skinner estimated that demolition costs would be in the area of \$5.5 million *excluding abatement costs* that would need to be separately estimated based on volume. His estimate did not include the Clark Building (#72), Laundry (#56), Stable - Garage (#42) and Chapel - Lee (#54) buildings, but did include all other buildings including the Odyssey House, cottages, and water tower. He *did not* assume prevailing wages in his estimate. Using this cost and a total square footage of 550,000 sf (net of the four buildings not included) results in an estimate of \$10 psf for demolition costs. He thought it would take about 8 months to complete the project and commented it is a very big job.

** End of Supplemental Notes **

Source: The Star-Ledger, "Everything Jersey," *State Planning to Tear Down Historic Main Building at old Greystone Hospital*, August 18, 2013.

⁴ Discussion and walk through MSH with David Skinner and John Shocket, Skinner Demolition on September 25, 2013



Village Properties, Inc.
 Bay Colony Group, Inc.
 BROWN YARDING, INC.

Chestnut Green
 The adaptive mixed use, re-use of the former Foxborough State Hospital
 Foxborough, Massachusetts

0 10 20 30 40 50
 Feet or More



Attractively renovated hospital buildings of the former FSH retaining the original building architecture and details.



Apartments are 2,100 – 2,200 sf being rented for \$2000 – 2500/month. Virtually fully occupied in a very strong rental market.



Modest priced homes are being sold for \$400 – 500K. A total of 73 single-family homes have been built.



Open village-style layout with sidewalks and nature trails throughout the project to encourage walking, bicycling and community interaction.



Attractive office space located in some of the restored brick buildings.



Baseball fields and other recreational facilities included in the plan.