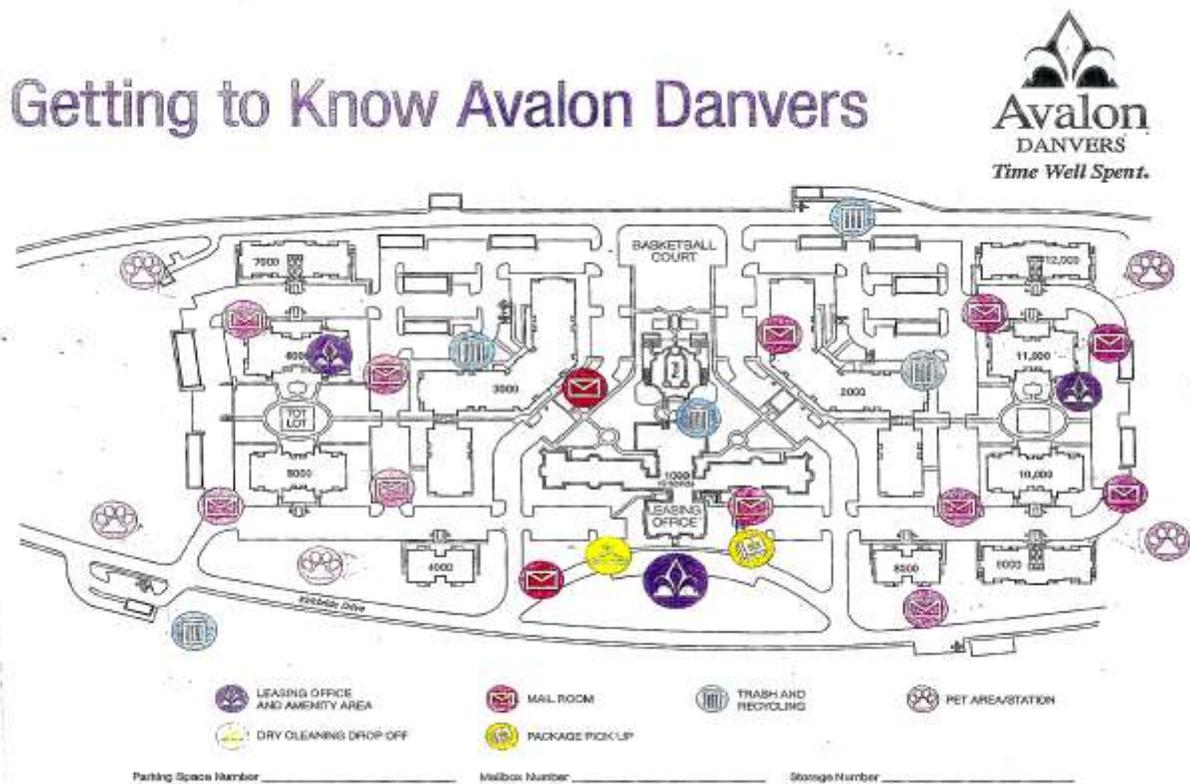


Notes from Visit to Danvers State Hospital on May 27, 2013, Discussions with Jeff Rhuda, Business Development Manager, Symes; 978-815-0129, jrhuda@aymesassociates.com, by Gil Rodgers and Ros Smythe¹

Summary

Ros Smythe and I visited the former Danvers State Hospital on a beautiful, warm, sunny day in May 2013. The former Danvers State Hospital is located on top of Hathorne Hill at 1101 Kirkbride Drive, Danvers -- a few miles from Rt. 95. We walked around the facility, talked to the receptionist at the main office in the famous and elegantly restored Kirkbride Building, and met with Jeff Rhuda, Business Development Manager of Aria at Hathorne Hill.

The former hospital opened in the late 1800s and at its peak housed 3,000 mentally ill patients. The restored building and new construction occupies 77 acres of the total land for the former hospital that covered almost 500 acres.



Site Development²

The property was initially sold in 2001 to Archstone Developers who proposed a mix of homes and office space for the hospital site. They had planned to preserve the central building of the state hospital, the former administration building, and two adjoining wings; however with the costs associated with the preservation and the market downturn, the developers pulled out of the project. Three years later the site was sold to AvalonBay Communities for 18.1 million dollars and in 2006 they embarked on one of the largest state hospital reuses. They spent over

¹ Notes prepared by Gil Rodgers.

² Metropolitan Area Planning Council (MAPC), http://ma-smartgrowth.org/wp-content/uploads/Danvers_Avalon.pdf

\$80 million dollars on the largest project ever undertaken, and the end product was 497 units, including market rate and affordable apartment units as well as an adjacent condominium community by a different developer, Aria.

When the enabling state legislation was passed in 1997³, the bill required the property to allocate a portion of the development for employment, housing and job training for the mentally ill as well as provide affordable housing. This was to ensure that the legacy of the facility and who it served would still live on after its redevelopment. Many felt like this compromise would allow the original purpose of the facility not be forgotten. In conjunction with the state legislation, 20% of the housing were set aside for people ages 55 and older, and 15% of the apartments were set aside as affordable housing units. In addition to the development, AvalonBay was extremely generous and donated \$1 million for Danvers' education system and \$500,000 to both affordable housing and historic preservation in the town. The development is now 95 percent leased and 90 percent occupied.

Development Process⁴

Before the state legislation was passed, the Danvers State Hospital Re-Use Committee worked closely with the planning board and the community to come up with alternative ways to reuse and rezone the existing site for redevelopment. The original committee never envisioned the site to be zoned solely for residential development, but rather for commercial office space. The final and revised plan that took into consideration concerns of the town residents and officials was to rezone the whole site as the Hathorne West District, which would allow for a diverse array of mix use developments on the site. The new plan allowed for residences and special care facilities for elderly as well as hospital and health care facilities, service businesses and research labs. Offices, commercial space and residential developments would be allowed by special permit only. To help calm density concerns, the plan reduced the amount of density on the site. The existing zoning stated that the gross floor area ratio and the size of the development should not exceed 33 percent; however the revised plan proposed to reduce that level to 20 percent on site. In addition to the Avalon Danvers residential component, the Beverly Hills Hospital was also built on site. The Town of Danvers, along with the State and developers have worked very closely to ensure the success of this district to both reap the benefits of boosting the tax revenue and creating jobs for the town of Danvers, but also improving the quality of life for its citizens, who have tremendously benefited from the infusion of mixed use development in this area.

Comments

The result was AvalonBay buying the entire property and restoring at great expense the Kirkland Building and adjacent wings saving the exterior walls but gutting the interior spaces. Archstone, the original buyer, dropped out of the project and sold to AvalonBay because of the enormous public backlash against tearing down this iconic building. There are now four hundred and ninety seven (497) primarily one- and two- bedroom apartments and a few three bedroom apartments in this huge complex, many in new buildings with designs attempting to mimic and blend in with the original Kirkbride building.⁵ Current rental rates for apartments in the summer of 2013 were: one bedroom \$1370/mo, two bedrooms \$1750/mo, and three bedrooms

³ See Appendix A

⁴ Ibid., MAPC

⁵ See photos below.

\$2105/mo. The buildings are rented out at 97% occupancy rate and only a few units were available at the time of our visit.⁶

In addition, OHC Development, a different developer, undertook a joint venture with AvalonBay to build 64 condominiums in 15 separate buildings on a patch of Hathorne Hill. Some buildings have as many as eight individual units. ODC went bankrupt and Symes Associates, a highly respected residential developer recently took over the project working to complete construction and start marketing condos priced in the \$350 – 479 thousand range. (Some future larger units will be sold in the upper \$500 thousands.) We met with Jeffrey Rhuda (who is a third cousin of Paul Rhuda but with no close relationship) and walked through one of the condos on display. Jeff says that they are selling well and are closing at a rate of about one a week now that construction is completed.

Our overall impression was this once beautiful setting had been converted into a sterile, overdeveloped housing complex, with little opportunities or encouragement for resident interaction or recreation -- in contrast to Foxborough State Hospital. The small outdoor swimming pool was empty despite this being a warm, early summer day, a café in the Administration Building that was in promotional materials was not open (although this was lunch time,) and the limited recreational facilities (basketball court and a pool table) were unoccupied. There was no inside parking for apartment occupants, but parking spaces were spread in front of and between all the buildings. The absence of convenient sidewalks required walking in the roads to get around; we could only imagine what it would be like getting to your car after a heavy snow storm and snow banks piled up around your vehicle. We came away very disillusioned and disappointed.

A check with apartment rental comment sites reinforced these personal impressions and the disgust and outrage from some of the unhappy renters after the project initially opened in 2008 - 2011. (See excerpts in Appendix B.)

⁶ The key people at AvalonBay are: Bill McLaughlin (617-654-9501; William_mclaughlin@avalonbay.com) and Scott Dale (617-654-9500; scott_dale@avalonbay.com). We have *not* made any direct contact with anyone at AvalonBay but include these for future reference.

Avalon Danvers



Restored Kirkbride Building at Danvers State Hospital



Restored buildings in inner court of Avalon Danvers



497 1, 2, and 3 bedroom apartments at Avalon Danvers

Aria at Hathorne Hill, Danvers



Entrance of one of the condominiums.



View of one of the 15 condominium buildings at Danvers State Hospital

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APPENDIX A

CHAPTER 180 AN ACT RELATIVE TO CERTAIN STATE LAND IN THE TOWN OF DANVERS.

PREVNEXT

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

SECTION 1. Chapter 52 of the acts of 1993 is hereby amended by striking out section 7 and inserting in place thereof the following section:-

Section 7. The commissioner of capital planning and operations is hereby authorized, subject to the provisions of sections 40E to 40J, inclusive, of chapter 7 of the General Laws, to lease for a term of up to 30 years plus two extensions of 30 years each to an individual or entity, a parcel of land not exceeding 7.89 acres in size to be identified by said commissioner within the boundaries of the Danvers State Hospital.

Such lease shall be in accordance with such terms and conditions as the commissioner shall prescribe; provided, however, that the property shall be used primarily for the purpose of providing alcohol and drug detoxification programs and related public health programs for the department of public health; and provided further, that all interests in said property shall revert to the commonwealth in the event that said property ceases to be used for such purpose. The commissioner is hereby authorized to enter into negotiations with the lessee under said lease for the purchase by said lessee of such land, and to sell such land to said lessee upon such terms and conditions as the commissioner may prescribe.

SECTION 2. As used in this section and sections 3 to 16, inclusive, the following words shall, except as otherwise provided, have the following meanings unless the context clearly requires otherwise:-

"Commissioner", the commissioner of capital planning and operations.

"Committee", the Danvers State Hospital reuse task force committee or its successor organization.

"Danvers State Hospital disposition site", site and property, the approximately 150 acres of state owned land, including the buildings and other improvements thereon and more particularly described as Area A on the plan.

"Developer", a private person who acquires a leasehold or ownership interest in the Danvers State Hospital property pursuant to this act.

"Division", the division of capital planning and operations.

"Master plan", the plan described in section 3.

"Mental health clients", clients, patients and residents of the department of mental health as determined by the commissioner of mental health and department of mental health policy.

"Plans", the Danvers State Hospital reuse study, report of the Danvers State Hospital reuse task force dated March 25, 1993, and the report of the Danvers State Hospital reuse implementation committee dated July 27, 1994, which is on file with the division as such plan may be refined or revised from time to time by the commissioner in consultation with the committee.

SECTION 3. It shall be the policy of the commonwealth to provide, subject to appropriation, suitable residential units, support services, training and job opportunities to mental health clients at the Danvers State Hospital site and to create jobs and job training opportunities on the Danvers State Hospital site; to develop a framework for the economically and environmentally sound redevelopment of Danvers State Hospital, including the development of the following: research and development facilities, housing, the development of new economic and employment opportunities, including light industrial and manufacturing, offices, commercial and retail, medical, research and development, and educational uses, including the preservation of open space; to establish job creation and job training goals; to establish goals for the creation of low and moderate income housing; to encourage potential developers to conduct analyses of the various uses described herein and feasibility studies which shall include studies of proposed development programs and preliminary financial analyses of the development programs to assess the impact of the development programs on the surrounding community, including analysis of the economic benefit and the extent to which the employment and training opportunities match the skills and needs of residents of the surrounding neighborhood and to evaluate various private strategies for financing the development; to establish design criteria, including standards and design review and monitoring process, to determine appropriate land use, community benefits and development guidelines to maximize the economic potential and job creation opportunities of the site; and to encourage potential developers to complete a feasibility analysis which shall compare the costs and benefits of proposed land uses and their community benefits, which may include, but shall not be limited to, research facilities, office space, light manufacturing, housing, mental health facilities, open space, agricultural recreational uses, career development center, mental health care clinic, transitional housing for the mentally ill, biomedical research and development, health - related manufacturing, health service - related industries, community social and recreational facilities, mixed income housing, commercial and retail space, environmental research facilities and related uses, depending on the uses proposed, and shall take into consideration the continuing operation of the programs of state agencies on contiguous parcels and specification of private finance options.

SECTION 4. The commissioner of capital planning and operations is hereby authorized and directed, subject to the provisions of sections 40E to 40J, inclusive, of chapter 7 of the General Laws and subject to the provisions of this act, to convey by deeds approved as to form by the attorney general or to enter into leases for a term not to exceed 99 years, including all renewal options, to developers selected in accordance with the provisions of this section, all or portions thereof of certain parcels of land with or without buildings thereon located in the town of Danvers and more particularly described as Area A on the plan in the report of the Danvers State Hospital reuse task force, dated March 25, 1993, which is on file with the division.

The parcel described herein shall remain under conservation restriction by the department of food and agriculture and shall be designated as the Horace A. Clark memorial. Beginning at an iron pipe, said pipe being 523 feet more or less from the westerly sideline of Dayton Street, thence turning and running westerly by courses of 106.01', 62.88', 200.27' and 311.00' more or less to the centerline of the Ipswich River, said centerline being the Town Boundary between the Towns of Danvers and Middleton. Thence turning and running northerly along the centerline of the Ipswich River 1490' more or less, thence turning easterly along the brook, the centerline being the Danvers/Middleton Town Line, and running 235' more or less northeasterly along the Danvers/Middleton Town Line. Thence turning and running southerly 1925' more or less to an iron pin, said pin being the beginning of said parcel description. Said conservation restriction is granted to the town of Danvers along with the right to pass and repass said area over the existing gravel roadway between Dayton street and Ipswich river. Said parcel lies within the Danvers State Hospital property, map seventeen, parcel one.

SECTION 5. Within 180 days of the effective date of this act, the commissioner shall issue the initial requests for proposals, hereinafter referred to as RFP, for the redevelopment of all or any portion of Danvers State Hospital for uses authorized in section 7 of chapter 52 of the acts of 1993 including, but not limited to, light industrial and manufacturing, offices, retail areas, housing, medical, research and development and education. Said requests for proposals shall include, without limitation, the following:

- (a) provisions for a diverse range of permanent and nonseasonal job opportunities;
- (b) a framework for the economically and environmentally sound redevelopment of Danvers State Hospital, which may include the development of research facilities and housing and the development of new economic and employment opportunities and the preservation of open space;
- (c) job creation and job training goals;
- (d) goals for the creation of low and moderate income housing;
- (e) requirements that development proposals shall provide for the developer's analysis of the proposed uses and feasibility studies which shall include: (i) studies of proposed development programs; (ii) preliminary estimate of costs and benefits of the development programs; (iii) preliminary financial analysis of the development programs; (iv) assessment of the impact of the development programs on the surrounding community, including analysis of the economic benefit and the extent to which the employment and training opportunities match the skills and needs of residents of surrounding neighborhoods; and (v) an evaluation of various private strategies for financing the development;
- (f) design criteria, including standards, and a design review and monitoring process;
- (g) determination of appropriate land use, community benefits and development guidelines to maximize the economic potential and job creation opportunities of the site; and
- (h) requirements that development proposals shall provide for the developer's completion of feasibility analyses which shall compare the costs and benefits of the proposed land uses and their community benefits, including the impact of the operation of the program of state agencies on contiguous parcels and specifications of public or private finance options.

Such provisions shall not include any uses which are inconsistent with the provisions of this section or section 7 of chapter 52 of the acts of 1993, which use limitations are intended to ensure that no uses posing unreasonable environmental risks shall be conducted on said property or which interfere with the continuing operation of the programs of state agencies on contiguous parcels; provided, however, that uses expressly prohibited shall include, but not be limited to, the siting and operation of a dump or an incinerator or other means of permanent disposal of solid waste or hazardous waste.

In reviewing such proposals, the commissioner shall consider the report of the Danvers State Hospital reuse task force and the master plan of the Danvers State Hospital reuse subcommittee and shall work with the committee to issue said request for proposals for the reuse of the site and other uses compatible with the residential character of the area. Said master plan shall be advisory. The committee shall assist said commissioner in reviewing the proposals submitted in response to the RFP and in the selection of bids.

The proposals selected shall be compatible with the recommendations of the Danvers State Hospital reuse task force plans.

Said commissioner may require that such proposals and any subsequent leases or disposition agreements for housing use shall provide that not less than 10 per cent of any housing units created by the developer shall be made available for persons with mental illness who are in need of appropriate housing and shall include appropriate mental health support services.

Said commissioner may require that such proposals and any subsequent leases or disposition agreements for the development of Danvers State Hospital shall provide that not less than 10 per cent of employment and job training opportunities be targeted for qualified mental health clients.

SECTION 6. Within one year after the effective date of this act, the commissioner, after reviewing the recommendation of the citizens advisory committee, established in section 4 shall provisionally designate a developer to undertake a redevelopment project for all or a portion of the Danvers State Hospital site. Such designation shall be made based on the minimization of costs and expenses to be borne by the commonwealth, the proposal's conformity with the provisions of this act, the financial feasibility of the proposal, the developer's experience with particular weight being given to those proposals that are least dependent upon state financial assistance, loan guarantee or other direct or indirect contributions by the commonwealth. Said commissioner shall seek the advice and input of said citizens advisory committee which shall comment on said commissioner's selection in writing and forward its comments to the house and senate committees on ways and means. If said commissioner selects a developer who did not offer the highest price, said commissioner shall include a justification for such decision in the notification required by section 40H of chapter 7 of the General Laws. Said commissioner shall maintain a written record in reasonable detail of evaluations and negotiations undertaken pursuant to this act and shall retain such record with the proposals in accordance with said section 40H.

SECTION 7. Within 180 days after such designation as a developer, the designated developer shall prepare a master plan for all or a portion of the Danvers State Hospital site which the developer proposes to redevelop as a guide to such redevelopment. The developer shall consider the report of the Danvers State Hospital reuse task force, which is on file with the divisions, in the formulation of the master plan. Upon completion of the master plan, the developer shall submit a copy of said master plan to the joint committee on state administration, the joint committee on housing and urban development, the house and senate committees on ways and means and the inspector general. Said master plan shall include the following for the portion or all of the property proposed by the developer to be redeveloped:

- (1) a description and site plans of the property, a narrative and graphic presentation of the characteristics of the existing conditions of the site, boundaries of legally protected wetlands and boundaries of open space for recreation as well as buffer zones between the abutting neighborhoods and the Danvers State Hospital site;
- (2) a determination of the structural soundness of buildings on the site and recommendations for the demolition or securing of unsound or unsafe building, as appropriate;
- (3) provisions for a management and maintenance plan that shall provide for the care of grounds, open space, buffer areas or other land areas critical to the operation and appearances of land uses on the redevelopment site;
- (4) consideration of any areawide traffic impact on neighborhoods abutting the site; provided, however, that the primary purpose of such planning and related traffic changes shall be the improvement of pedestrian safety and automobile access to the site;
- (5) evaluation of public transportation needs of the towns of Danvers and Middleton created by the proposed redevelopment;
- (6) identification of all environmentally sensitive areas and agriculturally significant soils and, where appropriate, a description of a mechanism to protect conservation restrictions, easements and covenants and to provide protection and community access; provided, however, that early attention to state environmental review requirements shall be part of the planning process;
- (7) a determination of appropriate land use, community benefits and developmental guidelines to maximize the economic potential of the site, job creation opportunities and the delivery of mental health services;
- (8) a feasibility analysis that compares the costs and benefits of the proposed land uses and their community benefits, which takes into consideration the continuing operation of the programs of state agencies on contiguous parcels and specification of private finance options;
- (9) job creation and job training goals; and
- (10) an assessment of infrastructure needs as part of the land disposition process.

Final adoption of the master plan shall occur when certified in writing by the committee as a result of a simple majority vote. Written objection shall be submitted within 30 days of receipt of the master plan in writing by said committee. All communications required by this section shall be by certified mail.

All funds derived from the sale, lease, sublease, granting of easements or other conveyances related to parcels within the site shall be credited to the General Fund.

SECTION 8. Upon fulfillment of all terms of the provisional designation including, but not limited to, the design for a project or phase of a project, the obtaining of the required permits and approvals and the obtaining of the necessary commitments for financing to proceed with construction of a project or a phase of a project, the commissioner and the developer shall negotiate and execute a land disposition agreement that shall specify any and all conditions precedent to closing the property transaction and any post closing obligations of all parties. Any such land disposition agreement may include, but shall not be limited to, the following:

(1) job training requirements and goals for the employment by the developer and any occupants of the property of mental health clients, as determined by the commissioner in consultation with the commissioner of the department of mental health;

(2) a goal that 10 per cent of any housing developed on the property shall be made available to individuals with mental illness before a binding agreement is entered into for its use with any other person; provided, however, that when affordable housing is any part of housing developed on the property, as much as possible of the 10 per cent set aside should be contained within the affordable housing allocation; and

(3) a requirement that the developer consult with the planning department of the town of Danvers during the planning, development, construction and management of said developments on a regularly scheduled basis.

Any private development and use of the property shall be consistent with the use, density and design guidelines set forth in the development recommendation portion of the plan and the town of Danvers zoning by-laws in effect from time to time and any variances or special permits issued thereunder.

The following provisions also shall govern any lease or other dispositions:

(a) The portion of the property which includes the property under the care, custody and control of the department of food and agriculture pursuant to chapter 686 of the acts of 1981 and any other portion of the property now used as agricultural land, as determined by said commissioner, shall remain under the care, custody and control of that department and may not be included in such transfer except:

(1) said commissioner may grant easements for access, egress, utilities and drainage determined by said commissioner to be necessary or appropriate to service any portion of the property being leased, conveyed or transferred; and

(2) said commissioner, after consultation with and approval of the commissioner of food and agriculture, may exchange portions of the property now used for agricultural use for other provisions of the property of similar size which could be devoted to agricultural use.

(b) The existing residential facilities, identified as cottages two, three and ten in the plan and two ICF/MR units, so-called, also as identified in the plan shall continue to be used and maintained by the respective state agencies now operating said facilities, for so long as such agencies need such facilities for the agencies' public purposes; provided, however, that the commissioner, with the approval of the commissioner of mental retardation, shall have the authority to substitute other residential facilities for said facilities by creating or requiring a developer to create and pay for the construction of comparable accommodations on the property or elsewhere and to convey or lease the same to the commonwealth.

(c) Any recreational facilities created on the property shall be made available to the general public; provided, however, that individuals with mental illness shall receive priority access pursuant to agreements to be entered into between the developer or any entities developing, controlling or leasing said facilities and the commissioner of mental health.

(d) The two cemeteries on the property shall be properly memorialized, preserved and protected in a manner determined by the commissioner in consultation with the commissioner of the department of mental health.

(e) Goals shall be established for affirmative action to be achieved by the developer relative to equity participation and employment of minorities, women and for minority business set-asides, to the extent permitted by law.

(f) Restrictions prohibiting employment discrimination on the basis of race, color, sex, age, national origin, religion or handicap shall be adhered to.

(g) Provisions for education, job training, job placement, and child care to assist the needs of potential employees and job applicants, especially residents of surrounding neighborhoods and other residents of the towns of Danvers and Middleton shall be made in conjunction with the development of any commercial, industrial or institutional facilities in gaining access to future employment created by said development.

The commissioner shall, 45 days prior to the execution of the proposed deed or lease authorized by section 7 of chapter 52 of the acts of 1993, or any subsequent amendment thereof, submit a report to the inspector general for review and comment regarding compliance with the purposes of this act. The report shall describe the costs and benefits to the commonwealth of the proposed disposition or lease. Said inspector general shall issue any comment within 15 days of receipt of the report. Said commissioner shall submit the report and any subsequent amendments thereof, and the comment of said inspector general, if any, to the house and senate chairmen of the committees on state administration, housing and urban development and ways and means at least 20 days prior to the execution of the proposed deed or lease.

Said commissioner is hereby authorized notwithstanding the provisions of sections 40G and 40H of chapter 7 of the General Laws to negotiate and enter into one or more leases with developers of Danvers State Hospital to provide state office space or other space for state agencies on the site for a term of up to ten years with an option to extend the term for up to an additional 10-year period; provided, however, that the rental amount for such lease shall in no event exceed the rent for comparable leases in the town of Danvers as determined by said commissioner; provided further, that any such lease shall be based upon a review by said commissioner; and provided further, that any such lease shall be based upon a review by said commissioner of current and foreseeable agency space needs in the Danvers area, as well as upon an analysis of the cost and benefits to the state of such a lease arrangement. Said review shall be submitted to said inspector general for review and comment prior to the execution of a lease. Said inspector general shall issue any comment within 15 days of receipt of said review.

The amount of consideration for the sales lease, sublease, granting of easements or other conveyances authorized by the provisions of this act shall be equal to the fair market value as determined from three independent appraisers selected by the commissioner of capital planning and operations through the competitive bid process and with a methodology approved by said inspector general. The consideration for said parcels shall take into account the obligations placed on the developer required by this section and the benefits of the project to the surrounding communities.

The commissioner is hereby authorized to grant the developer rights-of-way or easements over those portions of the site not yet conveyed and over other property of the commonwealth contiguous to the parcels described in this act and the commonwealth may accept from the developer similar rights-of-way or easements in roadways or land on the parcels to be conveyed pursuant to this section for purposes of access, egress, drainage and utilities; provided, however, that there shall be no material interference with the purposes of this section.

SECTION 9. There shall be a Danvers State Hospital citizens advisory committee, hereinafter referred to as the CAC which shall consist of no more than 15 persons and shall consist of residents and the director of the town of Danvers planning staff, the names of whom shall be submitted by the town manager to the commissioner, a design and planning professional, a representative of the Massachusetts historical commission, a representative of the AMI North region, residents of the town of Middleton, the names of whom shall be submitted by the town manager to the commissioner and other participants the commissioner and local elected officials deem appropriate. The state representative and senator representing said town of Danvers shall serve as ex-officio members. Said committee may review, comment, hold public workshops and make recommendations concerning the developer's master plan and the designation of any developer in order to create economically and environmentally sound uses in the development of the Danvers State Hospital property and in order to promote economic development and job creation in the metropolitan area and nearby neighborhoods.

SECTION 10. Notwithstanding the provisions of chapter 7 of the General Laws, the commissioner is hereby authorized to convey by deed easements for access, egress, drainage and utilities in property owned by the commonwealth contiguous to the Danvers State Hospital disposition site; provided, however, that the use thereof shall not interfere in a material way, as determined by said commissioner, with the activities then being conducted on such contiguous property.

SECTION 11. The provisions of this act shall be deemed to provide an additional, alternative and complete method for accomplishing the purposes of this act and shall be deemed and construed to be supplemental and additional to, and not in derogation of, powers conferred upon the commissioner and others by law; provided, however, that insofar as the provisions of other laws are inconsistent with the provisions of this act, the provisions of this section shall be controlling.

SECTION 12. It shall be the responsibility of the executive office of administration and finance to determine any and all cost liability assigned to the commonwealth and its subdivisions as a result of the agreement apportioning costs of Phase II constructions, dated February 6, 1967, of the agreement apportioning costs of Phase III, Section I, construction of the Danvers interceptor, effective December 14, 1982 of the agreement apportioning costs of Phase III, Section II, III, IV, Danvers interceptor effective May 28, 1985 and SESD apportionment agreement dated February 14, 1994.

SECTION 13. The commissioner of capital planning and operations is hereby authorized to amend any lease previously entered into by said division pursuant to section 7 of chapter 52 of the acts of 1993 to incorporate into such lease the amendments set forth in section 8 of this act.

SECTION 14. The commissioner is hereby authorized to expend not more than \$5,000,000 for surveys, studies, environmental and other investigations, preparation of plans and specifications, remediation, administrative expenses and other expenses deemed necessary by said commissioner to further the transfer disposition of interests in the Danvers State Hospital disposition site; provided, however, that the commissioner may expend whatever portion of such funds may be necessary to secure and maintain the site until such time as the site is conveyed or leased to another entity.

SECTION 15. To meet the expenditures necessary to carry out the provisions of this act, the state treasurer shall, upon request of the governor, issue and sell bonds of the commonwealth in amounts specified by the governor from time to time not exceeding, in the aggregate, the sum of \$5,000,000. All bonds issued by the commonwealth, as aforesaid, shall be designated on their face, Danvers State Hospital Redevelopment Loan, Act of 1997, and shall be issued for such maximum term of years not exceeding 20 years as the governor may recommend to the general court pursuant to Section 3 of Article LXII of the Amendments to the Constitution of the Commonwealth; provided, however, that all such bonds shall be payable not later than June 30, 2020. Bonds and interest thereon issued under the

authority of this section shall, notwithstanding any other provisions of this act, be general obligations of the commonwealth.

SECTION 16. The state treasurer may borrow from time to time on the credit of the commonwealth such sums of money in an amount not to exceed \$5,000,000 as may be necessary for the purpose of making payments authorized by this act and may issue and renew from time to time notes of the commonwealth therefor, bearing interest payable at such time and at such rates as shall be fixed by said treasurer. Such notes shall be issued and may be renewed one or more times for such term, not exceeding one year, as the governor may recommend to the general court in accordance with Section 3 of Article LXII of the Amendments to the Constitution of the Commonwealth, but the final maturity date of such notes, whether original or renewal, shall be not later than June 30, 2005. Notwithstanding any other provisions of this act, notes and interest thereon issued under the authority of this section shall be general obligations of the commonwealth.

Approved November 26, 1997

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APPENDIX B -- Avalon Danvers Resident Comments⁷

DANVERS STATE INSANE ASYLUM

2008-11 Danvers State Hospital Chronicles

I'm Trying To Save People The "Mistake Of Renting Here"

From: -Anonymous-

Date posted: 12/15/2010

Years at this apartment: 2008 - 2010 I moved out of Avalon Danvers 2 months ago as I was in between buying houses. My girlfriend and I wish we never moved there! It was stressful. I was very excited to move in, use the gym, pool, and basketball court and meet my neighbors. First off the office staff is a VERY UNPROFESSIONAL, UNFRIENDLY, UNORGANIZED staff. I figured no big deal at first, until issues came up and I had to deal with them. I do have to mention that the only professional one was the Admin. I am really not sure why this small group of woman is able to act in the unprofessional manor they do and remain employed. Anywhere else a few of them would be fired for acting as they do. I thought Avalon itself was about customer service! The property manager who seems overwhelmed by her job pretended to be friendly at least. Unfortunately she is too young and has not enough of an idea what is going on there. She also appeared to often lack respect for the tenants from what I heard from neighbors. I only dealt with her once or twice but can tell you she should NOT be running a 400-apartment community. I thought I was going to get great customer service. I was wrong. Dealing with this community was like dealing with a slumlord. They have no respect for following tenants' rights laws, or the rules put forth by their company for that matter. The apartments buildings are gaining wear and tear quickly, and not being repaired, as they should. However the Main building is kept up to par. I have had to call a million times to have the same things fixed. Whenever I called the office my complaints would never be addressed. I had to start going through their 800* to receive any action. You can hear your neighbors in most of the buildings, walking, talking, and flushing toilets. Every time I would go to the trash the compactors where full the sanitizers at the trash and gym are empty. I also want to add that the rent goes up here yearly. Lastly I would like to add that if you use the pool during the summer you would not be able to always bring your kids, due to the alcoholics hanging out drinking at the pool. I'm glad I don't have children I would have wanted to bring to the pool. I would be very upset if I did. The management does nothing about it!

Terrible customer service!!!

From: -Anonymous-

Date posted: 8/31/2010

Years at this apartment: 2010 - 2010

Don't even think about renting anything there. Customer service is terrible. If there is 0 star, I would have given them 0. I called to ask available units and their pricing, the staff member said he would send information to my email right away. 5 mins later, I got an application and checklist through email, nothing about the unit information that I requested. Why would I need to fill out the application before knowing what I am renting and how much I should pay? I emailed back asking for the information that I requested and then nobody ever bothered to reply me. btw, why don't they list the price on their website anyway? Walk away! Run away!

Not What You Think You're Getting

From: -Anonymous-

Date posted: 3/29/2010

Years at this apartment: 2008 - 2010 When we first moved in, things seems pretty good. The apartment looks nice, spacious, etc. Then, it started "settling" as they call it, in other words - falling apart. We came home one time from being gone for 2 wks and 4 of our doors we out of place and not closing. VERY strange. Then, woke up one day with the deck door open)IN WINTER!) and snow in the apartment and it was 64 degrees in there. You have to literally lift up the door for it to close. From the outside it looks very nice but it is very poorly build. The windows shake even if it's just a little bit windy out. People living here are dirty and leave garbage in the hallways. In the parking lots people are not very careful with their doors and slam their doors into your cars. This past winter they didn't do a good job

⁷ Source: <http://www.danversstateinsaneasylum.com/chronicles.html>

cleaning the snow either. My latest problem, shingles fell from the roof on multiple occasions and scratched and dented our cars! They are stating that they will only pay the \$500 deductible per car but it's been over a month and still haven't heard from them. I reported it to our insurance and risk management is not calling them back either. It's very frustrating especially since I've been a great resident and always paid rent on time. If you were paying \$1535 a month wouldn't you want something better

Terrible Place -Anonymous posted 12/5/2009

My boyfriend and I have been dealing with extremely noisy neighbors who live above us at Avalon Danvers. We are sleep deprived as the noise starts around 6am and carries on till almost midnight sometimes. My boyfriend and I work very hard in the healthcare field and cannot get a minutes rest in this place. When we complained to the management, their response was "the people are big above you." Can you imagine that response! It sounds as though this couple is going to break the ceiling above us. We also tried to negotiate rent as we have been so disturbed and so unhappy here and the answer was no.

After many months of frustration, one night I got mad and pounded on the ceiling to quiet the neighbors and I got scolded for that. Yet the management will do nothing about the disturbance that we have dealt with. I do not recommend this place...construction is ridiculous and management doesn't do anything for the tenant. they just don't care and collect their expensive rents.

Thank goodness we are moving out of state in a few weeks, otherwise we would have moved anyway....I urge people not to move to Avalon Danvers!!!!!! pathetic place. Oh and 1 day my boyfriend was making a little noise in our apartment, God forbid, and we live above rental office...they had the gaul to call him to see what was going on.

The management has such low tolerance for anything, but when it comes to OUR RIGHTS, they don't give a crap. They are lucky we don't get a lawyer and lucky we pay them another dime.
DON'T MOVE HERE!!!!!!!!!!!!!!!!!!!!!!

Abandon all hope, ye who enter here -Anonymous posted 11/30/2009

I know, you're looking at pictures of Avalon Danvers and thinking "Wow! What a great place." Well, that's about all they have going for them.

Main Issue:

The apartments are ridiculously noisy. When I first moved here, I thought it was going to be quieter than my previous apartment (which was in Salem, MA, in a house renovated into three apartments filled with college students like myself). Wrong. I hear every single footstep from the neighbors above me, including their creaking bed. 80% of the time I'm waking up in the middle of the night to my "wonderful" neighbors. You like road noise! Imagine hearing every truck from 95 and route 1 constantly, even if the windows are closed. Sure, it's nice to open your windows on a warm summer night but not unless you want to listen to constant traffic noise and your section 8 neighbors drinking away every night. Believe me I thought the same thing, "The highway is too far away to hear anything." You'll understand after a month. And I bet it's nice to think that other people will shovel and plow the snow after a blizzard. Well, not unless you want to sleep at night. The cleaners would constantly slam their shovels directly into the metal railing, sending peaceful clatter straight into your apartment. (Remember, I'm a college student. I dealt with noise in dorms and decrepit apartments with other students. Those don't even compare to the noise at Avalon.)

Final note:

SAFETY: You want to feel safe! Then skip this place right away. Sketchy neighbors will stare at you as you walk your dog, dozens of car break-ins, and police constantly being called to the premises will make you feel safe. And if you do own a dog, good luck finding a lighted place at night to walk.

CONSTRUCTION: You will call maintenance constantly while living there. I had to call them on three separate occasions to fix the same toilet for the same problem.

HEATING: Let me put it this way, I had to buy an electric blanket to keep warm at night. I'll have my thermostat set to 75 but my room will feel like 50. I like it to be a little chilly when I sleep, but this was like an ice box during the winter. Plus, if you're like me and want to take nice warm showers longer than 5 minutes forget this place. I can't wait to

move just so I can take a decent shower without losing all the heat within a couple minutes. I've timed it, you're lucky to get 5.

Don't be deceived-Anonymous- posted -Anonymous 10/1/2009

This place looks good from the outside, and appears peaceful and tranquil at first glance, but don't be deceived, the peace and tranquility end once your lease is signed and you step across the threshold. The walls, ceilings and floors are paper-thin and you can hear people sneezing (and doing everything else people do--and I do mean EVERYTHING), as well as barking dogs, in surrounding apartments. I've lived in apartments and condos for the past 40 years, and never have I encountered anything so shoddily constructed. Everything in the apartment is cheap and hastily installed as if everything was done in a hurry, and it probably was. There is no pest control to speak of--roaches were in our apartment from Day One although no one else had ever lived there--and management is the least helpful I have ever encountered. It is as if all the owners want is your signature on the lease guaranteeing you will pay an exorbitant rent--considering what you get, almost any rent at all would be exorbitant. The outside, as long as you don't get close enough to the buildings to observe the substandard construction, is inviting, at first, but try taking a walk and you soon discover no one picks up after their dogs--not that it is safe to walk outside anyway with the criminal element that comes with the Section 8 tenants that Avalon doesn't bother to tell people about when they sign their lease. There is no size-limit on dogs, so some of what is left in the path of the unobservant walker is quite large, covered with flies in summer, stinks to high Heaven and will make you gag just looking at it. There is also way too much outside lighting and the lights are way too bright. When you drive in from the dark highway, the lights are blinding and it won't be long before someone is badly injured, or killed, because a driver, blinded by the light, ran them over! When will apartment owners learn that too much light is worse than no light at all! Another problem is snow removal--or lack thereof. The plows push the snow up behind the vehicles and you have to dig out! A lot of the local people say the patients in the old insane asylum were badly mistreated and the place is haunted by their restless spirits, and there does seem to be a sense of unease and foreboding about the place. I figure that a few years in the future, the spirits of disgruntled residents will probably join the ghosts of those patients as we wander the grounds protesting our mistreatment by Avalon and asking ourselves how we could have been foolish enough to be taken in by the slick advertising and empty promises.

Ridiculous Move out Charges!!!! Poorly constructed From: -Anonymous- Date posted: 6/29/2009 Years at this apartment: 2008 - 2009

I leased at both Avalon Woburn and Avalon Danvers. Avalon lures you in with "specials", \$500 security deposit. You will be charged when you move out!! No matter how clean you keep your apartment this organization will charge you. When I moved out of Avalon Woburn the place was spotless and they decided to charge me \$300 for 8 hours of cleaning. Upon moving out of Avalon Danvers not only was I not refunded my \$500 security deposit, I was charged an additional \$500 dollars for the replacement of a carpet that was already damaged.

Their maintenance people are nice and attentive but the leasing department as well as Avalon's business practices are subpar to say the least. Also these places are as poorly constructed as they come. Our utility bills were outrageous. Also be prepared to hear your upstairs neighbor's footsteps.

The place is a section-8 ghetto. You will have the pleasure of listening to every welfare state bastard child you support every day.

Good luck.

Horrible place to live!!!!!! From: -Anonymous- posted 6/11/2009

I've lived there a year now. the rent went up 145.00 yes you read that right, I have the paper work to prove it. Management sucks the leasing manager has NO clue what she is doing. young ditzy management team only care about getting money.

No lighting outside at night, cops are always on site due to vandalism, domestic violence, They are more concerned on how to make more money than to help the community. No lighting but they can afford to put a coin operated vacuum cleaner on site. go figure.

A Dream Turned Nightmare From: PatsFan25 posted 2/14/2008

When I first looked at Avalon Danvers I fell in love with the property. The old hospital's architecture is breathtaking and the surrounding area is beautiful. And at the time the management seemed so friendly and accommodating. Boy did things ever change once they knew they had my money on a monthly basis. It seemed that the lease not only guaranteed me a spot in this "dream complex" of mine, it also gave management the go ahead to treat me like dirt.

The 10/15ish mile commute that is supposed to be so accommodating, actually means that you should be prepared to sit for more than an hour on Rte 1, 93 or 95/128 trying to make it into the city. And the "quiet complex" that the management so graciously sold me on, has turned out to be exactly the opposite. When the wind blows (which is pretty much all the time because of the hill the complex is on) the windows sound like they are going to fall right out of the seals they are sitting in. When the people above me are walking it sounds like they are running. You can hear every step. Not only that, but if people next to you are going about daily routines, my walls shake. Many times I have come home and found my pictures to be crooked from the vibrations.

When it snows... plan for an extra hour to dig your car out from the snow that gets plowed right toward the cars, and not the grass on the other side of the road. And don't plan on sleeping, because the complex feels it is necessary to clear the sidewalks next to the windows at 1:45AM.

Speaking of snow, one of the other features that sold me on the unit was the in building trash shoot and the convince of not having to leave the building if it is snowing out. Too bad management failed to mention it is OUT OF ORDER over 75% of the time I go to use it.

Still considering moving into this "gem" Keep a keen eye on the properties website before you sit down and lock yourself into a lease. I've seen their free rent offer extended at least twice, and now it's up to 2 1/2 months. Maybe that's because they are STILL having trouble filling units. Understandable considering this was an old state insane asylum. Google "Danvers State Hospital" for more info.

I guess what I want to say, is don't let the exterior fool you. Just because it looks nice from the outside doesn't mean that you'll necessarily will like what you find. I myself am counting down the days until I can move out.

So sick of this place...safety is an issue here! From: -Anonymous posted 3/2/2008

Upon moving in I was well aware of the sights history and felt that made it more interesting. However, one must do their homework by contacting the local police department first asking for the local potentially harmful neighbors that surround the grounds of this place before making a decision to rent here. The winter cleanup crew are totally not respectful to the tenants. They are out doing a great job of cleaning but also waking everyone up at the wee hours of the morning. Try calling the leasing office and complaining, nothing gets done. The noise in this place is awful...I am in a townhouse type apartment and you'd think it would be a bit peaceful, NOT! Neighbors banging on walls, screaming at all hours of the night and again the leasing office is good for nothing when it comes to complaints. There were a rash of car break-ins and the leasing office was called a few times about the glass all over the parking lot. The kids were due to arrive home and were getting let off near the glass. It was finally done after quite a few calls. The pool...what a joke that was last summer. I can only imagine with more people how it will be. It's so small and will in no way service all the people here comfortably. So like the previous person's article said once they have you sign that dotted line you're a prisoner to the Danvers State hospital at Avalon! The leasing office could care less about us! Kid friendly they are not...if your child is under 5 there is a cute tot lot and if over 16 they are allowed to do things alone but other than that be prepared to have your kid be bored. I rate this place a -10 and would NEVER ever consider renting here again.

Nice apartment, TERRIBLE MANAGEMENT From: -Anonymous- posted 2/7/2008

Pros: Nice, clean apartment with great location.

Cons: Avalon management!!

I have only lived in one other apartment complex in my life (managed by another company). Wouldn't commonsense tell you that management should be customer oriented and not worried about filling their overpriced apartments right?

Since day one there has been nothing but issues with the management here... work orders not being filled, corners cut in construction, and of course the circus that is the management. I could write a novel.

Instead of ranting on and on, I'll leave you with this. If you want to take a chance with this property go for it. We love our apartment when this are the way they SHOULD be. But, if you do take the chance and something goes wrong -- best of luck to you!

Disgusted..... From: -Anonymous posted 1/18/2008

We have been here since it opened and have since left the property, thankfully. The leasing office is helpful when it comes to getting things fixed however not very friendly or helpful with any other issues. This place states its child friendly I have to say its more tot friendly. There are about 80 kids here and only a place for kids that are under 4 to play in or over 16. I have also heard that there are some former state homes that are right down the street that still exist and are very dangerous if they get out. One may want to check with the local police department and obtain a list of dangerous people that reside in the area. Again if I were to do this again I would NOT live here especially if you have children. Not to mention the noise factor is awful the night time snow cleanup crew is loud, you can hear the toilets flush upstairs when you're in your place not to mention you can hear every step the people about you take!!! We have two children and it was a total nightmare for all!!!!

4-11-08 After fire, Danvers State complex almost finished By Ethan Forman Salem News

Almost one year after a fire swept through the former Danvers State property, the 433-unit Avalon Danvers apartment complex atop Hathorne Hill is nearly complete. The fire, which burned down three buildings and whose cause was never determined, set construction back six to eight months. All the buildings in the apartment complex are now scheduled to open June 1, with some ready for occupancy May 1. By the time an open house is held in June, the developer expects it to be 80 percent to 90 percent occupied, said Scott Dale, vice president of AvalonBay Communities.

Today, the complex, which cost \$80 million to build, sports apartments with lofty ceilings, large windows and sweeping views of the North Shore. Another 64 senior condominiums should take shape over the next 18 months. In a way, this is the second time Danvers State Hospital has risen from the ground. The push to redevelop 77 acres of the former Danvers State Hospital has meant the demolition of most of the buildings of the former insane asylum, with just one-third of the 1878 Kirkbride building remaining.

A turret on the adjacent Kirkbride building, which caught fire last year, has been replaced using a spare turret preserved from a portion of the old building that had been torn down. Developers had not been deterred by the history of the site, an overcrowded mental hospital that became a mini city before the state closed it in 1992. Today, it has drawn empty nesters and families alike. Decades ago, some said you would have been crazy to live there, now some say you would be crazy not to.

The centerpiece of the community is the 100,000-square-foot portion of the red-brick Kirkbride building. It has an outdoor swimming pool, a recreation room, a basketball court, a fitness club and a Wi-Fi café. Inside, only one of its 61 apartments is still available for rent. The building, with its Gothic spires and cupolas, takes its name from 19th-century physician Thomas Story Kirkbride. While developers tore down two-thirds of the Kirkbride, they reconstructed the main tower over the front entrance that had been missing for years.

Rents in the Kirkbride building range from \$1,300 to \$1,700 for a one-bedroom apartment to \$1,575 to \$2,400 for a two-bedroom apartment. Some high-end units have cherry wood kitchen cabinets and granite countertops. Dale said the Kirkbride building, once the hospital's administration building, now also serves as the administration building for the complex. It's a place to gather and play basketball or a game of pool.

Even the modern buildings surrounding the Kirkbride building take their visual cues from its Gothic architecture with red brick trim and sharp gabled dormers. Building heights on the perimeter of the development were kept low to preserve a view of the remains of the Kirkbride building. "I think the Kirkbride building is much more visible today than it was 10 years ago," Dale said.

The apartment complex is not the only project ongoing on the hill. There are 64 condominiums, to be called Aria, being developed by OHC Development, in which AvalonBay has a financial stake. Susan Piracini, Aria's sales director, said it will be another 18 months before the condominiums are built out. Ten are already under contract. "It's definitely a different product than a lot of the active adult communities out on the market now," Piracini said. Those who buy condominiums, which all sport two-car garages, also have access to amenities in the Avalon Danvers apartment complex like the swimming pool. The condos cost \$395,000 to \$640,000.

Despite efforts to preserve a portion of the Kirkbride building, some say the demolition at the old hospital went too far. Most of the buildings on the site were torn down. Demolition on the south side of the hospital opened up a view of Boston, Dale said. Town Archivist Dick Trask said Danvers State Hospital used to be one of the finest examples of Gothic Revival architecture "on the Eastern Seaboard."

He last toured the Kirkbride building three years ago, and while he found it in rough shape, he said more of it and other building should have been preserved, such as an 1870s garage with a mansard roof that was also torn down. "They never conceded one item of preservation," Trask said. "They stuck to their original plan. "He likens the preservation of the remaining portion of the Kirkbride building to "a mounted deer head. "Dale said it was not easy to satisfy everyone with a stake in the hospital's future while making the project economically viable. "We had to search for that common ground from everyone who was involved," Dale said, "and I think we have done a good job in satisfying the different stakeholders."

DRAFT