



Town of Swampscott
Hadley Reuse Advisory Committee Meeting Minutes
Commercial Subgroup
Wednesday, May 12th, 2021 – 6:00 PM
Virtual Meeting

COMMITTEE MEMBERS PRESENT

Jay Sullivan (Chair), Nicole Dooley, Brian Rooney (late), Gary Barden, Matt Kirschner

MEMBERS ABSENT

None

OTHERS PRESENT

Molly O’Connell, Senior Planner; Steve Purdue, Hadley Reuse Advisory Committee Chair

The meeting was called to order at 6:06 p.m.

APPROVAL OF PREVIOUS MEETING MINUTES

On **MOTION** (J. Sullivan) and **SECONDED** (G. Barden) it was **VOTED** by roll call to approve the meeting minutes of March 16th. Roll call: G. Barden (YES) J. Sullivan (YES) N. Dooley (YES) M. Kirchner (YES)

Chair Perdue and Ms. O’Connell gave a brief introduction to the meeting, a recap of the Mills 58 tour, an update on research related to co-working spaces, and an update on the feasibility of a boutique hotel on the site.

Mills 58 is a true mixed-use project using 3 former mill buildings in Peabody. There is a true mix of tenants and the project has been entirely financed through bank funding.

Coworking spaces have taken a turn during COVID; instead of large, mingling rooms, tenants prefer separate micro-offices and a conference room for use.

Chair Perdue and Ms. O’Connell spoke to Lark Hotels, who own and operate Salem Rooftop locally, who indicated that market in Swampscott would support a boutique hotel and that this location would be desirable due to its proximity to Boston and to the ocean. The approximate size would be about 35 rooms with a restaurant and function space. For small boutique hotels, the mix of food/beverage with hotel stay is critical as the revenue split is about 50/50.

A full scale restaurant on site would require between 5,000-8,000 square feet to get the required 150 indoor and possible 100 outdoor seats. About half of the space is devoted to kitchen/back of

house and half to seating; and the cost is about \$500-600 per square foot all in. Rents tend to be over \$20 per square foot. A smaller café use would need about 70 indoor seats and 80 outside seats; rents are similar.

The interior bearing walls are a hurdle to both of these uses, as they divide the floor space into smaller pieces.

The group discussed the basement and concluded that is not a viable space for restaurant use, but may viable for other tenants. Coworking would be best on the upper floors.

The group discussed the annex. The existing annex should be removed; however a new addition may be needed to support the boutique hotel.

B. Rooney presented on potential funding sources to support the project, including historic tax credits and MassDevelopment loans. As the population continues to increase in the north shore area, he sees the potential for a full mixed use building or for a hotel to do well on this site.

M. Kirschner is supportive of the hotel concept and also a public gym and restaurant.

The group discussed the process and decided an RFP would be the best approach. For the Town to continue as property owner, the developer would need a 99 year ground lease.

G. Barden reported on conversations he's had with local businesses who say they support a hotel to drive more business locally. People are going other places to stay, and therefore other places to eat and shop. A hotel keeps them in Swampscott.

The group pointed to some other local examples like Gather in Seaport, which combines office space, café, and event space.

The toughest use on-site would be housing, as it requires the most space in terms of building square footage. Brian pointed to the Knights of Columbus site in the North End of Boston that is development affordable housing units and keeping a small building for the Knights on site.

The group talked about how to design open space around the building so it would be activated and keep people interested in the site, and opportunities for shared use parking.

J. Sullivan summarized the discussion into two recommendations: 1) a boutique hotel with a restaurant and function space; 2) a true mixed use building that would have space for other uses, such a civic space. The financial impacts on the Town for #2 would depend on how much space could be commercial vs. civic/nonprofit. #1 would most likely need some type of new addition to provide additional space; #2 would not necessarily need that, and the existing addition could be removed.

On **MOTION** (?) and **SECONDED** (?) it was **VOTED** by roll call to adjourn the meeting. Unanimous consent.

Meeting adjourned at 7:34 PM.

True Attest,

Molly O'Connell, Senior Planner

*Minutes APPROVED by vote of the Hadley Reuse Committee – Commercial Subgroup
06/22/2021*