

CONFLICT ASSESSMENT
On The Future of Assembly Square
Somerville, Massachusetts

Consensus Building Institute (CBI)

25 August 2003

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- Attachment B: Interview Protocol
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CONFLICT ASSESSMENT
On The Future of Assembly Square
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SECTION I: BACKGROUND

In April of 2003, the City of Somerville asked the non-profit Consensus Building Institute (CBI) to conduct an impartial assessment of the issues surrounding the proposed development of the Assembly Square site in east Somerville. The Assembly Square Limited Partnership (ASLP), IKEA, and the Mystic View Task Force agreed to participate in the assessment and to help fund the effort.

This assessment is based on confidential, voluntary interviews with forty-six (46) individuals conducted between May 15 and June 19, 2003 (Attachment A). In the interviews, CBI staff asked stakeholders questions about:

- their current perspective regarding the future of the site;
- their long-term vision for the site; and,
- the challenges, barriers, and opportunities to reaching a shared approach to development that might end litigation, provide certainty, and increase benefits to all parties.

CBI staff used the attached interview protocol as a general guide for conducting the interviews (Attachment B). The interviewers were asked to follow the general structure of the protocol while following the interests and comments of each interviewee.

Please note that the assessment team's role is to provide accurate, impartial analysis of the situation in order to assist stakeholders in determining whether a consensus building effort might meet their interests and have a reasonable chance of success. We are not an advocate for any particular outcome or interest and are bound to conduct our work in a fair, deliberate, and non-partisan fashion. The Conflict Assessment team is bound by the Association for Conflict Resolution (ACR) Code of Ethics: "The neutral must maintain impartiality toward all parties, maintain freedom from favoritism or bias either by word or by action, and commit to serve all parties as opposed to a single party" (Attachment C).

Please also note that the assessment is not a legal document, technical report or planning study, nor an exhaustive study of all the concerns of individuals and organizations with a stake in the future of Assembly Square. **This assessment documents stakeholder perspectives concerning Assembly Square, it does not attempt to layout all the facts.** CBI is not a professional planning firm or development consultant. The assessment is limited by the information gathered in the interviews we conducted and our interpretation of that information. While it is not feasible to speak to every person with a stake in the issues, we believe this assessment accurately reflects most if not all of the views held by stakeholders concerned about the present and future of the site. However, **any errors or omissions are the sole responsibility of CBI.**

CBI distributed a draft conflict assessment for review to all the individuals that we interviewed on July 2, 2003 and gave them until July 18, 2003 to provide us with their feedback. CBI then incorporated the comments we received as best we could in this final version of the conflict assessment. On August 1, 2003, CBI convened the key stakeholder groups (i.e., City of Somerville, Assembly Square Limited Partnership, Mystic View Task Force, IKEA, and the Commonwealth of Massachusetts), to determine whether or not the parties were ready to mediate on the future of Assembly Square. On 6 August, 2003, CBI issued the recommendation that mediation not be convened at this time.

CBI is a non-profit organization specializing in public policy mediation and process-based solutions to public sector problems. The assessment team consisted of Lawrence Susskind, Mieke van der Wansem, Patrick Field, Stacie Smith, Merrick Hoben, and Ona Ferguson.

Organization of the Report

This document consists of four sections.

Section I: Background

Section II: Recommendations

Section III: Findings Summary

Section IV: Findings

A number of supplemental attachments support the above sections:

- Attachment A: List of Interviewees
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SECTION II: RECOMMENDATIONS

Based on our interviews and discussions with the key stakeholder groups both separately and together (i.e., City of Somerville, Assembly Square Limited Partnership, Mystic View Task Force, IKEA, and the Commonwealth of Massachusetts), we have determined that, at this point of time, mediation would not be productive. We conclude that, even though there appears to be general agreement on the long-term vision for Assembly Square, there are substantial gaps in the parties' beliefs and expectations with regard to the best way of meeting short-term needs in a way that will move toward the long-term vision.

We do believe there is room for collaboration among the stakeholders in the future and hope that our Conflict Assessment and the discussions that have taken place over the past few months have been helpful. We also hope that the parties find various means to keep talking with each other about their interests and goals.

SECTION III: FINDINGS SUMMARY

From our interviews we learned that there is common ground among the key stakeholder groups on some key issues, including:

- the long-term, mixed-use vision for the site;
- the need for infrastructure development, especially the need for public transit (the Orange Line T stop);
- the need for open space, park land, and pedestrian and bicycle friendly access to and within the site;
- the understanding that it will take many years to realize the long-term vision.

The main conflict we found was over the parties' beliefs and expectations with regard to the best way of meeting short-term needs in a way that will move toward the long-term vision. It will be crucial for parties to be able to work out how short-term financial needs can be met as the first step towards achieving the long-term vision, as well as how to phase overall development between now and 30 years from now in a way that is economically feasible.

The summary of our findings is below.

ACTION #1: Establish a process of problem solving and promote a climate of mutual respect rather than criticism, recriminations, and mutual distrust.

In our interviews we heard strong concern about the current status of relationships and mistrust among the various parties. Many interviewees were frustrated and disappointed that this conflict has strained and broken relationships, focused comments on personalities and individual motives, resulted in litigation, inaction, anger, and created an atmosphere of hostility and a quagmire that serves no one's fundamental interests and creates a reputation that reduces the certainty (both political and financial) of achieving the long-term vision for the site.

However, many interviewees expressed cautious hope that a different kind of process, encouraging a new type of dialogue, might change the dynamics established to date.

ACTION #2: Refine and confirm the long-term vision for the site.

In our interviews, one consistent topic of concern was stakeholders' long-term visions for all, or some sub-section, of Assembly Square, and the extent to which people felt this vision was shared by other stakeholders. Most stakeholders' agreed that a shared long-term vision for the site would be important for further negotiation and for the optimal development of the site.

ACTION #3: Jointly conceptualize the site as a whole and identify practical development options that meet parties' key interests for the entire site through a mutually acceptable strategy for phasing development on the site.

We heard throughout our interviews that the site must be considered as a whole, even from those we thought might prefer a limited mediation effort. Stakeholders said the site must be considered in its entirety because: (1) transportation infrastructure can only be built if there is a collective vision that makes a major investment by the state possible; (2) all development at Assembly Square at all stages is affected by what is occurring at adjacent sites; (3) traffic impacts can only be realistically determined in aggregate; (4) parcels are not independent – for example, access to the current IKEA parcel is through the property owned by ASLP and the development of Yard 21 is contingent on development of the ASLP mall parcel; (5) more choices and opportunities for development become available when the site is considered as a whole, and, (6) good planning principles and the practical success of other similar sites indicate that this comprehensive approach is essential. We heard that the work completed to-date by all key parties can serve as a foundation to affirm and refine the long-term vision and develop practical options for developing a road map from today to that vision.

ACTION #4: Ensure funding strategies for public infrastructure development, especially public transit, as a key to the site's long-term potential.

Many stakeholders thought that one key strength of the Assembly Square site is its existing nearby infrastructure – an interstate highway (93), a state highway (Route 28), and bus service, as well as opportunities for new stops on a nearby railroad (Commuter Rail), and subway (Orange Line), and possibilities for water transport. However, almost all stakeholders we spoke with mentioned the need for *additional*, specific public infrastructure development, such as public transit, as key to enhancing Assembly Square's long-term potential. Some interviewees said public transit is the key to unlocking the site's development potential.

Most interviewees believe that the Commonwealth will have to play a leadership role in addressing public infrastructure needs. This is a role the Commonwealth has not yet assumed. Many stakeholders believe that the state should play a leadership role in the overall development of Assembly Square since Assembly Square is a regional asset. In particular, many stakeholders felt that the state should show commitment to the development of Assembly Square by funding the Orange Line T station or at least by focusing actively on helping the parties convene, generate agreement, and then prioritize transit improvements for the site in the state's and region's overall transportation planning efforts.

The Commonwealth has expressed great interest in the development of Assembly Square. One of its priorities is the general development and infrastructure development of the Northeast corridor, of which Assembly Square is an integral part. The Commonwealth has expressed willingness to provide support for infrastructure and transportation upgrade and development, if the key stakeholders of Assembly Square model good process and and commit to a sufficient level of developments to justify the substantial cost of adding a T station.

ACTION #5: Analyze and mitigate the traffic and environmental impacts of the development options in aggregate.

Interviewees thought that the two greatest adverse impacts of development that must be addressed are the traffic created by any development scenario and the associated environmental impacts of increased traffic, particularly air quality. Numerous other impacts of development were also mentioned, from wetlands impacts (covered under MGL Ch. 91) to site cleanup for commercial and/or residential use.

However, many interviewees thought that the fights over traffic studies – however legitimate in their details – were often proxies for fights over the kind of development that ought to occur. Most interviewees believe that traffic impacts are a concern and must be adequately studied, analyzed, and mitigated. However, many also mentioned that a review of traffic studies would be best done in conjunction with seeking agreement on the optimal development approach to the site as a whole.

ACTION #6 – Ensure community benefits are obtained.

The near-by neighborhoods – those located next to or near Assembly Square, and those that will bear the impacts of the development of Assembly Square – have specific needs and concerns regarding the development of Assembly Square. These concerns are related to their social welfare, environmental and health impacts, accessibility to Assembly Square, and their visions for their neighborhood. In addition to traffic mitigation, tax revenue, public transit, a new mixed-used neighborhood, and a gateway entrance to the site, benefits including economic opportunity, pedestrian and bicycle access, public safety, green and open space, and site appeal could emerge from future development of the site.

SECTION IV: FINDINGS

We have organized our findings into the key actions that interviewees identified as necessary to resolving the disputes surrounding the future of the site.

In order to reach a collaborative solution to the challenges and constraints of the site, many (not all) interviewees told us that the key stakeholders must:

1. Establish a process of problem solving and a climate of mutual respect rather than criticism, recriminations, and mutual distrust.
2. Refine and confirm the long-term vision for the site.
3. Jointly conceptualize the site as a whole and identify practical development options that meet parties' key interests for the entire site through a mutually acceptable strategy for phasing development on the site.
4. Ensure funding strategies for public infrastructure development, especially public transit, as a key to the site's long-term potential.
5. Analyze and mitigate the traffic and environmental impacts of the development options in aggregate.
6. Ensure community benefits are obtained

ACTION #1: Establish a process of problem solving and a climate of mutual respect rather than criticism, recriminations, and mutual distrust.

In our interviews, we heard strong concerns about the current status of relationships and general mistrust among the involved parties. Many interviewees were frustrated and disappointed that this conflict has strained and broken relationships, focused too much on personalities and individual motives, and resulted in litigation, inaction, and anger. They feel that it has created an atmosphere of hostility and a quagmire that serves no one's fundamental interests and creates a reputation that reduces the certainty (both political and financial) of achieving the long-term vision for the site.

However, many interviewees expressed cautious hope that a different kind of process, encouraging a new type of dialogue, might change the dynamics established to date. In order to achieve this process, interviewees stated some of the following principles necessary for change.

- Parties must show flexibility and the willingness to explore options.
- Parties must be innovative.
- Parties must follow through with commitments once made.
- Parties must approach a collaborative solution in good faith and with full energy and for the time allotted, and must forego their other alternatives for action.
- Parties must be transparent about their needs, restraints, and limitations.
- Parties must be forthright and direct with each other and with the public.
- Parties must be practical, seeking to meet today's needs as well as future needs.
- Parties must be willing to reach a "good enough" solution. The perfect cannot be the enemy of the good.

- Parties must be willing to end litigation if an agreement can be reached.
- Parties must act quickly and decisively.
- Parties must see economic reality, constraints, and opportunities.

Barriers, Obstacles, Challenges:

- Relationships are frayed.
- The dispute has become personal to some participants.
- Some stakeholders feel marginalized and ignored.
- Some stakeholders feel they have done all they can and it has not been enough to satisfy others.

Opportunities:

- Joint problem solving will improve the reputation of all parties involved by showing that they can work together to transform a difficult development problem into an innovative, financially viable, short- and long-term development plan to the benefit of the private and public sectors.
- Some of the many social, economic, and environmental benefits listed in this report could emerge from a respectful process of problem solving.

ACTION #2: Refine and confirm the long-term vision for the site.

In our interviews, one consistent topic of concern was stakeholders' long-term visions for Assembly Square and the extent to which people felt this vision was shared by other stakeholders. Most stakeholders agreed that a shared long-term vision for the site would be important for further negotiation and for the optimal development of the site.

In general, there appears to be broad consensus among many (but not all) stakeholders regarding a long-term plan for Assembly Square that includes:

- high-density development
- mixed-use: commercial, retail, residential, restaurants, and recreational/open space
- tree-lined streets and community amenities like an attractive gateway into the site, bike paths, and playgrounds
- pedestrian-friendly scale and design
- transit oriented (better access to the site for cars, bikes and pedestrians and a new Orange line T-stop)
- a significant number of new jobs created
- expanded retail and business tax revenue for the city and state
- expanded access and improvements to the waterfront
- environmental clean-up

These objectives described in our interviews are quite similar to the purpose laid out in the draft zoning regulations for the area now under development by the City. The draft regulations state that the major objectives of the Assembly Square District (ASD) are to:

1. Facilitate development of the ASD with a mix of uses including residential, office, research and development, retail, hotels, cinemas, performing arts and institutional uses;
2. Increase real estate investment and maximize development in the district;
3. Create new jobs at a variety of income and skill levels;
4. Promote accessibility to and within the district by improving existing and creating new roadways, pedestrian walkways and bicycle paths;
5. Replace vacant or underutilized land, low-density development, and incompatible uses with mixed-use development;
6. Improve utilities and infrastructure in the ASD;
7. Clean environmentally contaminated sites to a level suitable for a mix of uses including residential;
8. Improve the Mystic River waterfront and create new public open space in the ASD;
9. Encourage transit-oriented development within the ASD; and
10. Increase the supply of affordable housing units within the City of Somerville.
11. Create a sense of place at Assembly Square.

The goal for most parties is to bring people to the site to live, work and shop twenty-four hours a day. Most of these components were suggested as part of the third phase of the Assembly Square Planning Study funded by the City of Somerville. Many stakeholders – including many of those from Mystic View, the City, and the State – mentioned the third phase of the Planning Study as “similar to” their long-term vision. Many described this vision as an “urban village.” Almost all stakeholders also agreed that a T-stop is an essential step to achieving the mixed-use vision for Assembly Square. Most felt that if a T-stop were a certainty, the probability of encouraging development consistent with the long-term vision would increase substantially.

The vision for Assembly Square is tied in the minds of many stakeholders to the overall needs of Somerville for a stronger commercial tax base. Many interviewees noted that Somerville is overly dependent on residential taxes and must diversify for its long-term financial health. Stakeholders’ interests in Assembly Square go beyond the value of the site itself to a desire to optimize the opportunity such a site presents for helping increase Somerville’s commercial tax revenue and self-sufficiency as a city, particularly in this era of dwindling state monies. Stakeholders mentioned improving libraries, raising teacher salaries, providing needed social services, and easing the tax burden on residential property as some of the potential benefits of high-density, mixed-use development at Assembly Square.

Barriers, Obstacles, Challenges:

Although there is a generally shared vision for the future (at least 15 years from now, and more likely, 30 years from now), there is strong disagreement over how to get from today to that long-term future.

For some stakeholders, the most realistic current economic potential of the site requires at least some big box retail. These stakeholders believe that this use is economically feasible today, will generate tax revenues soon, and will provide an impetus, over time, for increased use of the site and ultimately, increased development. For the City, the long-term vision is highly desirable, but it does not generate desperately needed tax revenues for today's city services. A mixed-use site that includes some large-scale retail, especially in the short term, will generate real revenue that is needed in the short term. Nor does all the best planning and zoning guarantee that the market will come nor will it unlock investment today. The one thing that is for certain, these stakeholders note, is that litigation, poor, confusing, and "anti-development" zoning and planning will certainly scare away investors and developers. Many interviewees cited the current financial pressures on the City and the need to generate additional tax revenues cannot be stressed enough. Concerns about not proceeding with some economically feasible development soon include the following:

- lack of tax revenues desperately needed by the City,
- if the situation becomes dire enough, too few taxes from new development could hurt the City's bond rating, raise residential property taxes, and cut even further core city services and jobs;
- missed opportunities, as developers and businesses locate elsewhere;
- missed opportunities to significantly improve the quality of the site soon;
- missed opportunity to earn money for long-term goal investments such as new roads with short-term development
- missed opportunities to begin laying the groundwork for future development by investing in and around the site as developers gain the certainty to move forward;
- increasing reluctance by the development and business community to invest across Somerville for fear development is "too hard" in the City; and,
- lack of some development now exponentially precludes development and investment over time.

Some stakeholders think that large scale retail will generate some development and some tax revenues in the short term, but think that allowing new or expanded big box retail in the district is exceedingly risky because it will in all likelihood preclude realization of the long-term vision. Yet other stakeholders think that, when all costs are accounted for, big box retail would produce a net loss. These stakeholders are not convinced by the Planning Study's short and mid-term approach to development at the site. Specific concerns about the "big box" approach include the following:

- the presence of large surface parking lots would decrease development density and therefore the tax revenue potential of the area, and would discourage further commercial development;
- the traffic impacts of car-oriented big box stores would interfere with a pedestrian-friendly environment and could make it difficult to utilize open space or other amenities;
- big boxes are incompatible with the long-term vision, which includes an urban sense of place, short blocks, taller buildings for more density, and tree-lined streets; and,

- big box development will generate a great deal of traffic, and could prevent the State from investing in a T-stop (consumers drive to Home Depots and IKEAs, they don't take public transportation).
- The practice in the retail industry of leasing properties for comparatively long terms tends to lock in important features of the site, such as use, density, and parking fields – and so limit revenue potential.
- Alternatively, big box retail chains may suddenly close stores, leaving behind an economic vacuum and a property ill-suited for reuse.

While some stakeholders prefer that there be no large scale retail in Assembly Square long-term, most (not all) concede that one or two big box stores – IKEA and Home Depot (possibly expanded, but in its current location) – implemented with sufficient restrictions on surface parking and traffic, could coexist with implementation of the long-term plan. Many stakeholders agreed, though some reluctantly, that the opening of IKEA might be a good way to increase the economic viability of the site overall. Some stakeholders felt that an IKEA store would only be beneficial to the area if IKEA's current plan were changed to reduce car traffic and include transportation mitigation measures such as reduced delivery fees.

In addition, we heard from stakeholders mixed views regarding the recent planning and zoning processes in Somerville. Some stakeholders mentioned the large expenditures of money and the enormous effort expended by City government and citizens in drawing up numerous plans to provide a consistent vision for the site. Such efforts have resulted in the revised 2002 Assembly Square Revitalization Plan under the Somerville Redevelopment Authority, the Assembly Square Transportation Plan, the Assembly Square Unifying Design Guidelines, and the Year 2000 Assembly Square Planning Study, also known as the Planning Study. These stakeholders mentioned that there has been a public process, it is well documented, and it is now time to make decisions and move forward. Other stakeholders expressed frustration with the public process since they felt that current plans do not reflect all the public comments that were given. As well, they felt that there is not a site-wide comprehensive plan with clear and consistent innovative vision that could have aligned expectations and development interests much earlier. Instead, these stakeholders believe that a “plan” has come to be a disparate set of plans developed at different times without a consistent and overriding vision or a clear road map for achieving such a vision.

Some interviewees thought that the long-term economic development potential of the site is not certain. They question whether the greater Boston market can actually support developments in the South Boston Seaport, two proposals for development over the Mass Pike, Telecom City, North Point, and Assembly Square in the next 30 years. They also question whether a site with major cleanup needed for many parcels, no current T-stop, significant isolation due to I-93, the rail lines, the Mystic River, a lagging economy, a burst technology bubble, and a poor commercial leasing situation for the foreseeable future can be redeveloped into a desirable urban village. These stakeholders are concerned about the dangers of limiting what is possible now in hopes of planning for something that might never materialize. They believe that no development at all would mean no new jobs, no new taxes, and no usable open space. They also think that since the market has been weak since 2001, the choices for today are limited. Others note that long-term development should not be held hostage to the market of the moment.

There are a few stakeholders who do not agree that the “urban village” vision is desirable. Some are indifferent to this vision, and some oppose the threat that such a change in land use might create to their current business operations. Some of these landowners are content with the current use and ownership of their lands in Assembly Square, while others do not believe the long-term vision is economically viable for this site. These stakeholders question the value of the site for anything but retail, and hope at best for the value retail development would provide. Some of these landowners own significant or central parcels of land in Assembly Square, and would need to be convinced of the feasibility and benefit of this long-term vision before they would be willing to agree to make changes to the current uses of their land. In addition, some stakeholders would like Assembly Square to be open space without any businesses, but realize that this is not realistic.

Opportunities:

Our interviewees indicate that almost all stakeholders agree that major development at the site is desirable and that this development should and can generate wealth for developers, taxes for the City, and a significant addition to the community of Somerville. Thus, the dispute appears, at its most basic, to be a dispute about how best to achieve a vision that, in at least general terms, all agree is desirable and possible. If this is the case, that shared long-term visions could be a powerful common interest that could serve as an “umbrella” for the diverse stakeholders to work out a solution for how to get from today to that vision fifteen to thirty years from today. The hard work already completed by many in the public, private, and non-profit sectors regarding the long-term vision is quite advanced. The next steps are to collaboratively establish the vision and to determine how to realize the vision in practice.

ACTION #3: Jointly conceptualize the site as whole and identify practical development options that meet parties’ key interests for the entire site through a mutually acceptable strategy for phasing development on the site.

We approached the assessment with an open mind with regard to the scope of a possible mediated negotiation. We assumed that our interviews could lead to conclusions that no consensus building process might make sense, that a limited mediation of one or two narrow issues might make sense, or that a more comprehensive consensus building approach might be the most appropriate.

We heard throughout our interviews that the site must be considered as a whole, even from those we thought might prefer a limited mediation effort. Most stakeholders said the site must be considered in its entirety because: (1) transportation infrastructure can only be built if there is a collective vision that makes a major investment by the state possible; (2) all development at Assembly Square at all stages is affected by what is occurring at adjacent sites; (3) traffic impacts can only be realistically determined in aggregate; (4) parcels are not independent – for example, access to the current IKEA parcel is through the property owned by ASLP and the development of Yard 21 is contingent on development of the ASLP mall parcel; (5) more choices and opportunities for development become available when the site is considered as a Assembly Square

whole; and, (6) good planning principles and the practical success of other similar sites indicate that this comprehensive approach is essential. We heard that the work completed to-date by all key parties can serve as a foundation to affirm and refine the long-term vision and develop practical options for developing a road map from today to that vision.

Barriers, Obstacles, Challenges:

In many of our interviews, we heard that one significant problem to date has been the great difficulty in finding a meaningful way to conceive of the site as a whole collectively, rather than in bits and pieces, separately. The reasons cited include:

- Multiple overlapping and complex planning processes, including:
 - individual approval of each applicants' development permits
 - zoning regulations (interim and now in revision)
 - various, but perceived uncoordinated, master planning through redevelopment plans and new plans (the Planning Study), and
 - transportation planning
- Multiple land owners at the site;
- The various parties don't "get in a room" and talk to each other;
- Economic necessities to make something happen now;
- General legal or financial barriers that make it hard to imagine that a realistic and creative outcome could emerge from a comprehensive planning effort.
- Insufficient City funds to plan comprehensively;
- Intransigent parties;
- Insufficient planning time prior to developers submitting specific proposals for approval;
- The complexity of the Assembly Square site, which makes it hard to explain all issues to all parties in order to establish a clear overarching view of the situation;
- Inability of the City to provide the necessary vision, to leverage state monies, and to set clear expectations and guarantees for the site;
- Unrealistic views of what can happen now given the market;
- The development community's desire to keep confidential its goals, objectives, and strategies which leads to difficulty with open dialogue due to the reality and/or fear that transparency will lead to competitive disadvantage;

We note that some are skeptical of an entire review of the site as suggested by others at this "late hour." Many mentioned to us that time is short, delay is not acceptable, and political entities will act decisively soon. Thus, any mediated process will have to be limited in time and have a clear deadline within which parties must complete their work. Some have stressed to us that this time frame must be measured in weeks, not months. Many thought that a great amount of planning work has already been completed by all parties and countless hours spent by all, dedicated to listening, talking, and seeking to reach a way forward. Thus, any mediated effort must build on the work done and not seek to "reinvent the wheel."

We also note that one of the key features of viewing the site as a whole is bringing all or at least many key parties to the table. In our interviews, we heard frustration that several stakeholder groups have been left out of the on-going planning process. Some East Somerville

Neighborhood Association (ESNA) representatives mentioned that those living near the site had not generally been at the table. The most frequently cited entities missing from the planning process were key leaseholders; Kmart and Home Depot. Interviewees thought that the Kmart lease, and its attractive terms, has been seen as one of the major obstacles to flexible development at the ASLP property, yet Kmart representatives have not been “at the table” to express Kmart’s interests and concerns and explain what they might need in exchange for a different location or use. Interviewees also expressed concern that Home Depot’s interests are not known clearly. Could Home Depot expand at its current site and still be profitable? Could Home Depot reconfigure its store if it moved to the ASLP partnership property? What options could and would Home Depot consider?

Interviewees thought that there are significant barriers and challenges to overcome in engaging all parties in any discussion. Those most often cited were:

- Some parcel holders are content with the status quo and don’t see a need to engage; some want economic development quickly but are unconcerned with the character of such development.
- Many, if not most, of the key parties have already invested an enormous amount of time, effort and money in planning and designs for Assembly Square. Thus, to “reconsider” the site as a whole at this “late date” may be seen as too costly, too late, and unlikely to yield “long overdue” returns on their investments.
- A history of last minute changes in negotiations among stakeholders makes some parties very reluctant to negotiate anew.
- Some development companies feel they have offered all the options and alternatives they can through an already arduous and time-consuming effort and thus have little left to offer to break the current impasse.
- Some stakeholders believe that some of the desired short-term actions of some of the developers will preclude the ability to achieve the long-term vision they have for the site.
- Some corporate entities are simply not well represented, and thus it is difficult to determine who the actual decision makers are and who ought to be invited to the table.
- Some parcel holders may see their best alternative to a negotiated agreement as likely to yield more desirable results than collaboration. For instance, some may view the political process as more likely to meet their interests, while for others “waiting it out” in court may be a reasonable alternative.
- Given economic pressures, the zoning process underway, limited funds on all sides, and general frustration at inaction, is there sufficient time and funds to convene a collaborative effort that has a reasonable chance of success?

Opportunities:

Though there are many challenges to bringing all the key parties to the table to jointly review a range of practical development options, many interviewees thought the opportunities that might arise to make all (or most) parties better off. Some interviewees believed that all key parties ought to participate in a collaborative effort, as long as it is in good faith and is of limited duration, because through the process an option might arise that makes everyone better off, even those who now currently believe their alternatives are more attractive than further collaborative, and joint problem solving.

Many options for site development were raised during our interviews, including, but not limited to those listed below. We as mediators are not endorsing nor evaluating any of these options, only presenting them as ideas offered. Also, please note that these are short bulleted points and do not reflect the level of detail for many options already developed (or considered) by the parties.

- Enable Home Depot to expand in its current location.
- Build housing along the river and parkland further north on the site.
- Move Kmart to another location in Assembly Square of equal or greater value.
- Recognize that good future development of all of Assembly Square might improve the Kmart situation enough that the powers given Kmart by the lease may not be used to prevent innovative development plans.
- Engage the local universities with the current developers in a mixed-use development that addresses short-term university faculty housing needs now and commercial and retail development later.
- Re-tenant the mall now, placing small retailers along Main Street, and develop and implement a plan for longer-term development of mixed use within this short-term vision.
- Use tax increment financing to leverage additional monies now to build for the long-term vision for the site.
- Engage additional, internationally recognized developers to help finance and/or conceptualize the site and assist (not take over for) the current developers on the ASLP and IKEA parcels.
- Move the current MDC park to another area and utilize the current park (close to the proposed T-stop) for dense, mixed use development around the future T-stop.
- Arrange a land swap between IKEA and the ASLP mall property. This would allow the IKEA development to proceed quickly directly adjacent to car access, and combine Yard 21 and the new ASLP (currently IKEA) property into one contiguous property for long-term, mixed-use development.
- Consider “friendly” eminent domain to reconfigure ownership, provide cash now for some, and then establish a municipal development corporation with shares allocated appropriately to help move forward.
- Support parts of the more expensive desirable infrastructure (underground parking, for instance), by putting up a City bond at lower costs than the private sector can obtain followed by revenue sharing of parking receipts.
- Relocate the courthouse closer to the T stop.

- Seek guaranteed tenants for the office buildings, particularly in the early phases of development. In particular, seek out large institutional and government tenants.
- Develop the waterfront for residential and public use. Push the larger commercial/retail developments closer to I-93 so that they could both benefit from increased visibility and serve as a barrier for other development between I-93 and the waterfront.

ACTION #4: Ensure funding strategies for public infrastructure development, especially public transit, as a key to the site's long-term potential.

Many stakeholders believed that one key strength of the Assembly Square site is its existing nearby infrastructure – an interstate highway (93), a state highway (Route 28), and bus service, as well as opportunities for new stops on a nearby railroad (Commuter Rail), and subway (Orange Line), and possibilities for water transport. In fact, some cite these strengths as almost unique across the greater Boston area. However, almost all stakeholders we spoke with mentioned the need for *additional*, specific public infrastructure development, such as public transit and roadway improvements, as key to enhancing Assembly Square's long-term potential. We heard some difference of opinion, however, about the type of infrastructure projects that are most needed, the order of priority that such infrastructure projects should receive, and who will pay for infrastructure development.

In general, there appears to be broad consensus among many (but not all) stakeholders that any large-scale development in Assembly Square will require infrastructure improvements and development. These include:

- Public transportation access to Assembly Square
 - Building an Orange Line T station in Assembly Square
 - Increased bus service to and from Assembly Square (including an Urban Ring Phase II Bus Rapid Transit Line)
 - Shuttle bus service to and from Assembly Square from Wellington Station and Sullivan Square
 - Providing Commuter Rail station at Sullivan Square or Assembly Square
- Roadway access improvements to Assembly Square (the May 2003 Assembly Square Transportation Plan cites such improvements as: a Foley Street extension to connect Route 28 northbound to Assembly Square, a rebuilt I-93 northbound off-ramp to Route 28 northbound, and a Route 28 southbound underpass)
- Street development within Assembly Square
- Gateway development into the site
- Bike path and walkway development and related interchange improvements to and within Assembly Square
- Traffic mitigation due to increased car traffic (in and around Assembly Square as well as in surrounding areas)
- New water transportation development

Almost all stakeholders see the need for an Orange Line T station in Assembly Square in order to achieve the long-term goals of high-density, mixed-use development. While the T station is seen as crucial for development in Assembly Square by most stakeholder groups, it is considered “a good thing, but not required” by a few other stakeholders. Many stakeholders believe that development outside of big box retail will absolutely require adequate mass transit. They cite the following as needing such infrastructure.

- The Yard 21 development (where the plans call for office, retail, and residential development – all public transportation dependent)
- Feasibility of IKEA development of office buildings and ancillary retail
- Better mall development and use
- Feasibility of other office building development
- Feasibility of other residential development
- Better access to current Draw Seven Park
- Actual reduction of car traffic (and therefore reduction in traffic congestion and air pollution) and associated air impacts
- Increased market value of land in Assembly Square resulting in more efficient and dense land use.

Some stakeholders want to minimize additional traffic to Assembly Square, no matter what the development is (big box, other retail, office, residential). Some stakeholders believe that multiple big box retail store development as well as high-density, mixed-use development will generate large amounts of additional traffic. Some other stakeholders believe that high-density, mixed-use development will allow for better traffic management because: office space generates much less traffic than retail does; it would provide greater tax revenue to pay for traffic mitigation; it would reduce traffic as a percentage of trips because public transport would be available; and it would reduce traffic to and from Assembly Square as more travel will be just within the site as some will live and work within the site.

Barriers, Obstacles, Challenges:

In most of the interviews, there was much discussion about the interdependent relationship between high-density, mixed-use development and public transportation services. Many stakeholders expressed uncertainty about what to build first: the commercial and residential developments, or the public transportation infrastructure. The economic feasibility of small retail, office, and residential building development is dependent on public transportation services (i.e. an Orange Line T station in Assembly Square) as the tenants of these buildings (store and office employees, clients, and residents) will be partially dependent on public transportation. Without such infrastructure investment, mixed-use development, which is the long-term vision of most stakeholders, cannot happen easily (i.e., some cited Davis Square and Alewife as good examples – first the T was built then development followed). At the same time, any city and state support of public transportation development is dependent on certainty regarding its ultimate use and ridership, which according to some stakeholders, will not be achieved until Assembly Square is fully developed with a large percentage being mixed-use. Our interviewees

were clear that unless the City and its stakeholders plan successfully for long-term, mixed-use development, the state would not invest in the public infrastructure, especially mass transit.

While the options above were noted, most interviewees believe that the Commonwealth will have to play a leadership role in addressing public infrastructure needs. This is a role the Commonwealth has not yet assumed. Many stakeholders believe that the state should play a leadership role in the overall development of Assembly Square since Assembly Square is a regional asset. Many stakeholders went as far as to say that only with state support will Assembly Square ever be redeveloped and that private sector confidence is dependent on state involvement. Several stakeholders thought that any transportation infrastructure should be tied to larger city and regional plans, and that therefore the Commonwealth needs to be more involved. In particular, many felt that the state should show commitment to the development of Assembly Square by funding the Orange Line T station or at least by focusing actively on helping the parties convene, generate agreement, and then prioritize transit improvements for the site in the state's and region's overall transportation planning efforts.

In the interviews, stakeholders mentioned several agencies or organizations that they thought should be included in any discussion about public infrastructure development: these include the Office of Commonwealth Development and Executive Office of Transportation and Construction, Massachusetts Bay Area Transportation Authority (MBTA), Metropolitan Planning Organization (MPO), and the Metropolitan Area Planning Council (MAPC).

Opportunities:

One stakeholder mentioned that the Boston Area Metropolitan Planning Organization (MPO), the federally-mandated agency which identifies and prioritizes highway and transit projects for funding, has a public comment period for the MPO's current 25 year and 5 year plans from 24 July through 24 August 2003. Since transportation projects at Assembly Square are subject to this process, the possible Assembly Square mediation has an opportunity to coordinate with this planning process.

In terms of financing public infrastructure development and traffic mitigation, several options were mentioned in our interviews, these options include:

- Developers pay for any traffic mitigation needed due to an increase in traffic that is caused by their development
- Developers pay for part, or all, of the needed infrastructure development, such as the Orange Line T station.
- A public/private partnership pays (i.e. the City of Somerville together with one or two of the developers)
- The City and the Commonwealth pay (they could float bonds)
- The MBTA/Commonwealth pays (they have a history of supporting urban transport; they have a current focus on urban area transportation; and they have a larger, regional interest in infrastructure development)

The idea of having an Orange Line T station at Assembly Square is supported by almost all stakeholders, and appears to be one of the most agreed-upon objectives across interest groups. Many stakeholders believe that state involvement in development design and infrastructure funding, could be key in helping stakeholders realize their long-term vision of Assembly Square. Some stakeholders even think that only the state is capable of ensuring that the scale of opportunity at Assembly Square is realized.

The Commonwealth has expressed great interest in the development of Assembly Square. Looking at the larger picture, the Commonwealth is looking out for the regional economy and regional growth. One of its priorities is the general development and infrastructure development of the Northeast corridor, of which Assembly Square is an integral part. The Commonwealth has expressed willingness to provide support for infrastructure and transportation upgrade and development, if the key stakeholders of Assembly Square model good process and commit to a sufficient level of developments to justify the substantial cost of adding a T station.

The opportunity exists now to have integrated transportation planning and development for Assembly Square. Further development of public infrastructure in and around Assembly Square could have a huge impact on the long-term returns on high-density development, as well as short-term value for developers. It will also determine whether or not Assembly Square will become more integrated with the surrounding metro area. Ultimately, the time is ripe, according to many interviewees, for the Commonwealth to take a leadership role in helping resolve conflict and jump start a mixed use, smart growth development.

ACTION #5: Analyze and mitigate the traffic and environmental impacts of the development options in aggregate.

Interviewees thought that the two greatest adverse impacts of development that must be addressed are the traffic created by any development scenario (as noted above) and the associated environmental impacts of increased traffic, particularly air quality. Numerous other impacts of development were also mentioned, from impacts on tidelands (covered under MGL Ch.91) to site environmental cleanup for commercial and/or residential use.

In our interviews, we learned that the traffic studies completed for various development scenarios have become a “ripe” area for dispute. However, many interviewees noted that the fights over traffic studies (in particular the dispute over the estimated number of cars) – however legitimate in their details – were often proxies for fights over the kind of development that ought to occur. Most interviewees thought that traffic impacts are a concern and must be adequately studied, analyzed, and mitigated. However, many also thought that a review of traffic studies would be best done in conjunction with seeking agreement on the optimal development approach to the site as a whole.

All scenarios for development of Assembly Square being proposed (both large scale retail and mixed-use, high density development) will increase traffic to the site. Interviewees mentioned that Route 28 already backs up traffic several times a day, which concerns all stakeholders. The positive effect of increased traffic to Assembly Square would be an increase in use of the site for Assembly Square

business, retail, recreation, and housing. The negative effects would be congestion and associated travel time costs, air, noise, and water pollution, human health effects, and increased risk to the physical safety of motorists, pedestrians, and cyclists. Stakeholders believed that studies completed thus far come to distinctly different conclusions about how much traffic would be generated by each development alternative.

The following are some specific concerns and ideas related to traffic that we heard from stakeholders during our interviews:

- The IKEA design for underground parking goes a long way toward addressing the problems of large open parking lots
- IKEA's traffic mitigation measures are a beginning, but insufficient. Their measures address traffic flow into and out of their site, but need to address new traffic that will come to the site on already crowded roadways. Such measures ought to also include innovative traffic management tools such as reduced delivery fees and mass transit improvements (recognizing investment in such infrastructure requires multiple players and active public sector investment).
- The IKEA traffic studies are completed, the MEPA certificate has been granted (or least on its way), and sufficient traffic mitigation measures are in place. Further focus on this issue will only hold up action at the site.
- Disputes over traffic studies' methodologies, assumptions, and numbers should not be a proxy for addressing other concerns associated with particular development alternatives.
- IKEA needs an easement across ASLP's land in order to get shoppers to its site. This access must be part of any way forward.
- Requests for reduced delivery fees and the like are understandable, but such incentives are not supportable under current business models and could set a difficult precedence for development elsewhere.
- To draw people to Assembly Square, for traffic access, and for access to neighbors, a new attractive gateway to the site must be created. This would encourage people to drive, walk, and bike to Assembly Square.

Several stakeholders raised concerns about environmental issues related to traffic and the development of the site. These include:

- There are traffic issues associated with development that will cause immediate air quality concerns, and these must be addressed. The neighborhoods around Assembly Square experience high rates of asthma and lung cancer, which may be correlated with current traffic congestion.
- There's a potential federal Clean Air Act problem with the area. Somerville is not part of the Boston-Cambridge non-attainment area for ozone, but pollutant levels have far exceeded air quality standards since the 1970's. Increased development will only worsen the problem.
- The concern about air quality also raises the issue of environmental justice, and whether plans that will increase air pollution in this area discriminate against underprivileged populations. Do the current plans violate the intent of Executive Order 12,898

(Environmental Justice decree) and/or the preamble to the Somerville Zoning Ordinance, which enables zoning in part to protect public health?

- Large parking lots with impermeable surfaces will increase contaminated run-off into and pollution of the Mystic River.
- The costs of further cleanup on the site for soils could be prohibitive, especially if cleanup must meet residential standards. Perhaps sharing of information by the state of the environmental status of the site could help improve general understanding of the risks and expected costs associated with current levels of contamination.

ACTION #6 – Ensure community benefits are obtained.

The nearby neighborhoods – those located next to or near Assembly Square, and those that will bear the impacts of the development of Assembly Square – have specific needs, concerns and hopes regarding the development of Assembly Square. These concerns are related to the social welfare, environmental and health impacts of development, accessibility to Assembly Square, and residents’ visions for their neighborhood. Traffic mitigation, tax revenue, public transit, a new mixed-used neighborhood, and a gateway entrance to the site have been noted above. Specific benefits that the community is seeking are listed below.

Economic Opportunity: Most community stakeholders would like their neighborhood to remain viable and independent. They would like to have jobs and economic opportunities in Assembly Square. So far, there is a feeling that they have received nothing out of past investments and years of planning. Several community members mentioned the general importance of the well being of their neighborhood, of securing a future for their families, children, the elderly, and future generations. There was mention of the need to reach out to, and ensure development benefits for, the least well-off members of the community, in particular Somerville’s low-income, public housing community (ideas include the promise of job slots earmarked for public housing residents, scholarship funds, support for the Welcome Project, and an Assembly Square business mentoring program for “project kids”).

Some community members are concerned about racial and socioeconomic bias in the Assembly Square development process. They would like to see guaranteed benefits to underprivileged groups.

Pedestrian and Bicycle Access: Some stakeholders, especially those living nearby, feel that in addition to transportation issues of automobile traffic and mass transit, Assembly Square development must address access problems for pedestrians and bicyclists. The current site is designed in such a way that it is very difficult to get to any part of Assembly Square from the surrounding neighborhoods. Access under Rte 93 is especially problematic and dangerous. Access to the waterfront and navigation through the site on foot or bike is also complicated and difficult. The area is currently designed for cars, not pedestrians or bicyclists. Future plans could rectify this situation to the great benefit of those on foot or bicycle.

Public Safety: Community members noted several safety issues related to the development of Assembly Square. They would like to see improved walkways into and out of Assembly Square

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that would decrease the current danger of trying to cross route 28 (which is especially crucial for the elderly and children). They also hope that increased car traffic in the area will be directed away from their neighborhoods. Finally, interviewees suggested that increased pedestrian traffic and good design (pleasant outdoor areas, well-lighted paths, and the like) might draw in families, increase general safety, and lead to increased community interactions.

Green and Open Space: Some members of the community would like to see a large park with lots of trees, without any cars at the Assembly Square site, but there was a sense that this is not economically realistic. Many members did state the desire to have more open space, access to the river, and better access to the Draw Seven Park. They would like the future development to include public parks and nice paths. Interviewees also mentioned the need to increase the green buffer along the river.

Site Appeal: Many members of the community noted the importance of increasing the appeal of the Assembly Square site – to have it be a destination in and of itself. Several members described the importance of a nice gateway into the site, as well as lots of greenery around the site. Assembly Square would have more appeal if it included small retail stores, cafes, restaurants, housing, a performing arts center, bookstores, and recreation opportunities (i.e. biking, walking, canoeing).