



# Medford Square Master Plan

## APPENDIX 2: Market Analysis Memorandum

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District Local Technical Assistance (DLTA), Planning  
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## **Acknowledgements**

This Market Analysis Memorandum records the initial analysis, research and synthesis that is part of the Medford Square Master Plan process. The Master Plan is being developed by the Metropolitan Area Planning Council (MAPC) in partnership with the City of Medford. MAPC is Greater Boston's regional planning agency whose mission is to promote smart growth and regional collaboration. MAPC is working closely with the Medford Office of Community Development throughout the Master Plan process.

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## **Metropolitan Area Planning Council**

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## Introduction

### STUDY GOALS

Medford Square is positioned to leverage a surge of interest in new growth and targeted economic development to invigorate vitality, integrate redevelopment, to expand access to health and cultural resources and to activate a walkable and revitalized city center that provides a concentration of living, working and playing for the city and the surrounding area. The City's Office of Community Development is working with the Metropolitan Area Planning Council to prepare a Master Plan for Medford Square to guide economic development and physical improvements in the Square. When completed, the Medford Square Master Plan will include a set of goals and strategies that are focused on immediate revitalization actions. The major areas of focus will include economic development and vitality, land use and sense of place, transportation and connectivity and open space and quality of life. The study, which is scheduled for completion in summer of 2017, is funded through District Local Technical Assistance in addition to funding from the Barr Foundation. This effort is part of the Community Compact signed earlier this year with Lieutenant Governor Karyn Polito. The estimated cost of the study is \$90,000.

The specific goals of the Medford Square Master Plan use the previous efforts as a foundation and starting point. The 2005 Medford Square Master Plan, prepared by Sasaki, included the following goals. They remain relevant today and resonate with much of analyses and community feedback that follows as part of the current planning effort. These goals include:

- Create a single identity for the Square by physically and visually uniting the east and west sides
- Encourage mixed use vibrancy with culture, retail, office and housing
- Enhance connections between the river, the retail streets, the surrounding neighborhoods, and regional open space
- Develop the pedestrian character of the Square by balancing transportation modes
- Achieve a higher and better use of land and create value for real estate

### MARKET ANALYSIS MEMORANDUM

This memorandum provides a summary of the context and analysis of the market for development in Medford Square. The memorandum is one of six similar topic-based memoranda that summarize the analysis and strategies that have been part of MAPC's effort building to the drafting of the Medford Square Master Plan. These combined memorandum will form the body of the Master Plan and will be combined and formatted as a single document which will be provided as a draft for public comment and review. The analysis has been framed by the community conversations and feedback that have been part of the process to date, and that have resulted in the following vision statement for Medford Square:

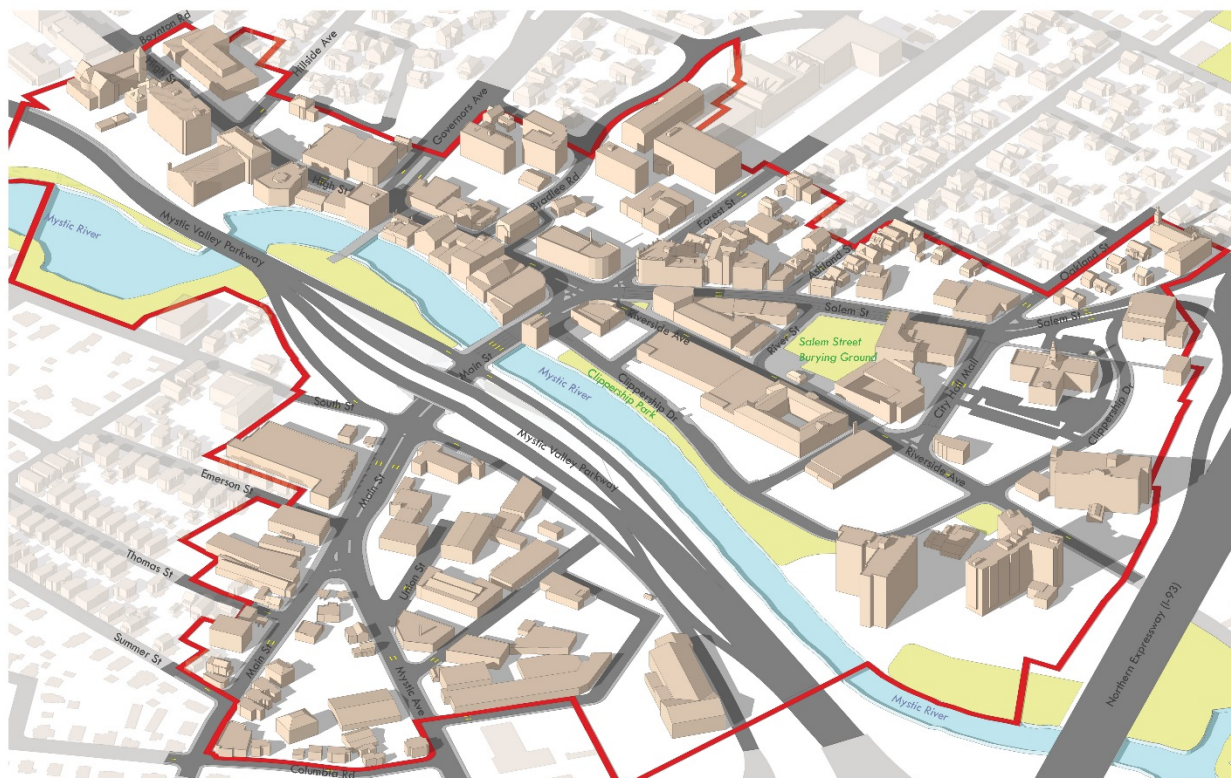
"Medford Square is repositioned to again be the vibrant center of activity that it once was as the historic center of the City. As the heart of the City, Medford Square is an attractive place to go to events, browse shops, eat at restaurants, do business, retain personal and professional services, live, play and convene. The Square is a safe and attractive place to walk and bike and provides a unique pedestrian-oriented city center. The Square embraces the Mystic River as an attractive natural resource and opportunity for recreation and special

events. The Square is a steward of its architectural and historic heritage and is a civic, art, and cultural center for City-wide events that couldn't happen anywhere else."

The following goals are identified to further define actions associated with the vision and frame the strategies and implementation that will be part of the Master Plan:

- Create a single identity for the Square by physically and visually uniting the east and west sides
- Encourage mixed use vibrancy with culture, retail, office and housing
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- Achieve a higher and better use of the land and create value for real estate

The geographic area that has been identified for Medford Square to be part of this study and Master Plan is shown in the diagram below.



A general market evaluation was completed as a component of the Medford Square Master Plan. The purpose of the evaluation was to identify the potential for supportable residential, retail, and commercial development in the Medford Square study area to inform the Master Plan strategies for Medford Square. It is important to note that this evaluation of market opportunities is not a prediction of what will occur at a specific property. It is a representation of the potential opportunities that could be pursued through City policies and private market interests given current data, trends, and projections within and around the City of Medford over the next 5 to 10 years. The potential opportunities frame proactive roles for the City or others in creating the policies and regulations to facilitate and incent investment interest and development in Medford Square.



## Retail Market Analysis

### INTRODUCTION

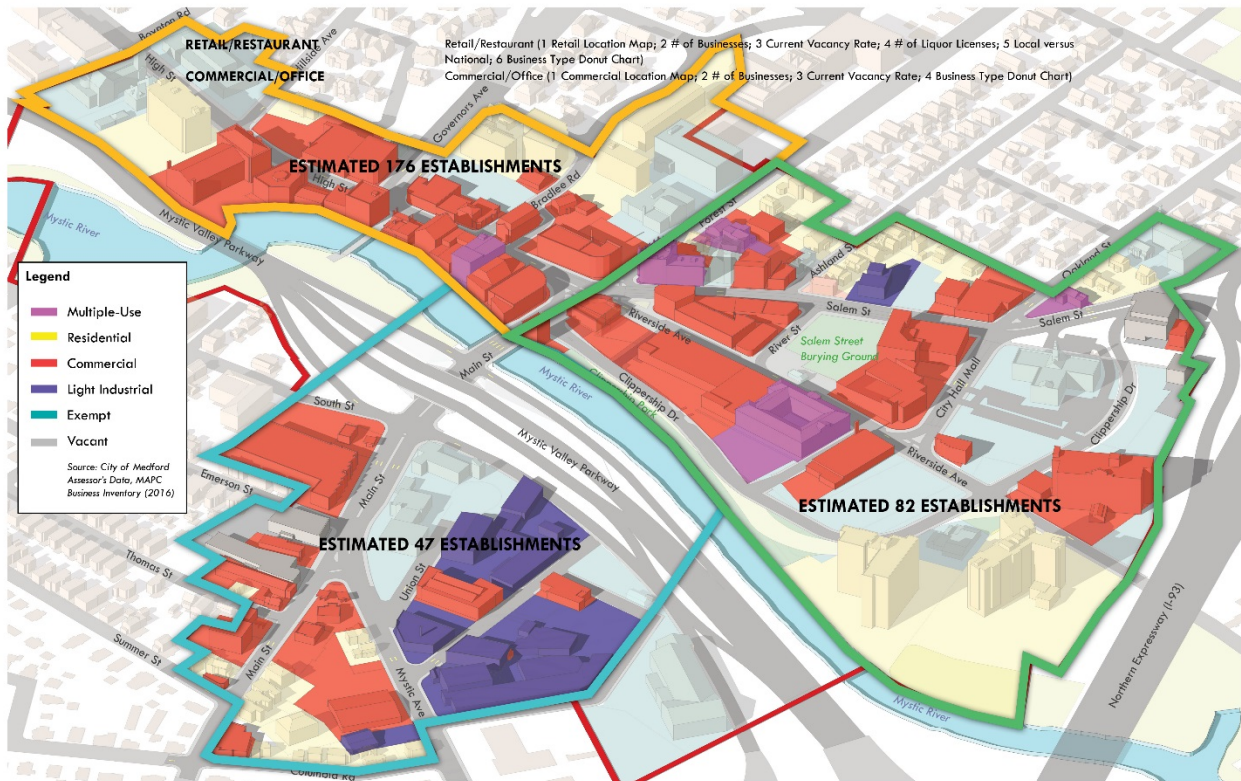
Fundamental to the shared vision for Medford Square articulated in the introduction is increasing the number of attractive uses and activities in Medford Square that contribute to vibrancy and the strengthening of Medford Square as a destination within the City. The most effective way to directly address these fundamental needs is through mixed-use redevelopment, specifically retail and residential mixed-use redevelopment. The addition of new active ground floor storefronts and businesses will strengthen the district as a pedestrian-oriented city center. The addition of upper floor residential uses provides the greatest potential for local household spending to support shops, restaurants, and services, while contributing to activity on sidewalks and in open spaces. This section addresses the market potential and context for retail uses that may be a part of mixed-use redevelopment in Medford Square. Strengthening Medford Square through small business and restaurant activity is a strategy that is supported by the following analysis.

The following retail market analysis for the Medford Square study area is comprised of five components that were examined in order to conservatively assess the potential to support additional retail and restaurant square footage. The first component is the establishment of local and regional trade areas with reasonable walking and driving distances for the households within them. The second component is a retail opportunity gap analysis that examines the “gap” or difference between actual retail sales figures and estimated spending of households on a variety of different types of retail goods and food establishments (both inside and outside of the trade area). The third component is the determination and application of reasonable assumptions related to: (a) the amount of market demand the study area can conservatively be expected to “capture” from the larger trade areas; and (b) the conversion of those “gap” or “leakage” retail sales figures into square feet using assumptions for sales per square foot and typical retail floorplate sizes by retail subtypes. The fourth component is a conservative estimate of the amount of spending that local workers can be assumed to do during commutes and lunch hours, and the number of establishments that these workers can support. Collectively, these first four components provide a snapshot in time of market demand for specific types of retail establishments with the greatest potential for success, and the approximate amount of square footage and number of establishments that the City, Chamber of Commerce, and real estate brokers could reasonably expect if they employ appropriate strategies to capture that market potential. The fifth component is an inventory of the existing retail establishments within the study area and an assessment of how they compare to the typical mix of stores found in many downtown, mixed-use, walkable commercial districts. This component can be found in the Existing Conditions Appendix.

### RETAIL PATTERNS AND CONTEXT

The commercial and retail patterns for Medford Square are depicted in the figure below with existing commercial and retail uses distributed throughout the square. As described in greater detail in the Existing Conditions Appendix, the existing mix of businesses in the square deviates from a traditional and balanced mix of businesses that distributes uses in an active center between shoppers

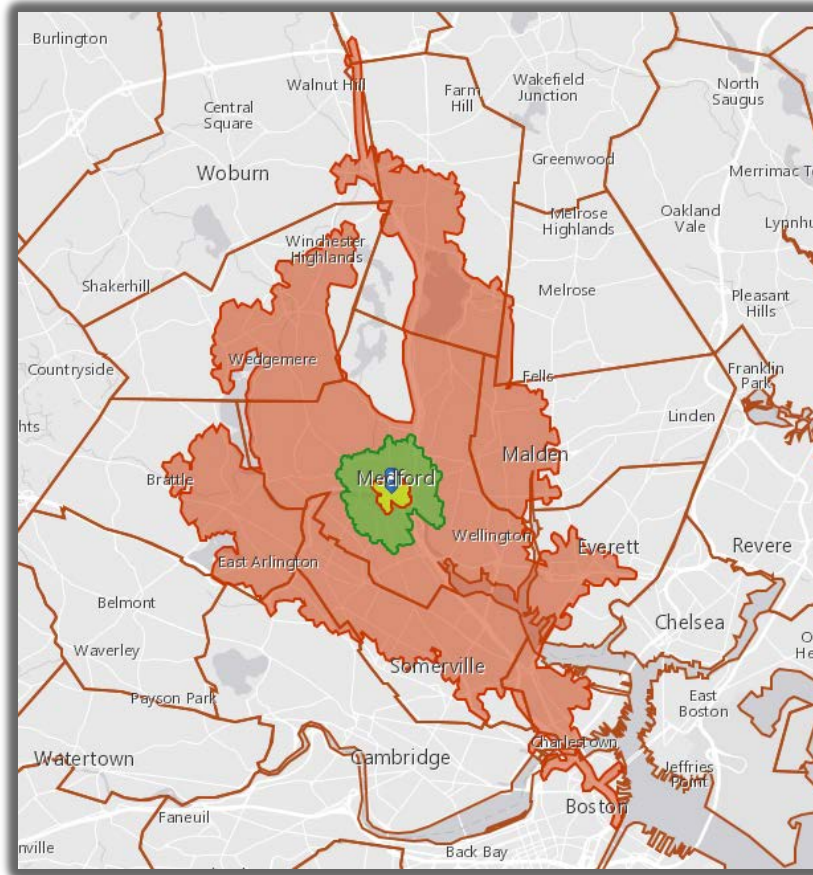
goods, convenience goods, food service, personal services, professional services, and vacancy. This imbalance is not necessarily an issue alone, but combined with other community feedback that the uses seem imbalanced and that the square is not viewed as a destination, the imbalance of types of businesses does seem to be contributing to the healthy functioning and economics of the square. The business uses today are overrepresented in the categories of personal service and professional service. The retail market analysis provides additional information to better understand the demand for other business uses that may help to rebalance the square across these categories.



## TRADE AREAS

In order to estimate the amount of additional retail that the Medford Square study area can support, it is important to first identify a trade area. The trade area is the geographic area from which a retail establishment generates sales. There are many factors to consider when determining a primary trade area including the distance and time that people may be willing to travel in order to reach a destination, any physical or geographic barriers as well as regional competition. For the Medford Square study area (diagram above), the primary trade area would include households within a fifteen minute walk time from the central intersection of Riverside Avenue with Main, Salem, High and Forest streets. This primary trade area is outlined in green in the figure below. It exceeds the boundaries of the study area and extends as far south as the Alumni Fields of Tufts University, as far north as the Fellsway Traffic Circle near I-93 exit 33, as far as west as Veterans Memorial Park, and as far east as Magoun Park. For the purposes of finer grain comparison with the study area proper, a hyper-local five-minute walk trade area was also mapped and examined. This is shown in the figure below as the smaller area in yellow with a green boundary. It is reasonable to assume

that people who live within a 15-minute walk would be willing to travel the distance in order to attain goods and services within close proximity of Medford Square study area.



In the two walking trade areas, there are almost 1,700 people and about 1,040 households living within a five minute walk of the study area (about 3% of Medford's population), and 14,000 people and 6,100 households within a 15-minute walk. There are a number of commercial areas nearby that will be direct competitors, including Davis Square, the Meadow Glen Mall, Fellsway Plaza, Assembly Square, The Shops at Station Landing, and the Gateway Center in Everett. This will be a limiting factor that will influence how much retail the market in the study area will be able to support. In order to determine if there are additional opportunities on top of those within the primary trade area, MAPC also examined a secondary trade area of a ten minute drive time with typical traffic assumed. It is reasonable to assume that some people within a secondary trade area will be willing to travel a greater distance if there is a strong destination, or popular restaurant or cluster of restaurants in a given place.

The secondary trade area is highlighted in red in the same figure and represents a 10-minute drive time toward the study area's central intersection. It includes the entire hyper-local and primary market, and extends as far south as parts of downtown Boston, as far north as the I-93 exit 37 near the I-95 interchange, as far east as central Everett, and as far west as the Arlington Heights neighborhood in Arlington. The secondary trade area's regional draw is important to the success of restaurants. There are 210,000 people living and 88,000 households within a 10-minute drive to Medford Square. It is worth noting that hyper-local households possess about 24% less of the median



disposable income than that of households within the primary and secondary trade areas potentially have available to spend. The assumption regarding regional competition is that if there is market demand for development and the City positions it to create optimal local conditions within the study area, the City should be able to draw in businesses and customers from the region. If Medford Square is able to draw customers from farther away, the City could support additional retail.

## **RETAIL OPPORTUNITY GAP ANALYSIS**

MAPC analyzed ESRI Business Analyst data within the defined trade areas in order to conduct a retail gap analysis. A retail opportunity or gap analysis looks at the overall demand for retail goods and services within a designated trade area based on the spending potential of the households (demand), and the actual sales for those goods and services within the market area (supply). The difference between the demand and supply is called the retail “gap.” If the demand exceeds the supply, there is “leakage,” meaning that residents must travel outside the area to purchase those goods. In such cases, there is an opportunity to capture some of this spending within the market area to support new retail investment. When there is greater supply than demand, there is a “surplus”, meaning consumers from outside the market area are coming in to purchase these goods and services. In such cases, there is limited or no opportunity for additional retail development. Thus, the retail gap analysis provides a snapshot of potential opportunities for retailers to locate within an area. In addition to the gap analysis based on how much potential retail square footage can be supported by households, MAPC conducted an analysis for how much could be supported by local workers. Generally, local households spend more locally than local workers with the spending of workers typically confined to the lunch hour or immediately before or after the work day, whereas households will spend locally during mornings, evenings and weekends.

Below in the table is a summary of the retail opportunity gap analysis by industry group for the hyper-local, primary and secondary trade areas. The dollar figures in parentheses and red are negative numbers indicating that there is a surplus of retail sales within the trade area. In other words, there is a significant amount of dollars being spent inside the trade area within that industry group, with many customers being drawn in from outside the trade area. It can be viewed as measure of success for the existing businesses within that particular industry group but also as a challenge for prospective businesses to enter that niche and compete for customers. Figures in green are positive numbers that indicate a retail gap or “leakage” of missed opportunity to outside of the trade area and represent potential opportunities for more retail within the area.

The table indicates that the overall, the hyper-local trade area within a 5-minute walk presents very limited opportunities to potentially support a single retail establishment (excluding food and drink). This was based on conservative assumptions relative to the retail gap dollar amount in sales potential for a number of MAPC-designated “downtown and mixed-use oriented retail” NAICS uses with clothing stores having the greatest potential (\$1.5M). The limited opportunity with the hyper-local trade area (represented by the figures in red parentheses in the table) could be attributed in part to the small amount of residents within the study and trade areas (less than 1,700 residents) to support businesses. This highlights the housing market analysis which is presented in the following section and the importance of adding new local residents to support local businesses.

However, when considering the primary, local and secondary, and regional trade areas, there are expanded opportunities. In the primary local trade area, within a 15-minute walk (which includes the hyper-local area), the downtown and mixed-use oriented retail uses with the greatest potential for supporting new establishments are the following NAICS uses: clothing (\$10.5M), electronics (\$11M), and limited service eating places (\$4.6M). Due to the variation in the average sales per square foot and typical store floorplate sizes by type of retail establishment, higher sales figures does not necessarily translate into a supportable establishment if that retail business requires bigger stores or has to make higher sales per square foot in order to pay a lease. Of those three best opportunities, limited service eating places would strengthen a concentration of uses that already exists in the Square. A limited-service eating place includes restaurants where patrons generally order and pay before eating.

For a complete regional context of the retail potential for Medford Square, MAPC examined a secondary regional trade area within a 10-minute. The regional trade area is particularly important to the success of potential restaurants which oftentimes draw on expanded trade areas. Restaurants do not only depend on spending from the households located within its trade area but also on customers who drive to or through the study area as well as local office workers during lunch and commute hours. Within this secondary area, the use with the greatest potential is for limited-service eating places (\$57M for NAICS use code 7222). In addition to there being a much higher population and number of households within a 10-minute drive, from the standpoint of potentially supporting additional establishments, there is a favorable difference in the consumer spending habits when one shifts from the households in the Primary to those in the Secondary trade areas according to ESRI's Tapestry demographics data. Both trade areas have a significant share of households classified as high-spending ESRI Tapestry "Trendsetter" and "City Highlights" households. The absolute number of households increases significantly due to the population density within a 10-minute drive for both of these. A significant change comes with difference between the third largest consumer segment within the Primary area is comprised of the more 1,026 frugal "Retirement Communities" households whereby the Secondary area shifts to 13,754 higher spending "Laptops and Lattes" households.

**Table of Household Spending Habits**

<b>ESRI TAPESTRY DEMOGRAPHICS ON HOUSEHOLD SPENDING HABITS</b>		
	<b>PRIMARY-LOCAL 15 MINUTE WALK</b>	<b>SECONDARY-REGIONAL 10 MINUTE DRIVE</b>
Households by Income	Largest group: 19% of 6,100 households \$100,000 to \$149,999	Largest group: 18% of 88,400 households \$100,000 to \$149,999
Median Disposable Income	\$54,467	\$55,049
	34% or <b>2,095 households</b>	18% or <b>15,510 households</b>
	<b>“City Highlights” – Segment 8A</b>	
	<i>“...take advantage of opportunities presented by life in the city. They buy household furnishings, groceries (including fast food and takeout), personal goods, and entertainment. They shop...at Macy’s, the Disney Store, Gap and BJ’s Wholesale Club... and groceries at Pathmark and A&amp;P...”</i>	
	20% or 1,236 households	<b>25% or 22,531 households</b>
	<b>“Trendsetters” – Segment 3C</b>	
ESRI Tapestry Household Spending Habits	<i>“...are spenders... Fashion-conscious residents shop for essentials at discount and warehouse stores but buy branded apparel at... Banana Republic, Nordstrom, Macy’s and Gap...”</i>	
	<b>17% or 1,026 households</b>	<b>16% or 13,754 households</b>
	<b>“Retirement Communities” – Segment 9E</b>	<b>“Laptops and Lattes” – Segment 3A</b>
	<i>“...they eat at family restaurants and steakhouses including Ponderosa, Big Boy, and Bakers Square. For fast food, they prefer Checkers. Their favorite department store is T.J. Maxx...”</i>	<i>“...This is the top market for owning an iPod...laptop...uses laundromats and dry cleaners frequently. Their favorite department store in Banana Republic... and spend their leisure time going to movies, dance performances, concerts, bars, nightclubs... They dine out frequently...”</i>

## TOTAL POTENTIAL RETAIL SQUARE FOOTAGE - HOUSEHOLD SUPPORTABLE

MAPC Downtown and Mixed-Oriented Retail Uses Selected from ESRI NAICS Codes	NAICS	PRIMARY TRADE AREA - HYPER-LOCAL 5-MINUTE WALK				PRIMARY TRADE AREA - LOCAL 15-MINUTE WALK <i>(this is cumulative of the hyper-local subarea)</i>			
		Retail Gap Sales Dollars	Supportable Square Feet	Capture Rate 10%	Number of Stores	Retail Gap Sales Dollars	Supportable Square Feet	Capture Rate 10%	Number of Stores
<b>Furniture &amp; Home Furnishings Stores</b>									
Furniture	4421	\$45,574	203	20	0.0	\$2,936,498	13,051	1,305	0.3
Home Furnishings	4422	\$485,383	2,427	243	0.1	\$2,857,863	14,289	1,429	0.7
<b>Electronics &amp; Appliance Stores</b>	<b>443</b>	<b>\$1,518,353</b>	<b>6,748</b>	<b>675</b>	<b>0.1</b>	<b>\$11,069,294</b>	<b>49,197</b>	<b>4,920</b>	<b>0.9</b>
<b>Building Materials, Garden Equip. &amp; Supply</b>									
Bldg. material & Supply Dealers	4441	\$591,606	3,944	394	0.0	\$5,791,396	38,609	3,861	0.4
Lawn & Garden Equip & Supply Stores	4442	\$154,048	833	83	0.0	\$1,009,608	5,457	546	0.1
<b>Food &amp; Beverage Stores</b>									
Grocery	4451	\$5,085,426	14,126	1,413	0.1	\$34,174,514	94,929	9,493	0.4
Specialty Food Stores	4452	\$555,983	1,544	154	0.1	\$3,318,598	9,218	922	0.5
Beer Wine and Liquor	4453	\$653,098	1,814	181	0.1	(\$131,436,196)		0	0.0
<b>Health and Personal Care</b>	<b>446,4461</b>	<b>(\$2,623,842)</b>		<b>0</b>	<b>0.0</b>	<b>\$2,506,886</b>	<b>6,267</b>	<b>627</b>	<b>0.0</b>
<b>Clothing &amp; Clothing Accessories</b>									
Clothing	4481	\$1,407,775	7,039	704	0.4	\$10,526,045	52,630	5,263	2.6
Shoe	4482	\$337,349	1,874	187	0.1	\$1,751,316	9,730	973	0.5
Jewelry , Luggage and Leather Goods	4483	(\$124,034)		0	0.0	\$1,945,218	4,371	437	0.2
<b>Sporting Goods, Hobby, Book and Music Stores</b>									
Sporting Goods, Hobby, Musical Instruments	4511	(\$406,121)		0	0.0	\$3,645,693	19,188	1,919	0.4
Book, Periodical and Music Stores	4512	\$170,495	1,176	118	0.0	\$472,109	3,256	326	0.1
<b>Miscellaneous Store Retailers</b>									
Florists	4531	(\$90,650)		0	0.0	(\$7,276)		0	0.0
Office Supplies	4532	(\$82,607)		0	0.0	\$1,284,330	9,174	917	0.2
Used Merchandise	4533	\$151,218	1,008	101	0.1	\$1,025,856	6,839	684	0.3
Other	4539	\$201,257	1,006	101	0.1	(\$1,730,500)		0	0.0
<b>Food Services &amp; Drinking Places</b>									
Full Service Restaurants	7221	(\$1,433,492)		0	0.0	\$6,260,022	20,867	2,087	0.7
Limited Service Eating Places	7222	(\$554,478)		0	0.0	\$4,650,927	16,610	1,661	0.8
Special Food Services	7223	(\$190,607)		0	0.0	\$180,285	644	64	0.0
Drinking Places - Alcoholic Beverages	7224	\$110,060	306	31	0.0	\$754,607	2,096	210	0.1
<b>TOTAL POTENTIAL RETAIL SQUARE FOOTAGE - HOUSEHOLD SUPPORTABLE</b>			Supportable Retail SF	Capture Rate 10%	Number of Stores		Supportable Square Feet	Capture Rate 10%	Number of Stores
		Total	44,048	4,405	1.1	Total	376,424	37,642	9.4
		Retail	26,258	2,626	0.9	Retail	232,059	23,206	6.9
		Food & Drink	17,790	1,779	0.2	Food & Drink	144,365	14,436	2.5

Sources: (a) Esri and Infogroup. Retail MarketPlace 2016 Release 1 (2015 data in 2016 geography); and (b) MAPC Select Retail Uses and Store Size/Sales Data

### POTENTIAL RETAIL SQUARE FOOTAGE: HOUSEHOLD-SUPPORTABLE

MAPC uses a conservative capture rate to analyze the retail gap and understand the potential for additional establishments. This capture rate acknowledges that any single retail district will never be able to re-capture the full amount of retail leakage. Competition from regional shopping areas such as Davis Square, the Meadow Glen Mall, Fellsway Plaza, Assembly Square, The Shops at

Station Landing, and the Gateway Center in Everett, and online shopping will always draw business away from the study area. When analyzing the market potential within the primary trade area, MAPC uses a 10% capture rate. When looking at market potential within the secondary trade area, MAPC uses a lower 5% capture rate. Using this methodology, the market within a ten minute drive time of the study area could likely support the industries detailed below in the table.

It is important to note that the data below is not a prediction for what will occur in Medford Square study area, rather it is an opportunity or estimate of retail space that could be supported based on the retail gap analysis figure, average sales per square foot of different store types, average store sizes in downtown areas, and an estimated spending capture within each trade area.

<b>POTENTIAL HOUSEHOLD SUPPORTABLE RETAIL SQUARE FOOTAGE</b>			
<b>Trade Area</b>	<b>Supportable Square Footage</b>	<b>Total Average # of Establishments (cumulative)</b>	<b>Predominant Types</b>
Hyper-Local Trade Area (5-minute walk time)	4,405	1	Retail (non-food/beverage)
Primary Local Trade Area (15-minute walk time)	37,642	9	2 Clothing Stores 1 Full Service Restaurant 1 Limited Service Restaurant 1 Home Furnishings Store 1 Electronics Store
Secondary Regional Trade Area (10-Minute Drive Time)	47,753	14	5 Limited Service Restaurants

Source: ESRI Business Analyst, and MAPC

The primary/local trade area which covers the area within a fifteen-minute walk can potentially support almost 38,000 square feet of retail space or approximately 9 storefronts. The market within the secondary/regional trade area is more encouraging and could support additional opportunities if the City can leverage strategies recommended in the Master Plan to mitigate local challenges such as the high volume of regional traffic that bisects Medford Square into separate pedestrian areas. Overcoming this and other obstacles can help make the square attract regional businesses. The expansion of the market area to include a secondary regional trade area could potentially support a cumulative total of 48,000 square feet of retail space including up to 14 storefronts for 2 clothing stores, 4 limited service restaurants, 1 home furnishings store, 1 electronics stores, and 1 full service restaurant.

When considering a strategy for attracting new retail establishments to a particular area, the City and Chamber of Commerce should consider factors such as: availability and quality of the retail space, size of the spaces available, location of the space and pass-by traffic or foot traffic, rents and terms, parking- availability and location, product or service price points, marketing, business plan and acumen, infrastructure capacity, zoning and regulatory obstacles, and permitting and inspection processes.

Although the potential exists for more retail, based on support from the numbers from the secondary trade area, the amount captured may be less, dependent on the above factors.

**POTENTIAL RETAIL SQUARE FOOTAGE: WORKER-SUPPORTABLE**

In addition to examining the potential supportable retail within the trade areas based on residential demand, MAPC used ESRI Business Analyst information to determine the potential for local workers to support retail during their lunch hour and commutes to and from work. As shown in Table 3, there are 4,600 workers employed within a 10-minute walk, and an additional 9,300 workers within a 5-minute drive beyond the 10-minute walk in the secondary trade area. These are the number of workers that are assumed could be captured by the trade areas to support additional retail square footage given optimal conditions for attracting new business development and attracting customers. Given closer proximity, the assumption for the primary trade area was a higher capture rate of 20% of the total 4,600 workers, and a lower 5% capture rate of the additional 9,300 workers within an additional 5-minute drive that forms the limit of the secondary trade area. Assuming these workers would respectively spend a conservative \$20 and \$10 a week on food and convenience, it was estimated that a total of 2 food and convenience stores totaling 4,400-SF could be supported by workers. This figure is in addition to the 14 potential retail establishments that could be supported by residential demand.

<b>POTENTIAL WORKER SUPPORTABLE RETAIL SQUARE FOOTAGE</b>				
	<b>Local Worker Spending</b>		<b>Potential Supportable Retail</b>	
	<b>Number of Workers</b>	<b>Annual Spending (estimated)</b>	<b>Square Footage Retail</b>	<b>Number of Supportable Stores</b>
Workers within Primary Trade Area				
• 10-minute walk	4,648	\$966,784	3,516	1.4
• 20% capture assumption				
Additional Workers within Secondary Trade Area				
• 5-minute drive	9,291	\$241,566	878	0.4
• beyond 10-minute walk				
• 5% capture assumption				
<b>Total</b>	<b>13,939</b>	<b>\$1,208,350</b>	<b>4,394</b>	<b>2</b>

Sources: (a) 2016 Infogroup, Inc., and ESRI Total Residential Population forecasts for 2016; and (b) MAPC local workers spending assumptions

*Assumptions:*

- 20% worker capture within primary trade area. \$20/week spending per employee, primarily on food and convenience.
- 5% worker capture within secondary trade area. \$10/week spending per employee primarily on food and convenience.
- Average sales per square foot for food and convenience of \$275, and average store size of 2,500-SF



## Housing Market Analysis

### INTRODUCTION

Fundamental to the shared vision for Medford Square articulated in the introduction is increasing the number of attractive uses and activities in Medford Square that contribute to vibrancy and the strengthening of Medford Square as a destination within the City. The most effective way to directly address these fundamental needs is through mixed-use redevelopment, specifically retail and residential mixed-use redevelopment. Adding households within the local and hyper-local trade areas will strengthen the economic support for local businesses and both leverage and reinforce the walkability of the district and surrounding neighborhoods. The addition of upper floor residential uses directly in the district provides the greatest potential for local household spending to support ground-floor shops, restaurants, and services, while contributing to activity on sidewalks and in district open spaces. This section addresses the market potential and context for residential uses that may be a part of mixed-use redevelopment in Medford Square.

The following housing market analysis for the Medford Square study area is comprised of five components that were examined in order to conservatively assess the potential to support additional residential units in Medford Square. The first component is examining the context of housing in the City of Medford via the housing stock and vacancy rate. The second component examines the development pipeline historically and in recent years for the rate of the production of housing in the City. The third component examines the context of rents and home sales that are part of the housing market today. The fourth component is an examination of the subsidized housing inventory of the City. The fifth component incorporates many of these factors with projections for future housing unit demand for the City of Medford and Medford Square.

### HOUSING PATTERNS AND CONTEXT

To begin examining the context of housing demand for Medford Square, it is useful to understand the larger context of the housing stock in the City of Medford. Nearly half of Medford's housing stock consists of single-family homes. More than a third are units in small multifamily structures of 2-4 units. There are very few units in multifamily developments of medium scale. However, 12% of housing units are in large structures with 50 or more housing units. These include many deed-restricted affordable housing units recorded on the state's Subsidized Housing Inventory, as discussed below.

Of the city's housing units, only 1,078, or less than 5% are vacant, indicating a very tight housing market with little opportunity for residents to move within Medford or new households to move in. Medford's housing stock is fairly even split among ownership and rental units. Of occupied housing units, more than half (56%) are owner-occupied while 44% are renter-occupied.<sup>1</sup>

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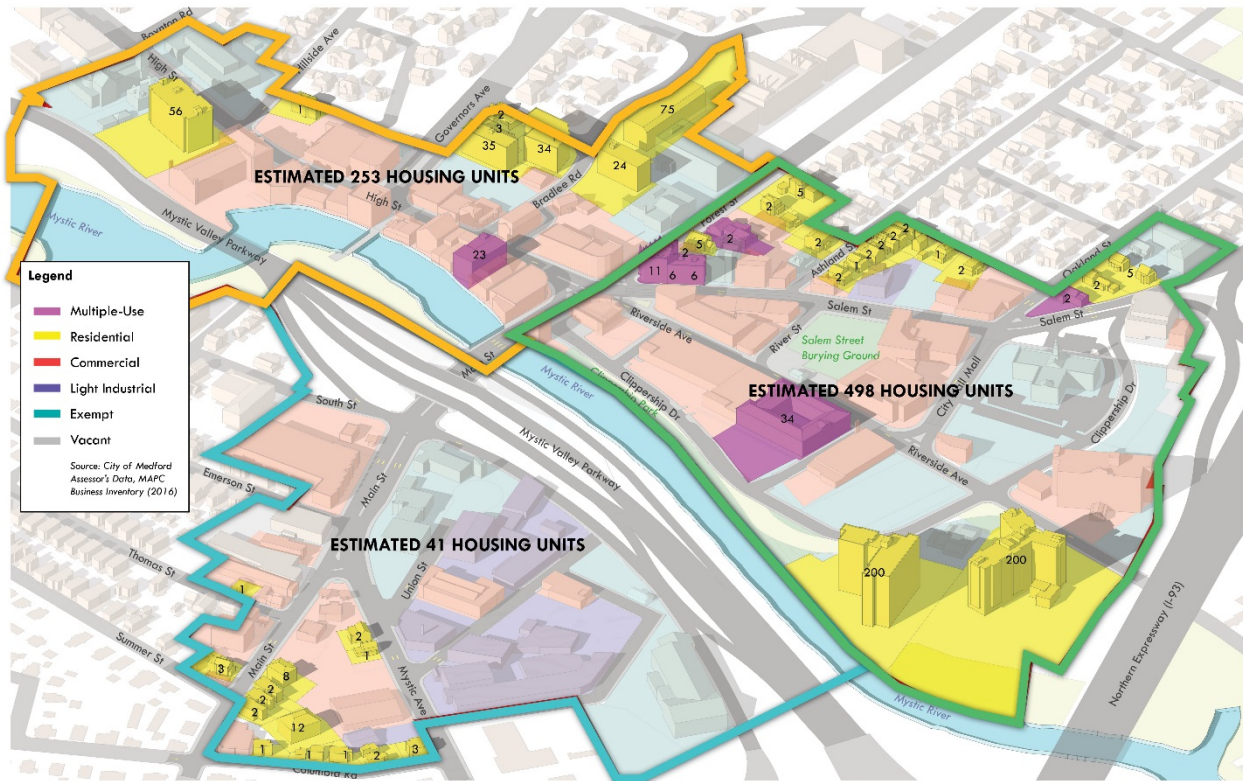
<sup>1</sup> American Community Survey, 2011-2015.

### Housing by Type, Medford

Number of Units in Structure	Number of Units	% of Housing Stock
1 unit	10,589	46%
2-4 Units	7,640	33%
5-9 Units	624	3%
10-19 units	520	2%
20-49 units	1,033	4%
50 or more units	2,772	12%
Other	29	0%
<b>Total</b>	<b>23,207</b>	<b>100%</b>

Source: American Community Survey, 2011-2015

The housing patterns for Medford Square are depicted in the figure below with existing housing distributed throughout the square. Medford Square currently includes a mix of single-family homes, smaller multi-family structures and large structures with 50 or more housing units. Several of these residential buildings are mixed-use with ground floor retail space.





## DEVELOPMENT PIPELINE

The age of Medford's housing stock and the types of more recent housing development that has recently occurred points to trends that are important to our understanding of the future market. More than half of Medford's housing stock was built prior to 1940. Older housing like this often lacks efficient heating systems or other energy efficiencies and may have code compliance issues having been built well before considerations like accessibility entered into building codes. Consequently, monthly utility and maintenance costs tend to be higher than for newer housing, which impacts their affordability for both owners and renters.

<b>Housing Units by Year Built, Medford</b>		
<b>Year Unit was Built</b>	<b>Number of Units</b>	<b>% of Housing Stock</b>
1939 and earlier	12,897	58%
1940-59	3,076	14%
1960-79	2,556	12%
1980-99	2,111	10%
2000-2009	1,374	6%
2010 or later	115	1%
<b>Total</b>	<b>22,129</b>	<b>100%</b>

Source: American Community Survey, 2011-2015

Since 2000, the City's housing supply has increased by about 1,500 dwelling units. The vast majority of these are in multifamily housing: 1,178 units. Though this is a notable number of new units, citywide production has slowed in recent years; more than 2,000 units were produced in each two-decade period since 1960.

For a better understanding of the scale of recent development in Medford, MAPC's MassBuilds database itemizes new multifamily housing. This online inventory of development across the state is recorded by users including analysts, planners, community advocates, and real estate developers. As such, it does not capture all new development, but it is a good indication of market trends.

According to MassBuilds data from 2007 to 2016, several projects of scale were completed in Medford, with several others currently proposed. Almost a third of the 30 projects listed are residential or mixed-use development. Most of these projects range in scale from 8 to 40 units, though 2 are much larger: a 200-plus-unit project and a nearly 600-unit project. Two projects include a number of single-family homes in combination with multifamily development. A sample of these recent residential development projects is listed in the table below.

## Recent Residential Development, Medford

Address	Development Type	Year Completed	Single-Family	Multifamily	Total Housing Units
118-142 4th St.	Mixed-Use	2009	2	20	22
22 Benmor St.	Residential	2010	0	8	8
122 Holton St.	Residential	2010	0	8	8
42-98 Amaranth Ave.	Residential	2010	0	41	41
160 Playstead Rd.	Residential	2010	2	8	10
68 Central Ave.	Residential	2010	0	20	20
100 Rivers Edge Dr.	Residential	2010	0	222	222
67 Station Landing	Mixed-Use	2010	0	595	595
360 Charles St.	Residential	2010	0	12	12

Source: MassBuilds, accessed January 23, 2017

## MARKET RENTS

Residential development occurs within a larger context of demand within the Greater Boston region with the context of rents factoring heavily into demand and development potential. Compared to neighboring communities, rents in Medford are towards the middle based on recent listings. Of units listed between November 2015 and May 2016, the median rental rate was \$2,200.<sup>2</sup> Rents for Medford and surrounding municipalities, including Arlington, Cambridge, Malden, Melrose<sup>3</sup>, Somerville, Stoneham, Watertown, and Winchester, ranged from just over \$1,500 to \$2,600.

### Median Rents in Medford & Comparison Municipalities, 2016

	Median Rent	1 BR	2 BR	3 BR	4 BR
Arlington	\$2,075	\$1,600	\$2,095	\$2,795	\$2,795
Cambridge	\$2,600	\$2,200	\$2,800	\$3,500	\$4,400
Malden	\$1,895	\$1,667	\$2,050	\$2,295	\$2,600
<b>Medford</b>	<b>\$2,200</b>	<b>\$1,744</b>	<b>\$1,992</b>	<b>\$2,421</b>	<b>\$3,227</b>
Melrose	\$2,120	\$2,080	\$2,563	\$3,350	\$2,500
Somerville	\$2,450	\$1,900	\$2,300	\$2,950	\$3,800
Stoneham	\$1,525	\$1,375	\$1,738	\$2,100	\$2,500
Watertown	\$2,250	\$1,900	\$2,100	\$2,500	\$3,100
Winchester	\$2,400	\$1,575	\$2,300	\$2,800	\$4,250

Source: MAPC Rental Listings Database

<sup>2</sup> MAPC Rental Listings Database: data collected from Padmapper and Craigslist between November 1, 2015, and May 31, 2016. Listed rental prices were adjusted for the bimonthly Consumer Price Index for the Boston-Brockton-Nashua, MA-NH-ME-CT area. Advertised listing prices do not necessarily reflect the final negotiated rent price in the lease.

<sup>3</sup> The 4 bedroom (4BR) figure for Melrose may be inaccurate, given its inconsistency with the general pattern that rent increases with each additional bedroom

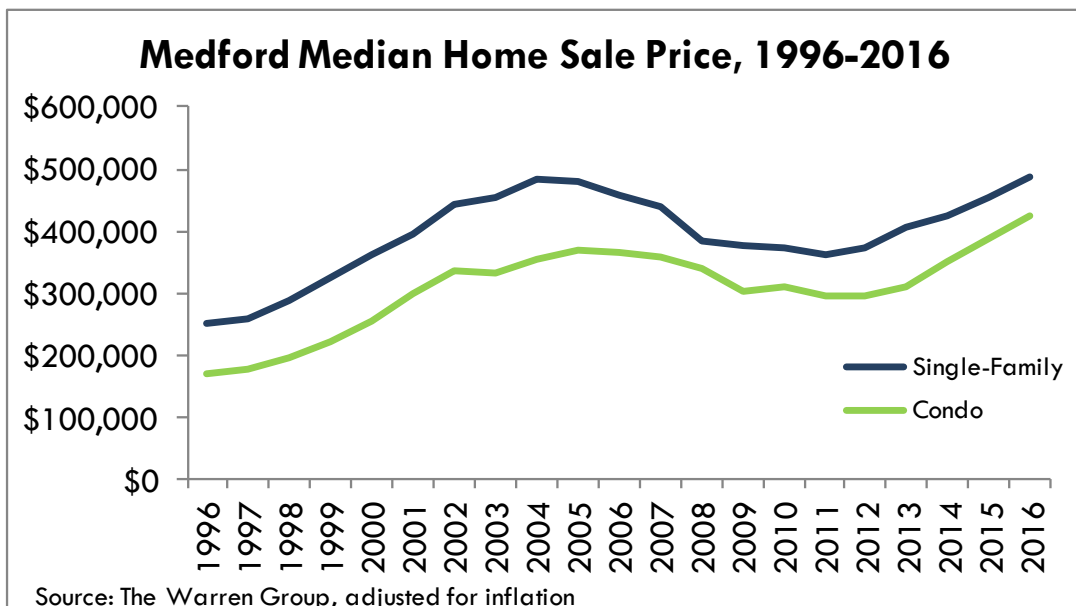
Though Cambridge, Somerville, and Winchester have notably higher market rental rates, Medford's median rents are consistently higher than fair market rents (FMR) established by the US Department of Housing and Urban Development (HUD) for the Boston metropolitan statistical area. Compared to the 2016 FMR's and even the increased FMR's for 2017, Medford median rents are higher for all unit sizes.

<b>Fair Market Rents, FY2017, Boston-Cambridge-Quincy, MA-NH HUD MSA</b>					
<b>FY</b>	<b>Studio</b>	<b>1 BR</b>	<b>2 BR</b>	<b>3 BR</b>	<b>4 BR</b>
2017	\$1,194	\$1,372	\$1,691	\$2,116	\$2,331
2016	\$1,056	\$1,261	\$1,567	\$1,945	\$2,148
Percent Change	13.1%	8.8%	7.9%	8.8%	8.5%

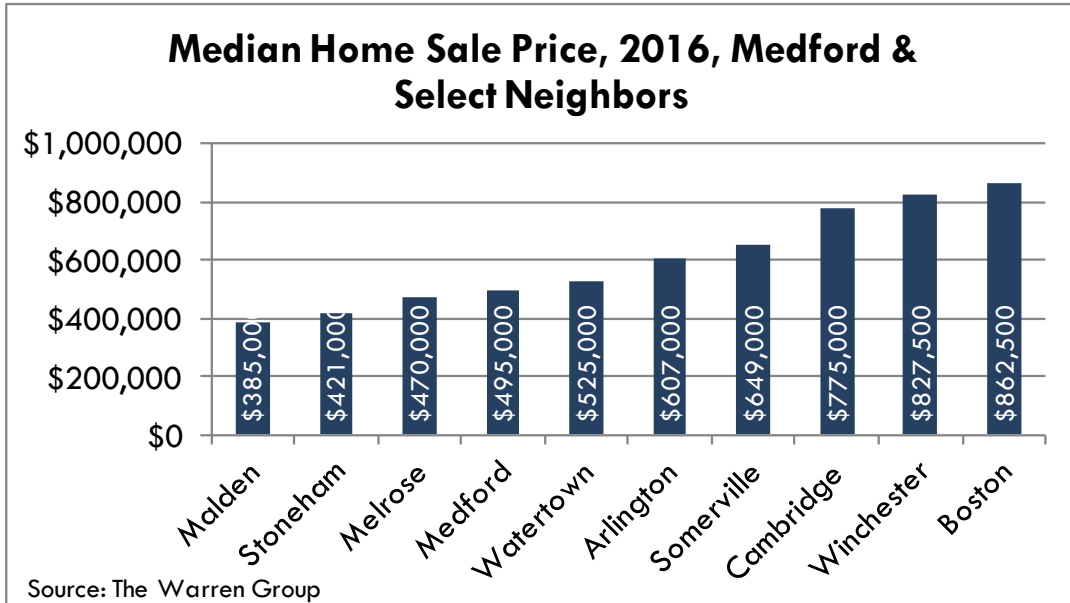
Source: HUD

## HOME SALES

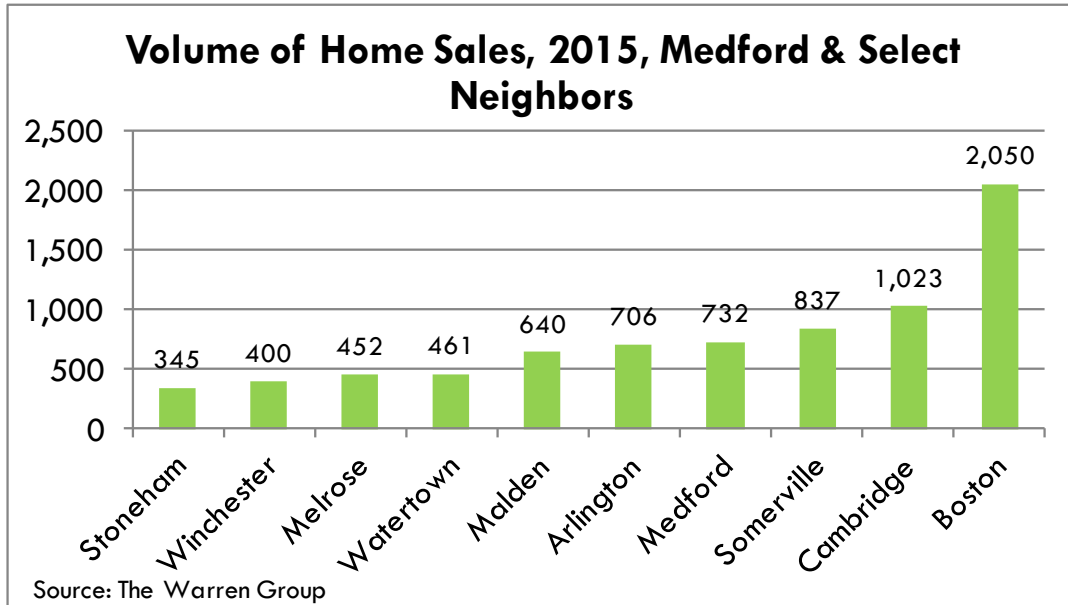
Along with market rents, home sales figures also indicate the residential demand and development potential for new housing. Data on home sales over the ten-year period between 1996 and 2016 show that home prices in Medford have increased significantly in recent history, matching the Greater Boston region trends. During that time period, the median price of a Medford home increased 108% from \$237,786. Though the Medford market dipped beginning in 2005, as in most places in the Greater Boston region and beyond during the recession, today's median sale price (\$495,000 in 2016) exceeds even the pre-recession peak (\$490,247 in 2004).



Nevertheless, the median price of a home in Medford is lower than in many neighboring communities. Watertown, Arlington, Somerville, Cambridge, Winchester, and Boston have median home sale prices ranging from more than \$500,000 to more than \$850,000. Malden, Stoneham, and Melrose, however, have lower median home prices than Medford, ranging from \$385,000 to \$470,000.



During 2015, there were 732 home sales in Medford. The city had a higher sales volume than many of its neighbors, though large cities including Somerville, Cambridge, and Boston surpassed Medford. Paired with the increased cost of housing, Medford's sales volume indicates a healthy market with high demand for housing.



In Medford, few units are vacant at any given time. According to 5-year American Community Survey estimates for 2015, Medford has a vacancy rate of 4.6%. A rate below 5% indicates a very tight housing market with limited opportunity for residents to move within the community or for new households to move into housing.<sup>4</sup>

#### **SUBSIDIZED HOUSING INVENTORY**

Rising rents and home sales as well as low vacancy rates all highlight the need to understand the context of affordable housing in Medford. According to the 2010 year-round Census, there are 23,968 year-round housing units in Medford. Of those, 1,695 are deed-restricted affordable units listed on the MA Department of Housing and Community Development's (DHCD) Subsidized Housing Inventory (SHI). This rate of 7.07% represents vital housing stock to low-income residents and the city as a whole. However, it is less than the goal of 10%, the state has set for each community.

The vast majority of SHI units in Medford are rentals: 1,667, or 98% of the total. There are several ownership projects, but they're all small in scale, with none larger than eight units.

Of these units, 730 (30% of the total) are at risk of expiring between now and the year 2054, with many set to expire much sooner (200 are currently at risk, 465 in 2019, 16 in 2022, and 35 in 2023). These at-risk units should be preserved in order to continue to meet local need for affordable housing. Notably, this robust supply of affordable housing was not primarily produced through M.G.L. Chapter 40B. Only six small projects constituting 34 units were built with comprehensive permits. Affordable and senior housing developments are part of the Medford Square Study Area.

<sup>4</sup> A housing unit is considered "vacant" if any of the following applies: no one is living in it at the time of the interview, unless its occupants are only temporarily absent; occupants have a usual residence elsewhere; or construction on a new unit has reached a point where all exterior windows and doors are installed and final usable floors are in place.

### Subsidized Housing Inventory, Medford, 2016

	Units (Projects)	Percent of SHI units
SHI	1,695 (33)	7.07%*
Census 2010 Housing Units	23,968	-
Limited Term Affordability	730 (10)	43.07%
Perpetuity	965 (23)	56.93%
Ownership	27 (11)	1.59%
Rental	1,667 (21)	98.35%
Comp Permit	34 (6)	2.01%

Source: DHCD, 11/21/16. \*Percent of year-round housing.

### HOUSING UNIT DEMAND

Understanding this context of housing in the City of Medford and the Greater Boston region informs the assessment of housing unit demand for the City and the potential for housing growth in Medford Square specifically. Additional analysis is based on how changing trends in births, deaths, migration, and housing occupancy might result in higher population growth and greater housing demand. Based on this analysis, MAPC projects there will be demand for an additional 1,465 housing units in the City of Medford between 2010 and 2020. While the calculations to arrive at this projection produce an exact figure, it is impossible to predict exactly how many units would need to be produced to meet demand. This demand is best expressed as an order of magnitude range of about 1,400 to 1,500 housing units. Nearly two-thirds of these units are projected to be in multifamily housing development – approximately 476 rental and 512 ownership units. Demand for single-family housing is also projected, though significantly less: approximately 543 ownership units. Meanwhile, there is an excess of 66 single-family rental units, which may be taken off the rental market and sold to thereby meet demand for single-family ownership units.

Because markets cross municipal boundaries, this analysis considers Medford's potential housing demand within a regional context of residential supply and demand. A community may experience more or less market demand depending on what is happening in surrounding communities, and whether they are producing or not producing housing. For example, if a Medford neighbor is producing housing at a rate that exceeds demand, then that city may capture some of the demand for housing in Medford. The housing markets that might compete with Medford in attracting residents include the following eight municipalities: Arlington, Boston, Cambridge, Malden, Melrose, Somerville, Stoneham, and Winchester.

**Net Housing Demand by Tenure and Housing Type, 2010-2020, Medford & Select Neighbors**

Municipality	Housing Type & Tenure				Net Demand
	MF-Own	MF-Rent	SF-Own	SF-Rent	
Boston	7,496	16,187	3,470	-452	26,701
Somerville	1,082	2,159	812	33	4,086
Cambridge	1,040	1,753	472	-92	3,173
Malden	630	1,306	729	-23	2,642
<b>Medford</b>	<b>512</b>	<b>476</b>	<b>543</b>	<b>-66</b>	<b>1,465</b>
Arlington	270	266	280	-74	742
Melrose	141	179	288	-49	559
Winchester	94	112	152	-36	322
Stoneham	109	70	111	-48	242
<b>Total</b>	<b>11,374</b>	<b>22,508</b>	<b>6,857</b>	<b>-807</b>	<b>39,932</b>

Source: MAPC Stronger Region Housing Demand Projections, 2020

According to the Census Building Permit Survey, Medford issued 22 residential permits—10 for single-family homes and 12 for units in multifamily development—between 2010 and 2014.

**Residential Permits Issued, 2010-2014, Medford & Select Neighbors**

	Single-Family	Multi-Family	Total
Boston	178	8,136	8,314
Cambridge	102	1,642	1,744
Arlington	23	398	421
Winchester	174	9	183
Melrose	39	135	174
Stoneham	53	4	57
Malden	29	14	43
<b>Medford</b>	<b>10</b>	<b>12</b>	<b>22</b>
Somerville	1	0	1
<b>Total</b>	<b>609</b>	<b>10,350</b>	<b>10,959</b>

Source: Census Building Permit Survey. Note: This data is self-reported.

According to this data, which is self-reported and therefore likely under-reported (as in Somerville's case), the study area met 27% of projected housing demand for 2020 over the 4 years between 2010 and 2014. This leaves unmet demand for an additional 28,877 housing units. On its own, Medford met approximately 2% of projected local housing demand during this period. Going forward, the city would need to add an additional 1,443 housing units to meet projected demand for 2020. Again, the market indicates a strong demand for multi-family units.

### Unmet Demand, 2014-2020, Medford & Select Neighbors

Municipality	Multi-Family	Single-Family	Unmet Demand
Boston	15,547	2,840	18,387
Somerville	3,241	844	4,085
Cambridge	1,151	278	1,429
Malden	1,922	677	2,599
<b>Medford</b>	<b>976</b>	<b>467</b>	<b>1,443</b>
Arlington	138	183	321
Melrose	185	104	289
Winchester	197	-58	139
Stoneham	175	10	185
<b>Total</b>	<b>23,532</b>	<b>5,345</b>	<b>28,877</b>

Source: MAPC Stronger Region Housing Demand Projections, 2020; Census Building Permit Survey, 2010-2014

This additional 1,443 housing units to meet projected demand for 2020 is citywide for Medford. Medford Square will not be the location for much of this housing, nor could Medford Square alone likely accommodate this many units without a significant change to its existing and historic building patterns, which is not reflected in the shared community vision. However, if Medford Square were to capture one quarter of this projected demand that would result in approximately 360 new housing units for Medford Square. This appears both reasonable and realistic. While it may not be all of the future housing that could be part of a vibrant Medford Square, it would be a great start in meeting housing demand in this location. Particularly, if these units were produced within the timeframe of the projected demand, the year 2020. If a larger share of this projected demand is desired to be targeted for Medford Square, large scale residential redevelopment absorbing demand in other parts of the City may make it difficult to achieve. The parcels in the figure below identified in blue are the most viable redevelopment opportunities in Medford Square. These parcels combined could accommodate many more units than the 360 units calculated above. Development patterns throughout the Greater Boston region have indicated a preference for the type of mixed use and walkable location that Medford Square provides, this would provide a competitive advantage to support the lease or sale of new housing units produced in Medford Square.





## Commercial Market Analysis

Based on the community vision that has been expressed, the existing business inventory, the dimensional characteristics of properties in Medford Square and the context for commercial uses, the pursuit of new commercial uses as a focused strategy for Medford Square does not appear to be supported. In fact the addition of more commercial space would increase an imbalance in the mix of business types that is an issue in the Square today. The continued use of upper story spaces for small commercial enterprises will likely continue to be viable in Medford Square, but the expansion of larger scale commercial development is not a strong complement to the strengths and characteristics of Medford Square. The market appears strongest for residential growth and a limited number of additional retail and restaurant establishments.

### EXISTING BUSINESS INVENTORY

MAPC performed an inventory of existing businesses in the Medford Square Study Area during July and August of 2016. This inventory included all ground floor and upper floor retail and commercial businesses. The full catalog of businesses and locations of businesses can be found in the Existing Conditions Memorandum for this Master Plan process. In addition to better understanding the full complement of businesses in Medford Square, one of the great benefits of the business inventory is defining an accurate understanding of the existing business mix in the Square. Anecdotally, the planning team heard that there was no reason to linger, shop or browse storefronts in the Square. This type of comment is very consistent with the results of the existing business mix analysis.

All of the existing business inventory information was classified among (6) six categories of business establishments, including Shoppers Goods, Convenience Goods, Food Service, Personal Services, Professional Services, and Vacant. This classification of existing Medford Square businesses was compared to a typical range of distribution of business types in a successful center. The typical range of distribution has been established using best practice data from both the Urban Land Institute and Nielson Retail Data, combined with MAPC's experience with cities and towns in the Boston metropolitan region. This comparison shows an imbalance in the types of uses that exist in Medford Square – overrepresented by Personal Service and Professional Service categories. An increase in commercial and service uses would further skew the existing imbalance and do little to reinforce Medford Square as a civic and walkable destination for the City.

### COMMERCIAL MARKET CONTEXT

The commercial establishments most strongly represented in Medford Square reflect many of the most common industries in the City of Medford, including Professional, scientific, and technical services, Health care, Finance and insurance, and Accommodation and food services. The only industry strongly represented in the City, that does not have an equally strong presence in Medford Square is Educational services.

In regard to commercial activity, two areas represent a continued opportunity for Medford Square. One area in which Medford Square does have a distinct concentration of viable commercial uses is Medical Office uses. The Square includes the Harvard Vanguard offices, the Winchester Hospital Clinic, and other medical office and dental office uses distributed throughout the East, West and South subareas of the Square. Expansion of these uses on the sites they currently occupy would provide additional activity to the Square and better utilize the properties, many of which are currently 1 or 2-story buildings. This type of concentration of uses is already occurring in Medford Square and can be a commercial concentration that differentiates it from other nearby commercial centers.

Another area of commercial opportunity that would be consistent with the vision for Medford Square is the addition of coworking, or shared office space environments with common office amenities. These types of commercial spaces are ideal for entrepreneurs, startups, freelancers, and others and could add to the diversity and range of activity in Medford Square while adapting commercial space that may become available in the future. This type of commercial use can also increase the creative density that is present in Medford Square and that could embrace and add to the arts and cultural events, and growing number of restaurants. Another overlap with this type of commercial use is the addition of “third place” retail and restaurant establishments. In a community, the “third place” is a social setting which is physically separate from the home, “first place” and the workplace, “second place”. This may be public facilities such as the public library or plazas and parks in Medford Square, but it may also be private establishments such as a café, coffee shop or club. This type of retail or restaurant offering expands on the same notion of the coworking space, that it is an enterprise that can add to the diversity and range of activity in Medford Square while increasing the creative density of uses present there.



## Market Strategies

### RECRUIT TENANTS STRATEGICALLY

Each vacancy that occurs in Medford Square should be viewed as an opportunity to strategically rebalance the mix of establishments and uses. The default position for landlords and property owners cannot be to simply fill space as quickly as possible when vacancies occur. The City, the Chamber of Commerce and others should join in an effort to match available spaces with prospective Medford Square businesses in a strategic and targeted manner. In each subarea of Medford Square, the mix of businesses is imbalanced when compared to an ideal mix of downtown establishments typically in the range of Shopper's Goods 30-40%, Convenience Goods 20-30%, Food Service 10-20%, Personal Services 10-20%, Professional Services 10% and Vacant Storefronts 5%. In the City Hall Subarea, the mix is deficient in Shopper's Goods 6% and Convenience Goods 6% and most strongly overrepresented by personal services at 49%. In the High Street Subarea, this mix is deficient in Shopper's Goods 5% and Convenience Goods 5% and most strongly overrepresented by professional services at 41%. In the Main Street Subarea, this mix is deficient in Shopper's Goods 12%, Convenience Goods 15%, and Food Service 9% and most strongly overrepresented by professional services at 41%.

The retail gap analysis shows promise in improving these imbalances. The most predominant types of supportable retail – clothing stores, furnishing store, electronics store, full service restaurant, and limited service restaurants – would all help to alleviate the imbalance in each of the subareas. Additionally, while the range for Food Service falls within the ideal range for each of the three subareas, food service is not yet overrepresented and presents some of the largest opportunity for new establishments according to the retail gap analysis. This type of establishment is also very well aligned with the goals of strengthening the community anchors, such as the Chevalier Theatre, and embracing the arts and event activity in the Square by providing venues that support Medford Square as an entertainment destination. Each of the supportable retail uses would be further supported with greater housing supply in the Square and could help support an evolving mix of attractive businesses as new households are added within the local trade area.

### STRENGTHEN COMMUNITY ANCHORS

In addition to the considerations of private development and market context that have been evaluated in detail in this memorandum, Medford Square is also a civic center of the City and includes several significant municipal assets. Medford Square is very well-positioned as a civic city center that includes four geographically distributed community anchors and centers of activity. The community anchors include City Hall, the main City Library, the Chevalier Theatre, and the Police and Fire Headquarters. Each of the anchors is located in a different subarea of Medford Square and each provides a diverse civic destination and outlet for city services.

Investing in each of these community anchors should be a priority strategy to both reinforce positive activity in the Square, but also to help reinforce the importance of Medford Square

as a place for private investment. The relationship between these destinations and future private development investments could be strengthened by modeling the principles that should be upheld in Medford Square through investments in these facilities. Specifically by strengthening the transparency, visibility, interior and exterior connections, and community gathering places and resources in these community anchors.

Specific thoughts for each of the community anchors are included below. Medford City Hall is a community anchor and a gateway facility for Medford Square and the City. The City Hall Building is a historic and stately structure that has a strong and visible presence in East Medford Square. However, the area surrounding City Hall is almost entirely surface parking lots. While convenient vehicular access to City Hall is an important component of its functionality, the areas around the building could be better organized and reconsidered to better connect this community anchor to the vibrancy of public space in the Square. The Library would benefit from a renovation that increases the transparency and visibility of community activity on High Street and a stronger connection to and reinvention of the open space at the corner of High Street and Hillside Avenue. The Chevalier Theatre would benefit from an expansion of the sidewalk area in front of the building and strong pedestrian connections in the directions of the major parking resources in the area. The Police and Fire Headquarters would benefit from a substantial investment and reinvention as public safety facility that provides a transparent and visible presence on Main Street. The integration of community gathering spaces and other community resources in this reinvented facility would greatly benefit South Medford Square.

#### **ATTRACT RETAIL AND RESIDENTIAL MIXED USE REDEVELOPMENT**

While the market analysis for mixed-use redevelopment with retail and residential uses appears to hold promise, the scale of the opportunity in Medford Square is relatively modest. The number of available sites for redevelopment and the potential amount of new development needs to be balanced with the historic buildings and existing businesses that make the Square what it is today. This leaves relatively few opportunities for retail and residential mixed use development. This is not an issue. What is so exciting about Medford Square is how close it currently is to aligning with the community vision and ambitions for the Square. Private redevelopment investment in a few key locations would have a significant impact in boosting the attractiveness, vitality, and destination activities in the Square. The other exciting aspect of this strategy is that the key locations are controlled by the City of Medford and mostly occupy the area around City Hall in East Medford Square. This is all outlined in greater detail in the redevelopment memorandum. A focused mixed use development strategy could also be used to better balance the six categories of business development that are currently skewed toward personal and professional services.

#### **ENHANCE DISTRICT MANAGEMENT**

Because Medford Square is very close to functioning in alignment with the community vision, and the strategies and needs to close the gap to help Medford Square function better are very specific, a more unified and holistic approach to stewarding positive change is needed. This more unified and holistic approach could apply to the curation of the business mix and recruitment of specific small businesses, the improvement of landscape, sidewalk and building façade appearances, and supplementing City services for the maintenance of public spaces, or collection of trash, and the promotion, coordination and leveraging of district events. For this strategy, two district management structures appear to be the most

appropriate for providing this type of district organization and oversight in Medford Square. They include a Main Streets District or a Business Improvement District. Both management structure provides benefits and advantages and both would provide the type of district management that is missing in the Square today.

Main Street programs are locally organized, funded and operated. They are typically independent nonprofit organizations located in the community and usually affiliated with the City in which they operate. Main Street districts are typically initiated by a group of interested partners that will discuss goals, establish the organization, and raise money to hire a full-time Main Street director. The Main Street district is funded by local sources including City, Chamber of Commerce, business, and foundation support. A Main Streets District provides a structure for organizing a group of business and community leaders focused on revitalizing Medford Square. A Main Street district typically drives economic development by creating the support for businesses to thrive and development projects to succeed and be more consistent with the community vision. The Main Streets district can also be an organizer of district events and attractions, or coordinate and support events that already exist, and enhance the experience of visitors. It can provide financial incentives for business owners to improve facades and beautify properties, provide guidance and support for starting a business, and work with city officials to modify policies or ordinances as issues are identified with businesses.

A Business Improvement District (BID) can provide similar functions as a Main Street program, but has one significant difference. A Main Street district is funded through voluntary contributions with no guarantees for continued support, whereas a BID is a special assessment district with financial support built into the establishment of the district. A BID can be established under Massachusetts General Law Chapter 40O by petition signed by owners of at least 60% of the real property and at least 51% of the assessed valuation of the real property in the proposed district. The assessment is decided by participants in the district and is a common area fee levied on property in the district. A BID is authorized to perform a wide variety of management, administrative, marketing and economic development activities including district management, maintenance, promotion and marketing, business services, and capital and physical improvements.