

## SUPPORT ARLINGTON CENTER'S QUESTIONS FOR THE TOWN

Answers provided by Adam Chapdelaine, Town Manager and Jennifer Raitt, Director of Planning and Community Development

### Landlord questions and communications

1. What are the details of the fees for property owners who have empty storefronts?
  - a. *There are currently no municipal fees imposed by the Town of Arlington on property owners with vacant storefronts. The town is considering imposing a registration requirement for vacant commercial property with administrative fees and fines for non-compliance in the future. Warrant Article 6: Bylaw Amendment Vacant Storefront Registry will be discussed at Special Town Meeting on October 19, 2016. The warrant can be viewed here: <http://www.arlingtonma.gov/home/showdocument?id=31105>.*
2. What is the development plan for the three main landlords with the emptiest storefronts; do the landlords want to build up their physical space and that is the hold up from bringing in new businesses/having existing businesses leave?
  - a. *ACS Development Corporation (ACS), the owner of 311-321 Broadway is actively seeking tenants for 311 and 315 Broadway. The town has started the permitting process for Caffe Nero which will be moving into the former CVS space at 319 Broadway. A possible restaurant is in the process of signing on a lease at 315 Broadway.*

*The owner of 464-478 Mass. Ave. wants to lease his spaces to stable, long-term businesses that complement his existing tenants. He would like to see this happen quickly, but he is willing to wait to find the right types of tenants. This landlord is also willing to improve the façade of his storefronts to make maximize their marketability.*

*Diane Poulos Harpell, the owner of 448-452 and 454-460 Mass. Ave. says they are willing to rent to non-restaurant tenants on a monthly basis. The owner indicated that the spaces will be leased. Indication was made that at least one of the spaces will be filled soon. The owner did not provide any information about the prospective tenant. The prospective tenant has not filed any paperwork with the town.*

*Recent conversations with both ACS and Diane Poulos Harpell have been encouraging. Conversations with Diane Poulos Harpell seem to indicate interest in recent zoning changes that encourage mixed-use development; however it is uncertain how the property owner will proceed with any development project. ACS is actively working on filling spaces and did not express an immediate desire to redevelop their properties in Arlington Center to take advantage of recent zoning amendments that encourage mixed-use development in Business and Industrial zones.*

*The Department of Planning & Community Development has offered to assist all of these owners to develop plans to improve their properties in Arlington Center.*

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3. Tell us about your recent one-on-one landlord meetings, what was determined in the meetings and who did you meet with?
  - a. *The Town Manager, Director of Planning and Community Development and Economic Development Planner met with the owners of 448-452 and 454-460 Mass. Ave., 464-478 Mass. Ave and 311-321 Broadway. The owner of 311-321 Broadway is proceeding with plans to secure new tenants. The owner of 448-452 and 454-460 Mass. Ave. is not overly concerned with the large number of vacancies in her two buildings. The owner of 464-478 Mass. Ave. wants to lease his two vacant storefronts to stable businesses who will be long-term tenants. He is prepared to improve his storefronts to attract better tenants, but he is also prepared to wait to attract good businesses that complement his existing tenants.*
4. Have landlords violated any town rule/regulation?
  - a. *Currently the three landlords mentioned above with the most vacant spaces in Arlington Center do not have current violations for town laws, codes or regulations.*
5. How long has the town been watching the storefront situation, and what tactics have they tried to avoid for the current situation (to avoid duplicated dead ends)?
  - a. *Arlington's Department of Planning & Community Development has specifically monitored commercial vacancies and rents in Arlington since 2013. Before that, municipal staff periodically analyzed the vitality of Arlington's commercial districts. Town staff assisted local entrepreneurs and property owners to fill vacancies with new tenants and to make permitting of new businesses as efficient as possible.*
6. Have there been records/proof of the main three landlords with the emptiest property in Arlington Center, working with realtors or developers to upkeep and build out the storefronts?
  - a. *Beyond Building Permit data, there is no mechanism in place to record or report this type of information.*
7. Has the Town reached out to other towns, similar to Arlington, with ideas for improvements? Do they know of specific towns that have succeeded in turning things around?
  - a. *Since 1974 Arlington's Department of Planning & Community Development has constantly assessed how to improve the character of the town's three primary business districts, including Arlington Center. As part of this assessment, DPCD representatives regularly meet with nineteen other municipalities as part of the Inner Core Committee organized by the Metropolitan Area Planning Council. This committee regularly discusses economic development issues, strategies, and best practices. Additionally, staff have regular discussions with peers in the field with the intent of identifying appropriate solutions.*

### **Fine structure, taxes, lease and rules**

1. What can the Town do if landlords won't pay taxes; sometimes for years?

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- a. The Town of Arlington charges 14% interest per year on unpaid property taxes. Accounts delinquent at the end of the fiscal year (June 30<sup>th</sup>) have a tax lien placed on the property and recorded with the Middlesex County Registry of Deeds. A tax lien is the first step in the tax- title process. All taxes, costs and interest must be paid to prevent foreclosure.*
2. Are there tax breaks for businesses with empty storefronts?
  - a. The Town of Arlington does not provide formal tax breaks for property owners with vacant commercial storefronts.*
3. What is the fine structure for landlords and empty storefronts?
  - a. There are currently no municipal fees imposed by the Town of Arlington on property owners with vacant storefronts. The town is considering imposing a registration requirement for vacant commercial property with administrative fees and fines for non-compliance in the future. Warrant Article 6: Bylaw Amendment Vacant Storefront Registry will be discussed at Special Town Meeting on October 19, 2016. The warrant can be viewed here: <http://www.arlingtonma.gov/home/showdocument?id=31105>.*
4. What is the time frame and how can the Town prove the landlords are searching for vacancies?
  - a. There are currently no requirements imposed by the Town of Arlington on property owners with vacant storefronts to notify town officials of commercial vacancies. The Town is considering imposing a registration requirement for commercial properties that are vacant beyond a set amount of time (6-12 months) with administrative fees and fines for non-compliance. This proposal will be discussed as part of Special Town Meeting beginning on October 19<sup>th</sup>. Staff regularly communicates with the local Chamber of Commerce, realtors and property owners about commercial vacancies with the intent of identifying prospective tenants. Staff also monitors commercial vacancy listings to confirm leasing activity.*
5. What can Town officials do if landlords raise rents so high that tenants cannot stay?
  - a. There are currently no municipal or state regulations that limit rents in privately owned commercial property. However landlords that accept public funds to maintain or improve commercial property could hypothetically be required to control rents. The Town is considering imposing a registration requirement for vacant commercial property with administrative fees and fines for non-compliance in the future. This could indirectly impact commercial landlords who induce vacancies by raising rents in their properties.*
6. What leverage do Town officials have over landlords? For example, the Town now has a single tax rate for residents and for businesses. If the Town had a rate for businesses that was higher, couldn't officials then have some sway over businesses? They could offer a tax break in return for some benefit. Would officials consider a split tax rate?
  - a. The Town continues to research appropriate leverage, including fines and taxes, which could discourage vacancies.*

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7. How does the Town measure the impact and/or cost of an empty store?
  - a. *The Town of Arlington does not currently measure the impacts or costs associated with empty storefronts.*

### Inspections, development, community

1. When national chains consider moving to Arlington, does the Town provide feedback on the available space? For example, Starbucks renovated, was that at Starbucks discretion?
  - a. *The Planning Department does provide parties interested in leasing or owning commercial space in Arlington with all available market and property data to help them make their location decisions. National chain businesses generally work with landlords to make interior and exterior improvements to pre-set specifications in accordance with local and state development regulations. If such improvements require a Special Permit, the Town has more discretion to require certain upgrades be made or conditions be met. The Planning Department staffs the Redevelopment Board to ensure that projects requiring an Environmental Design Review Special Permit comply with municipal zoning standards and provide the most public benefits possible.*
2. Does the Town conduct regular inspections of all commercial properties for code violations or other public hazards? How about the vacant properties? People in the Arlington Community have heard many vacant properties are in very poor conditions.
  - a. *The Town has inspected all commercial properties, including vacant ones, and ensures that the spaces are code compliant.*
3. Can the Town do anything to make sure landlords have properly renovated / painted / kept up their buildings?
  - a. *The Inspectional Services and Health Departments can require owners of vacant property with building or sanitary code violations to make improvements that will bring said property into compliance, particularly if such violations present danger to public health and safety. The Historical and Historic District Commissions also respectively regulate buildings that are listed on the town's Register of Historic Places or are located in historic districts.*
4. Is there anything the Town can do to at least compel landlords to bring empty buildings up to code?
  - a. *The Department of Inspectional Services generally requires that empty buildings be brought up to current Building Code standards when they are renovated to accept new tenants. However, Inspectional Services and the Health Department can require remedial improvements to unoccupied structures with code violations that present a danger to public health and safety.*
5. Are the landlords solely responsible to pay for interior and exterior repairs and upkeep of their property? What if the landlord doesn't want to do interior and exterior repairs or cosmetic fixes

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– is that allowed/ legal or are they required to keep their property at a certain level of standard? Are there historical requirements or Town requirements for them to do so? Can the Town help subsidize the exterior upkeep of a building to attract and keep business?

- a. *Property owners are responsible for the upkeep of the interior and exterior of their properties. Property owners must be in compliance with State and local health, safety, and building codes, this includes exterior maintenance of the property. If a property is in a Historic District or is listed on the Town's Inventory of Architecturally and/or Historically Significant Properties, then exterior changes are reviewed by the Historical Commission or a Historic District Commission.*

*The Town's Community Development Block Grant (CDBG)- funded Storefront Enhancement Program provides small grants to commercial property owners or local businesses seeking to improve the exteriors of property. Preference is given to projects that restore original architectural details and preserve or highlight historic character and meet federal eligibility guidelines. In Arlington Center, the program assisted the owners of the Regent Theater property with exterior improvements.*