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#### City of Somerville

### **ZONING BOARD OF APPEALS**

City Hall 3rd Floor, 93 Highland Avenue, Somerville MA 02143

**TO:** Zoning Board of Appeals

**FROM:** PPZ Staff

**SUBJECT:** 56 Webster Avenue (ZP25-000025)

**POSTED:** May 9, 2025

**RECOMMENDATION:** Approve

Staff memos are used to communicate background information, analysis, responses to public comments, review of statutory requirements and other information from Planning, Preservation, & Zoning (PPZ) Staff to the Review Board members.

This memo summarizes the application submitted for 56 Webster Avenue, identifies any additional discretionary or administrative development review that is required by the Somerville Zoning Ordinance (SZO), and provides related analysis or feedback as necessary. The application was deemed complete on April 11, 2025, and is scheduled for a public hearing on May 14, 2025. Any staff recommended findings, conditions, and decisions in this memo are based on the information available to date prior to any public comment at the scheduled public hearing.

#### **LEGAL NOTICE**

Triad Alpha Partners, LLC seeks an extension of time on a previously granted special permit (ZBA #2008-65) and a modification to the conditions of its approval.

#### SUMMARY OF PROPOSAL

Triad Alpha Partners, LLC seeks an extension of time on a previously granted special permit, and further seeks to modify the conditions attached to the special permit to modify the timeframe for filing for zoning relief for the future redevelopment of the property.

Attached to this memo please find:

- Interoffice Memorandum from Catherine Lester Salchert, Special Counsel
- Mayor's Letter of Support

#### **BACKGROUND**

56 Webster Avenue is located in the 0.25mi Transit Area in the Mid-Rise 6 (MR6) zoning district and the Union Square sub-area of the Master Planned Development Overlay in the Union Square neighborhood represented by Ward 2 Councilor Jefferson Thomas (J.T.) Scott.

On August 19, 2009, the Zoning Board of Appeals granted to Royal Hospitality Services, an industrial laundry, a special permit to expand the laundry processing use (ZBA #2008-65). Included in the special permit decision is a condition that the special permit shall expire ten years after the date of issuance of a permanent certificate of occupancy for the expanded laundry processing center use.

On May 5, 2014, a permanent certificate of occupancy was issued, setting the original expiration date of the special permit as May 4, 2024.

On March 21, 2022, the Union Square Green Line Station opened; the original planned opening date was December 31, 2018. The delay constitutes a *force majeure* as defined in the Development Covenant, tolling the special permit 1,176 days. The expiration date then became July 22, 2027.

On November 20, 2024, Governor Healy signed the Permit Extension Act, which further extended the permit for two (2) years. If the ZBA determines that the permit falls with the Act, the current expiration date for the permit would be extended to July 22, 2029. (See attached Interoffice Memorandum.)

On April 11, 2025, the application for an extension of time and modification to the conditions of approval was deemed complete.

#### **ANALYSIS**

When the Applicant sought to expand the industrial laundry use in 2009, planning was under way for the Green Line Extension station at Union Square, to be located within a quarter mile of the 56 Webster Avenue parcel. Moreover, the City's comprehensive plan called for transformational redevelopment of the parcel, which would preclude an industrial laundry land use adjacent to a transportation hub. For these reasons, the City, the Applicant, and the laundry operator Royal Hospitality entered into a Development Covenant requiring operations to cease at this location within 10 years of the expanded operations.

The original special permit gives the Applicant the option of seeking two (2) one-year extensions after the expiration of the ten (10) year term. The criteria for the ZBA to apply in determining whether to grant an extension include a requirement to file a zoning application for a redevelopment project for the Property, to be filed prior to granting the First Extension. Per criterion (6) of condition #3 of the original special permit:

In determining whether or not to support the First Extension and the Second Extension, the SPGA will take into account the following considerations set forth in the Applicant's Covenant with the City, including without limitation [...] (6) [the Applicant's having] filed an application for zoning relief for a project that conforms to the Conceptual Site Plan.

As the Applicant explains in their application narrative, they are unable to meet this particular criterion due to combination of factors, most notably difficulties in finding a new location for Royal Hospitality and its over 200 employees. They cannot file a zoning application for redeveloping the site without first ensuring that Royal Hospitality will have vacated the property.

The City wants to ensure that the employees of Royal Hospitality, many of whom are Somerville residents, are able to keep their jobs and remain as Somerville residents when Royal Hospitality ultimately moves locations. (See attached Mayor's Letter of Support). The City is therefore supportive of Royal Hospitality's search for a new location that is within a geographic area such that the current employees can reasonably commute to work and would be acceptable to the workers' union.

Supporting Royal Hospitality's search for a new, acceptable location needs to be balanced against achieving the goals of the City's comprehensive plan, which calls for the transformational redevelopment of the parcel. Staff is therefore recommending the Zoning Board of Appeals take the following actions, subject to approval of the ZBA:

- Modify condition #2 to reflect that the force majeure of the delayed Green Line Station opening and the 2024 Permit Extension Act combine to set the current expiration date of the original special permit (ZBA #2008-65) at July 22, 2029;
- Modify condition #3 to (1) ensure that progress is made towards relocating Royal Hospitality prior to the exercise of the First Extension and (2) require the filing of a permit for zoning relief for the development of the Property (56 Webster) and the Adjacent Property (520 Columbia) to be filed prior to the exercise of the Second Extension, as requested by the Applicant.
- Acknowledge that the requirement to develop a conceptual site plan has been met by the Applicant, as requested by the Applicant.

Staff does not recommend granting the First Extension at this time, as the ten (10) year term has not yet expired.

#### **CONSIDERATIONS & FINDINGS**

When considering a revision to a previously approved development review application that required a Special Permit, the Zoning Board of Appeals shall limit their review to the proposed changes to the previously approved application. The considerations before the Board remain the same as the previously approved application for a Special Permit:

#### 2009 SZO §5.1.4

a) Information supplied - complies with the information requirements of Section 5.1.2;

 b) Compliance with standards - complies with such criteria or standards as may be set forth in this Ordinance which refer to the granting of the requested special permit;

- c) Consistency with purposes is consistent with: (1) the general purposes of this Ordinance as set forth in Article 1, and (2) the purposes, provisions, and specific objectives applicable to the requested special permit which may be set forth elsewhere in this Ordinance, such as, but not limited to, those purposes at the beginning of the various Articles; and
- d) Site and area compatibility is designed in a manner that is compatible with the existing natural features of the site and is compatible with the characteristics of the built and unbuilt surrounding area, including land uses.

It is Staff's opinion that the changes proposed by this Major Amendment to the application would not impact any of the criteria which were previously found to be satisfied.

#### **PERMIT CONDITIONS**

Should the Board approve the Major Amendment to a previously approved Special Permit, PPZ Staff recommends the following modifications to the conditions of approval:

#### Condition #2

This SPSR shall expire ten (10) years after the date of issuance of a permanent certificate of occupancy for the expanded laundry processing center use ("Effective Date") on July 22, 2029.

#### Condition #3

The Applicant may apply to the SPGA for up to two (2) extensions of this SPSR: a first extension for one (1) year which shall expire eleven (11) years from the Effective Date on July 22, 2030 (the "First Extension"); and a second extension for one (1) year which shall expire twelve (12) years from Effective Date on July 22, 2031 ("Second Extension") unless the application of the force majeure in clause in Paragraph 7 of the Development Covenant extends these dates. The Applicant shall notify the City, no later than six (6) months in advance of the expiration date (or extended expiration date) of the SPSR, that the Applicant intends to apply for an extension. Each request for extension shall be filed no later than ninety (90) days prior to the expiration date (or extended expiration date) of the original SPSR.

In determining whether or not to support the First Extension, the SPGA will take into account the following considerations: (1) the Applicant having executed a purchase and sale agreement or a long-term ground lease of land for a new laundry facility or having identified a site prior to the expiration of the First Extension; and (2) the Applicant having completed a preliminary or final design for the build out of a new laundry facility.

In determining whether or not to support the First Extension and Second Extension, the SPGA will take into account 1) the Applicant having submitted a completed application for zoning relief or building permit for the new laundry facility and having made measurable progress on the tasks identified by the Applicant in their application materials as necessary for the build out of a new laundry facility. In addition, the SPGA shall consider the following considerations set forth in the Applicant's Covenant with the City, including without limitation: (1) the Applicant's compliance with the conditions attached to this SPSR; (2) the then current real estate market conditions, including absorption rates and commercial financing availability and terms; (3) progress on the extension of the Green Line into Union Square; (34) proximity of the Property to the nearest Green Line Station and other redevelopment projects; (45) the Applicant's willingness to take reasonable actions to plan for and further the redevelopment of the Property as described below: During the ninth (9th) year following the Effective Date and pPrior to applying for the First Second Extension, the Applicant shall have developed a conceptual site plan for the Property that (i) is acceptable to the City as being consistent with publicly-adopted plans and guidelines for development in the Union Square/Boynton Yards area; (ii) conforms to the then-current zoning, or can be permitted with zoning relief acceptable to the City; and (iii) optimizes the mixed use, transit-oriented development potential of the site (a conceptual site plan meeting the foregoing criteria is referred to in the following paragraphs as the "Conceptual Site Plan"); and (56) filed an application for zoning relief for a project that conforms to the Conceptual Site Plan.

## CITY OF SOMERVILLE INTEROFFICE MEMORANDUM

To: Orsola Susan Fontano, Chair

From: Catherine Lester Salchert, Special Counsel

Re: ZBA Special Permit #2008-65, Request to Modify and Grant First Extension

56 Webster Street (&520 Columbia Street) Triad Alpha, LLC and Royal Hospitality

Date: May 8, 2025

The memo addresses legal issues raised in the Applicant's supporting materials for the request to extend and modify the above-referenced Special Permit (also referred to as the SPSR, IP-SPSR). The Applicant requests that the ZBA:

(i) Grant the First Extension (of the initial Special Permit) and (ii) modify Conditions 2 and 3 of the Special Permit to modify the time frame for filing for zoning relief for the future development of the Property and Adjacent Property (56 Webster Street and the adjacent 520 Columbia Street) as a precondition for granting the First Extension.

See page 1 of the Applicant's submittal. 1

<u>SUMMARY</u>: As explained below, the ZBA may find that the original term of the Special Permit has been extended through July 22, 2029. However, the ZBA may not grant the First Extension *unless it first decides* to modify the terms for granting the First Extension of the Special Permit. Notably, it is premature to grant an extension since the original ten (10) year term has not yet expired.

The Special Permit incorporates the tolling provisions of the Development Covenant that state the Special Permit expiration *and "commencement"* of the first extension and second extension are all tolled by the delay in opening the Green Line Extension.

In addition, given that moving the laundry is the ultimate goal of the Applicant and the parties to the Development Covenant, the ZBA may determine in its discretion that modifying the Special

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<sup>&</sup>lt;sup>1</sup> The Application also includes a "related request" regarding the July 16, 2009 Development Covenant, requesting that it be "automatically modified" to incorporate the ZBA's decision on the Applicant's requests before the ZBA. While the ZBA can recommend that the changes to the Special Permit be included in a subsequent amendment to the Development Covenant, the Development Covenant may only be amended by the agreement of the parties including the Applicant and the City.

Permit conditions to include reporting on progress of the move and, or, achieving specific tasks required to move the laundry that are included in the application.

#### DISCUSSION:

Original Permit Term: Special Permit Condition 2 states that the initial term of the Special Permit is for ten (10) years after the date of the granting of the Permanent Certificate of Occupancy for the expanded laundry building (the "Effective Date"). See page 8 of the Special Permit. Condition 3 provides for two (2) additional one (1) year extensions for a total of twelve (12) years from the Effective Date. The ZBA is required to take into account the criteria listed in Condition 3 in deciding whether or not to support each extension. The Permanent Certificate of Occupancy was granted on May 4, 2014 which thereby became the Effective Date.

Condition 3 of the Special Permit also incorporates a tolling provision contained in a covenant dated July 16, 2009 among the City, Triad Alpha's predecessor in title and Royal Hospitality, Inc.<sup>2</sup> ("Development Covenant"). Condition 3 states, in relevant part:

The Applicant may apply to the SPGA for up to two (2) extensions of this SPRS: A first extension for one (1) year which shall expire eleven (11) years from the Effective Date (the "First Extension"); and a second extension for one (1) year which shall expire twelve (12) years from the Effective Date ("Second Extension") unless the application of the force majeure clause in Paragraph 7 of the Development Covenant extends these dates.

See page 8 of the Special Permit, Condition 3 (emphasis added).

Paragraph 7 of the Development Covenant provides that the original ten (10) year term of the Special Permit shall be tolled for the period of time after December 31, 2018 until the date the Green Line Extension opens for commercial operation and states, in relevant part:

the parties agree that a delay in the anticipated opening of a new Massachusetts Bay Transportation Authority Green Line Station at Union Square beyond December 31, 2018, shall constitute a force majeure, which shall toll for a corresponding and equal time (i) the expiration date of the IP-SPSR for the Expansion Project and the commencement dates of the First Extension and the Second Extension;

See page 4, paragraph 7 of the Development Covenant (emphasis added).

The Applicant's supporting materials correctly point out that the Special Permit was extended by 1,176 days (or three years, two months and 21 days, calculated from December 31, 2018 to March 21, 2022). Adding 1,176 days to May 4, 2024 results in a new expiration date of approximately July 22, 2027.<sup>3</sup> Therefore, the City agrees that the ZBA may find that the original term of the Special Permit has been extended through July 22, 2027 as Applicant has stated.

<sup>&</sup>lt;sup>2</sup> ZPF LLC ("ZPF"), Columbia Street Realty, LLC and Royal Hospitality, LLC are also parties.

<sup>&</sup>lt;sup>3</sup> A date calculator adding 1,176 days to May 4, 2024 generated a result of July 24,2027.

Chapter 238, Section 280 of the Acts of 2024 ("the Act")

<u>Automatic Two-Year Extension:</u> The Applicant argues that since the Special Permit was in effect during the tolling period as defined by the Act, it is automatically extended for two more years through July, 2029.

The Act provides an additional tolling period for certain development permits in effect during January 1, 2023 through January 1, 2025 (the "tolling period"). Paragraph (b)(1) of Section 280 states:

(b)(1) Notwithstanding any general or special law to the contrary, an approval in effect or existence during the tolling period shall be extended for a period of 2 years in addition to the lawful term of the approval...

See highlighted copy of the Special Act attached.

Section 280 defines approval to include "...any permit... issued or made under... chapter 40 of the General Laws..." and development to include "the enlargement of a building...". Exceptions in the Act that do not appear to apply. Given the broad wording of the Act and the fact the Special Permit was still in effect during the tolling period of the 2024 Act, the ZBA may lawfully determine that the Special Permit is extended for an additional two-years, thus extending the original term through July 22, 2029.

Request to Grant the First Extension: Based on the plain language of Paragraph 7 of the Development Covenant (force majeure provision), the First Extension does not become operative until after the Expiration Date. As noted above, the Green Line Extension tolling period applies to "the commencement dates of the First Extension and the Second Extension..." (Emphasis added.) Therefore, it is premature for the ZBA to grant the First Extension unless the ZBA first decides to modify the terms of the existing Special Permit.

Cc: Zoning Board of Appeals Members

Attachment:

Chapter 238, Section 280 of the Acts of 2024.



## CITY OF SOMERVILLE, MASSACHUSETTS KATJANA BALLANTYNE MAYOR

May 8, 2025

VIA EMAIL to <u>ischultz@nixonpeabody.com</u> and REGULAR MAIL Peter Zagorianakos, Manager Triad Alpha Partners, LLC c/o Nixon Peabody Exchange Place 53 State Street Boston, MA 02109-2835

RE: Special Permit ZBA #2008-65, Request to Modify and Extend

56 Webster Ave & 520 Columbia (D4 Union Square)

Dear Mr. Zagorianakos,

I am writing to support Triad Alpha's ZBA application referenced above to allow continued operation of Royal Hospitality's laundry business at its present location in Somerville. The application references two extensions applicable to the initial term of the Special Permit. The application also includes a request to extend the Special Permit for an additional year through July, 2030.

My support is very strongly tied to ensuring a smooth transition to a new laundry facility that will make it possible for Royal Hospitality's employees to remain employed by Royal Hospitality and to reside in Somerville for as long as they choose to live here. The application demonstrates how the ZBA may extend the Special Permit through July of 2029, first by applying the Green Line Extension tolling period through July 2027, due to the delay in opening the Green Line Extension) and through July 2029, by applying the Permit Extension Act of 2024 that seeks to promote economic recovery.

Triad Alpha is seeking additional relief that would allow the laundry to continue operations for an additional year through July 2030. The applicant and Royal Hospitality have separately agreed to move the laundry facility and the application incorporates a timeline of tasks to be completed in order to move. My staff has informed me they will recommend that the ZBA consider modifying the Special Permit conditions to require regular progress reports to the City about the efforts made toward moving the laundry as a condition to exercising an extension.

My goal is to ensure that the City and the public can monitor the progress Royal Hospitality makes toward moving so that we can anticipate delays and be ready to respond with whatever



assistance that the City is able to offer. Therefore, my support of the request to extend the Special Permit through July 2030 is contingent upon Triad Alpha providing regular progress reports on the move to the City and the public as a prerequisite to extending another year, subject to the approval of the ZBA.

I trust this information is helpful to you as the transformation of Union Square continues.

Kindest regards,

Katjana Ballantyne

Cc Brian Herrington, CEO Pure Star Group (Royal Hospitality)
Orsola Susan Fontano, Chair, and Members, Somerville Zoning Board of Appeals