Market/Feasibility Analysis

Development Potentials for Focus Area Town of Hull

Hull, Massachusetts

Prepared for:
Town of Hull Economic Development Task Force

Prepared by:
Bonz & Company, Inc.

March 31, 1995

Bonz & Company, Inc.
REAL ESTATE ADVISORS
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March 31, 1995

Mr. Carl Katzeff
Chairman
Town of Hull Economic Development Task Force
Hull Town Hall
253 Atlantic Avenue
Hull, MA 02045

Re: **Market/Feasibility Analysis for Selected Sites in the Town of Hull, Massachusetts**

Dear Mr. Katzeff and Task Force Members:

Bonz & Company, Inc. is pleased to submit the enclosed final Market/Feasibility Analysis for the Focus Area of Hull, Massachusetts. Both Bonz & Company and Sasaki Associates have enjoyed the opportunity of working with the Task Force on this challenging and exciting project.

The accompanying report summarizes our analysis, conclusions, and recommendations concerning the redevelopment potentials in the Nantasket Avenue and George Washington Boulevard gateway areas and the Nantasket commercial area. The report reflects the thoughts, inputs, and comments of the Task Force members during our numerous meetings and brainstorming sessions. In preparing the report, we have been mindful of the dual challenge to realistically reflect market realities and opportunities as well as to ensure that the recommended development programs are consistent with the Town's Vision Statement. Our recommended programs are intended to have both a visual and economic impact on the Town, transforming the existing commercial area and MDC beach area into an area which attracts additional tourists and visitors, strengthens the retail base, and better serves the residents of the Town.

Long-term, the creation of a more attractive and vibrant retail-service beach and park area will stimulate further tourist and visitor growth, leading to the transformation of small hotels and larger houses into bed and breakfast accommodations, enhancing the Town's residential housing market, and strengthening the retail and service core.

Very truly,
BONZ & COMPANY, INC.

Richard E. Bonz, CRE
President

77 Franklin Street ▪ Boston, MA 02110

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Certification
Services of the Firm

SECTION I—EXECUTIVE SUMMARY

SECTION I—EXECUTIVE SUMMARY

Bonz & Company, Inc. in association with Sasaki Associates of Watertown has undertaken a redevelopment feasibility study for the Town of Hull. The studies began in mid-October, 1994 through December, 1994. These studies included market analyses, planning studies, and financial feasibility studies. This report summarizes the market and financial feasibility studies and presents the recommended development programs for the identified development projects together with implementation recommendations.

The focus of this study was on the western portion of Hull, from the Hull/ Hingham Town line extending eastward to the end of the Nantasket Beach area to the eastern border of the parcels owned by the Hull Redevelopment Authority, and including the Nantasket Avenue and George Washington Boulevard corridors, the commercial area, the MDC properties and the HRA parcels. Working with the Town's Economic Development Task Force, the consultants first charge was to define the key parcels of land which were to be the subject of the market feasibility study. The agreed upon parcels were under-utilized parcels of land, the reuse of which would have significant impact upon the Town. Two broad areas containing some six parcels became the major focus of the study, with four parcels also to be considered. The major focus areas were:

- The Nantasket Beach and commercial area consisting of the following specific areas:

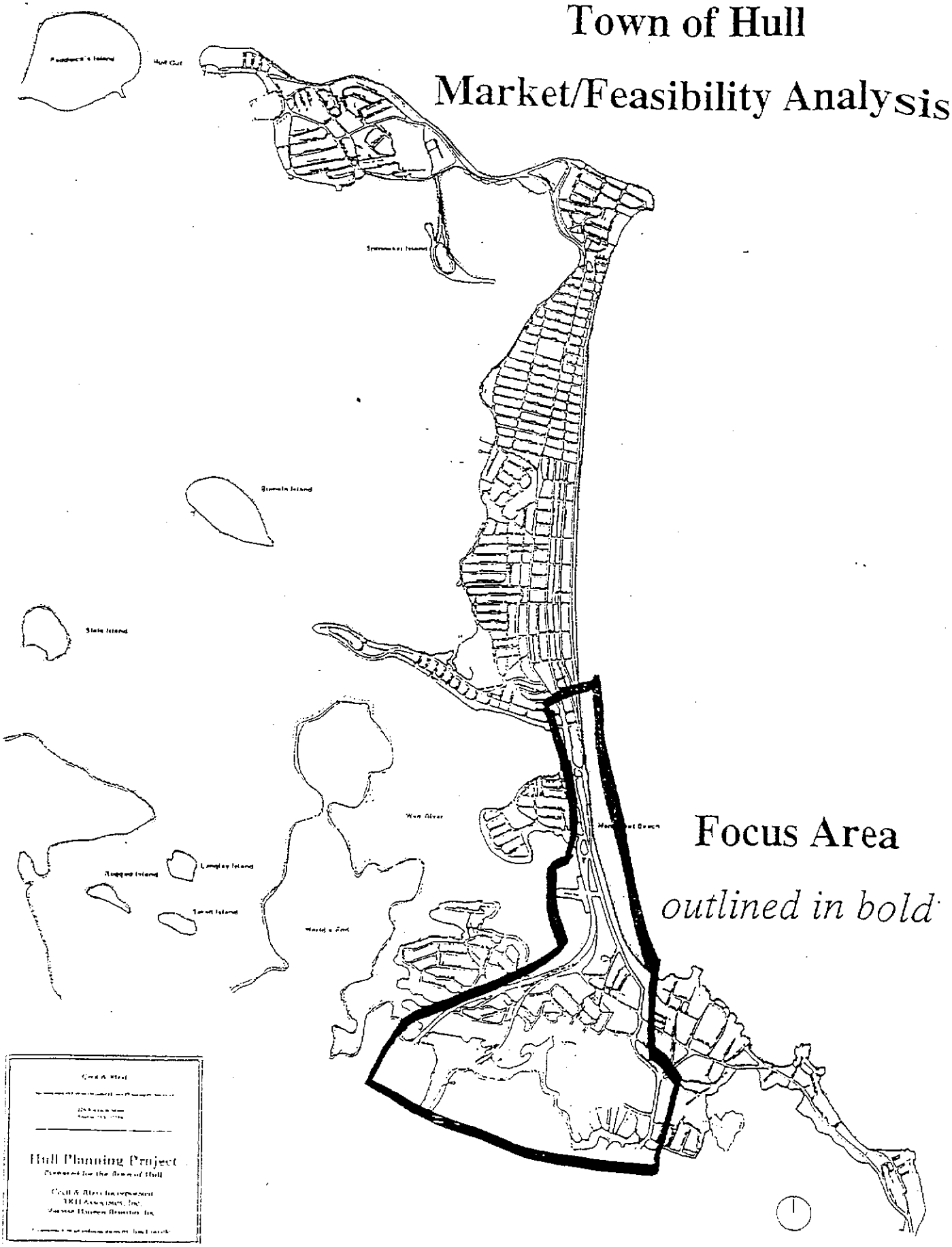
  — the Hull Redevelopment properties
  — the adjacent properties in the commercial area owned by AJ Lane
  — the Metropolitan District Commission properties;
  — the Town Pier
  — the balance of the commercial area

- The undeveloped portions of the Hall Estate which was subsequently expanded to also include:

  — the undeveloped portions of the former Worrick Estate
  — the Town's Highway Department facility and the adjacent parcel

Town of Hull

Market/Feasibility Analysis



Hull Planning Project

July 1994

The parcels of secondary focus constituted the following four properties:

- The vacant parcel located on George Washington Boulevard at the harbor and readily identified by the "Hull" sign;
- The undeveloped parcel located at the Hingham town line on George Washington Boulevard and the Weir River estuary known as the Flynn Trust parcel;
- The underutilized parcel located on Nantasket Avenue and referred to as the St. Mary's Rectory property;
- The undeveloped waterfront parcels located immediately west of the MDC properties and abutting the Atlantic Hill condominium development.

This report addresses the reuse potentials of the aforementioned parcels, in the context of the Town's Vision Statement and the related studies which were prepared by the Task Force and their consultants in the first phase of the Task Force's work. The goal of the study was to identify development potentials which were both feasible and consistent with the Vision Statement. To the extent that there would likely be development pressures for uses that were not compatible with the Town's Vision Statement, these were to be also identified, with recommendations as to how the Town could avoid such development.

To facilitate its review, the report presents a summary of the findings in this section. The suggested implementation strategy is set forth in the following section. Section III provides background market information, data concerning the economic and demographic characteristics of the market, and estimates of tourism. The next section, Section IV summarizes the retail market potentials and identifies a retail revitalization strategy and its financial characteristics. Section V, addresses the potential for golf course development potentials and includes details concerning a potential golf course project and its financial feasibility. Section VI addresses residential development potentials, including elderly housing and related uses. The last section, Section VII, summarizes our analysis of other development potentials for the focus area including commercial office, public facilities, cultural facilities, and a performing arts area.

The key findings of the report are as follows:

Demographic Trends

- Population gains in Hull and the surrounding communities have been modest during the 1980 through 1994 period, and continued growth at a moderate pace is anticipated through 1999.

- Due to a decline in household size and an increase in household formations, Hull experienced a gain of more than 550 households between 1980 and 1990 with an average annual rate of household growth of 1.7%. This rate declined somewhat during the first half of the 1990s, but is expected to increase slightly during the 1995 to 1999 period.

- Aggregate personal income in Hull nearly tripled between 1979 and 1989, is expected to be considerably slower during the 1990s, reaching some $224 million by 1999.

- Average household income in Hull increased by nearly 15% annually between 1979 and 1989 and by 1999 is expected to reach nearly $53,070.

- The eleven municipality Secondary Market Area consisting of Hingham, Cohasset, Rockland, Weymouth, Braintree, Quincy, Randolph, Scituate, Holbrook, Abington, and Norwell saw similar population, household, and income trends.

Employment Trends

- The Town of Hull is primarily a residential community with a relatively low number of persons employed within the limits of the Town. The number of persons so employed has continuously declined since 1980 with jobs losses occurring in the construction, trade, and government sectors of the economy.

- The improving regional economic conditions and a revitalization of the Town's retailing will stabilize and even increase jobs in the trade sector and construction sector; however, the job loss in government reflects shifts of state and federal employees and this change is not likely to be reversed. Unless a major employer is attracted to the Town, no major gains are expected to be seen.

- Hull is influenced by the level of employment in the balance of the Hull market area which increased significantly between 1980 and 1990 with 27,100 jobs added, but more than 3,400 jobs were lost between 1990 and 1993 due to the recession. With return to economic stability, a number of jobs in the balance of the market area is expected to increase moderately during the last half of the 1990s.

- As a residential community Hull is also affected by the employment trends in the balance of the metropolitan area where there was significant increases during the early portion of the 1980s, slight losses during the balance of the 1980s, and a dramatic decline during the early 1990s. As stability returns, moderate growth is expected.

- The local and regional employment trends directly and indirectly impact the disposable income, demand for housing, goods and services, and other discretionary expenditures. The reversal of the trends of the last five years is expected to be reflected in moderate increases in consumer spending, housing, and other related expenditures which are directly linked to the development outlook for Hull.

Visitor Trends

- A major factor influencing the Town are the numerous seasonal visitors attracted to Hull's beaches and other areas. There are no accurate data to project the precise number of visitors; however, traffic counts and parking counts indicate a range between 500,000 and 950,000 visitors, but the figures could be far greater. The majority of visitors are day visitors to the beach and waterfront areas of the Town.

- Seasonal visitors have historically had a major impact on the Town and this continues today. Summer visitors augmented by year-round residents of nearby communities appear to account for nearly 25% of sales for convenience goods and restaurant/related services.

- The combined market segment consisting of summer visitors and residents of the surrounding area offers a strong potential economic base for revitalization of the Focus Area of the Town.

Retail Findings

- Hull residents spent nearly $17.7 million annually for groceries, personal care products, and other convenience goods with an additional $28.6 million spent for apparel, appliances, furniture, and other shoppers' goods, and $8.9 million for restaurant and related expenditures total $8.9 million annually.

- In contrast, sales by Hull's stores and restaurants and related establishments total only $3.5 million for convenience goods, $1.8 million for shoppers' goods and $4.9 million for restaurant and related sales.

- The imbalance between resident's expenditures and local sales results in a significant outflow of shopper's dollars from Hull to stores located elsewhere in the market area. Of the nearly $55 million in convenience goods, shoppers' goods, and restaurant-related expenditures made by Hull residents, local stores capture less than $8 million or approximately 14.5%.

- Hull also is the beneficiary of capturing retail and restaurant/related expenditures by non-residents, primarily seasonal visitors, who account for approximately 25% of the Town's convenience and restaurant/related sales.

- Due to the high sales' volumes and number of shoppers necessary to support typical shopping center type retailers, such as a supermarket, drug store, apparel stores, etc., the population base and aggregate retail expenditures of Hull residents would not be sufficient to attract such stores which retail locations with better access to a larger regional market.

- Hull does have the opportunity to attract "destination" type retail and service establishments which are not dependent upon the high traffic volumes and large numbers of shoppers. Such businesses include restaurants, specialty stores, artists and artisans, etc., which individually attract a clientele based upon their unique product or service. For these type of retailers, Hull offers an attractive coastal location with reasonable access to their market.

- As an extension of the concept of attracting "destination" type retailers and service businesses, we explored the possibility that a destination retail facility, such as a small-scale outlet mall, could be attracted to Hull. After discussions with developers and operators we have concluded that accessibility and related locational characteristics make

it unlikely for such a use to locate in Hull and such a use would appear inconsistent with the Town's Vision Statement adopted in the first phase of the economic redevelopment strategy.

- Based upon our assessment of Hull's market potentials, we believe that a realistic strategy would be to expand and strengthen the existing seasonal retail base and to create opportunities to attract destination retail and service businesses.

Tourist and Visitor Market

- Tourism and seasonal visitors remain a potential economic asset that can be focused and used as a source of economic support for the revitalization of the Nantasket commercial area.

- The Town's beaches attract between 500,000 and 950,000 or more visitors, but as noted during the prior Vision Statement study, the facilities are unattractive, in poor condition, and not competitive when compared with other areas.

- By increasing the attractiveness, quality, and type of facilities, we believe that Hull and the MDC will not only better serve local and regional needs, but attract a stronger base of economic support.

- The existing seasonal visitor base provides an opportunity to support the development of a seasonal festival food, retail, and services area on the Town Pier which could be expanded to other portions of the Nantasket commercial and beach area.

- The existing MDC facilities could be redesigned and reconfigured in combination with portions of the Hull Redevelopment Area site, the AJ Lane property, and portions of the retail/commercial area to create a spectacular park and beach area which would better serve the Town and region and act as a catalyst for the revitalization of the balance of the commercial area.

- Market and preliminary development studies indicate there is sufficient market demand to support the creation of an 18-hole, par-57 golf course which could be located on the undeveloped portion of the Hall Estate and the undeveloped portions of the Worrick Mansion property. Such a use could be developed as a private and/or public undertaking and would enhance the attraction of seasonal visitors, improve the area's image, and have a positive impact on the Town's economic base.

- Finally, the concept of a theme park was again renewed and although it could be economically viable, the use was not considered since it was inconsistent with the Town's Vision Statement and since lower impact uses which were considered to be consistent with the Vision Statement appear feasible.

Residential Development Potentials

- Hull has had two periods of major development during the last fifty-plus years: the post-World War II boom, and the period of the mid- to late-1980s.

- Hull is one of the most densely developed towns in the South Shore and has little available land for residential development. Most of the potential development sites are situated in the Focus Area and would likely command development densities in excess of eight units per acre.

- With an over-building of housing, particularly condominiums prices, in Hull and elsewhere in the Northeast, have dropped for all housing types with condominiums typically selling for well below replacement cost.

- Until prices increase, the development of townhouse or mid-rise housing does not appear financially feasible in most markets unless there are unusual circumstances such as attractively located, very low-priced land. Thus it will likely be several years before the development of such housing may again be feasible.

- As past experience has indicated, luxury and high-priced condominiums do not appear marketable in Hull except in spectacular locations such as the cliffs area overlooking the Bay. The most likely market will be for mid-priced product which today is of questionable economic feasibility.

- Market data indicate a potential demand for elderly housing in the Hull market area. To be successful such development must contain a substantial component of higher priced elderly units, even where the development is financed under the Massachusetts Housing Finance Agency's "Elder Choice" program. Although the type of development offers a promise for well-located sites in Hull such as the Hall Estate or the Rectory site, there is strong competition for tenants and development financing which could delay such development in Hull.

- We have also examined the market potentials for nursing care facilities either included with an elderly housing complex or as an independent facility. Based upon studies conducted by the State, there is an oversupply of permits for such housing in the Hull market area. Since some of these permits have not yet been used for development, it may be possible to attract existing permits for nursing home facilities to Hull.

Site Considerations

- The previously identified areas have certain physical, ownership, locational, and development control attributes that affect their development potentials. These are summarized below:

Hall Estate

The undeveloped portion of this approximately 52 acre parcel is in a single ownership. The site is sloping and rolling to the Weir River. The site is attractive with a combination of open and wooded areas. Zoning is a combination of Conservation, Townhouse Residences, and Multi-family Residences -I. Wetlands abut the Weir River.

Balance of the Former Worrick Estate

The undeveloped portions of the area contain approximately 21.76 acres in some five principal ownerships (Gratta and related interests, Minelli and related interests, Strozewski, Coleman, Lofchie) plus private roadways and upland of undetermined ownership. The a substantial portion of the properties are zoned Commercial/ Recreation I which allows 6,500 square foot single family lots, multi-family residential, hotel, and related uses. Some of the property appears to have a paper subdivision, but is in single ownership. The site is sloping and rolling to the Weir River. Wetlands abut the Weir River.

MDC Parcels

The MDC properties contain more than 14.5 acres, but the exact area of the MDC parcels are unknown. The major portion of the properties are the Nantasket Beach and related parking areas which generally extends from the high water line to the northern limits of Nantasket Avenue which roadway is shown on MDC drawings to be owned by the MDC from the westerly end of the beach to the easterly end of the HRA Parcel. The MDC also owns a large parking lot off George Washington Boulevard, a second parking area in the parcel known as

the Hull Redevelopment Authority parcel, and a parcel between off George Washington Boulevard and Nantasket Avenue which contains storage and other buildings which are undergoing substantial exterior renovations. According to the MDC planning department the MDC holdings are the subject of an Historic Properties designation which has received recommendation by the Massachusetts Historic Commission. The revitalization of the MDC properties is critical to the revitalization of much of the study area.

Hull Redevelopment Authority Parcels

These properties contain some 10.5 acres of land between of George Washington Boulevard and Nantasket Avenue, and including parcels north of George Washington Boulevard on the waterfront. Included in the above property is the area of the MDC parking lot, but excluding the property that is in private ownership. The land is relatively flat and is located within the flood plain, subject to wave action. Zoning is Commercial/Residential and provides for a variety of potential uses. The site had been under contract to A. J. Lane for the development of a multi-family residential complex. There has been an expression of interest in the site for a single-tenant office complex.

Town Pier

The Town owns some 2.8 acres of land consisting of the Town's pier and abutting property. The channel to the pier is to be dredged, improving boat access. The area was historically used for the steamer landing and, more recently, for the commuter boat service which has subsequently relocated to the point. The pier is used by commercial fisherman and pleasure boaters.

Balance of the Nantasket Commercial District

The balance of the Nantasket commercial district is in multiple ownership. Zoning is generally Business. The westerly portion of the area containing some 2.04 acres was owned by A. J. Lane (296 Limited Partnership), but was reported to be the subject of foreclosure. The balance of the area, containing some 5.1 acres, is in multiple private ownership. Although many properties are in good condition, a number of the properties are unattractive and some appear to need major repair. The attractiveness and marketability of the area could be improved with cosmetic facade work.

Other Nantasket Avenue Properties

The other major Nantasket Avenue properties include the Rectory site, a 2.9 acre parcel owned by the Roman Catholic Archbishop of Boston. This hill top site is Single Family Residential 3 (B) and is being marketed. A second parcel is the Town's DPW garage site which contains 3.15 acres and is currently in active use by the Town. The third parcel is a small parcel abutting the DPW site, which is currently used for storage of construction materials, wood, and related activities.

George Washington Boulevard Gateway Parcels

There are two undeveloped parcels in private ownership which, while small in size, have the ability to significantly affect the visual image of the Town. The first is at 150 George Washington Boulevard and contains 1.2 acres. Zoning is Waterfront District. The second is the Flynn Trust parcel, located on the Weir River at the Town's western border with Hingham. This 3.15 acre parcel has Commercial zoning along George Washington Boulevard and Single Family-4 zoning to the rear.

Reuse Potentials

- The reuse potentials of above properties have been analyzed by the consultants in light of their location, physical, and market characteristics. In some cases, parcels have been combined to create development areas with greater impact.

Hall Estate

Considered separately, as presently zoned, the site would likely remain developable for townhouses and multi-family residential uses; however, the current market for such housing would likely be geared to a lower priced product than originally contemplated and the timing of such development could likely be delayed several years until the market strengthened. The property might be attractive for an institutional or headquarters commercial office use, but these uses appear highly unlikely. It is also a potential site for elderly housing; however, the timing of such development is questionable due to market competition. Thus, we have considered the redevelopment of the balance of the site together with the undeveloped portion of the Worrick Estate for an 18 hole, par 57, golf course which preliminary analyses indicates to be feasible if the land can be assembled in a single ownership.

Balance of the Former Worrick Estate

The undeveloped balance of the Worrick Estate could be redeveloped for commercial and residential purposes; however, there is limited demand for additional convenience retail development and other forms of permitted commercial development appear unlikely. It is potentially that a small scale retail/commercial development could be attempted, but given the marginal market and economic feasibility of such development, costs would have to be minimized and the resulting quality and potential vacancies could likely adversely impact other development potentials in the Town, including the reuse of the undeveloped portions of the Hall Estate. Residential development potentials do not look strong, particularly since the properties would need costly infrastructure improvements to support such uses.

Thus, we have considered the redevelopment of the balance of the site together with the undeveloped portion of the undeveloped areas of the Hall Estate for an 18 hole, par 57, golf course which preliminary analyses indicates to be feasible if the land can be assembled in a single ownership.

Hull Redevelopment Authority Parcels

The site has spectacular views and is zoned for commercial and residential uses. Recently the Town has been approached by a potential office user who has expressed interest in building a major office complex on the site for his company's use. Absent that user or another party that has a unique basis for desiring the site, the current market conditions for residential and commercial development coupled with the penalty costs of building in a flood plain and the recently enacted ADA requirements make development of the site unlikely in the near term.

The Town is issuing an RFP for development of the site. If there are no appropriate responses, we recommend the HRA parcel be development in conjunction with the MDC property for a waterfront park since the redevelopment of the MDC property is vital to the Town's economic redevelopment. If there are responses to the RFP which would have greater positive impact on the Town, the MDC redevelopment proposal could be reconfigured.

MDC Parcels

These properties are critical to the Town's revitalization. We, therefore, have prepared a reuse scheme which creates an attractive beachfront park, with attractive, separate smaller scale parking lots, and the opportunity to introduce kiosk/gazebo type retail and services to the area in order to enhance its attractiveness. As configured, the redeveloped park would extend from the present storage facility site to the easterly end of the HRA parcel, including the 296 Limited Partnership (former A. J. Lane) parcel, but excluding the active retail from the MDC parking lot at the Red Parrot to the westerly boundary of the 296 Limited Partnership/A. J. Lane parcels.

Town Pier

The proposed reuse of the Town Pier is intended to be the first step in the revitalization of the Nantasket beach and commercial areas. The proposed reuse is to build upon and strengthen the existing seasonal visitor market by creating an attractive festival marketplace containing a variety of gazebo type kiosks and tent type restaurant augmented by pushcart type venders. Taking advantage of the harbor location and views, the area would be anchored by a destination seafood tent restaurant and augmented by retail and service kiosks which provide specialty foods, ice cream, arts and handicrafts, specialty items, sea kayak and boat rentals, bicycle rentals, and an area for the sale of seafood and lobsters should the fishermen wish to participate. The keys to the developments success is the creation of an attractive area with landscaped seating, lighting. and adequate parking which will draw people from the South Shore who have not heretofore been frequent visitors to Hull.

Balance of the Nantasket Commercial District

With the exception of the 296 Limited Partnership/A. J. Lane parcels which would be incorporated into the revised beach/park concept, it is recommended that the balance of the Nantasket commercial district be considered for assistance under the Main Street program to help coordinate the revitalization of the area in concert with the reconfiguration of the beach area and the Town pier project. With the creation of the festival restaurant/retail/ space/service area on the Town pier, additional visitors will be attracted to the Nantasket area. This will provide an opportunity for upgrading the commercial district. Initially, minor improvements such as an ATM banking facility might be added. Longer term, however, it is anticipated that some of the retail enterprises opened in the kiosk/gazebo retail

stands will grow and relocate in underutilized store fronts in the commercial area. The Main Street program could help direct and integrate the development in the Nantasket Commercial District.

Other Nantasket Avenue Properties

The redevelopment of the Town's DPW garage site and the adjacent commercial parcel on Nantasket Avenue is anticipated to be a second stage redevelopment effort which is dependent upon the redevelopment program for the Hall Estate and the former Worrick Estate. Should these properties be redeveloped with a golf course, both the DPW garage site and the adjacent site would be able to be reused for commercial and recreation purposes. Should neither the Hall and former Worrick Estates be redeveloped, the two parcels will have modest redevelopment potential.

George Washington Boulevard Gateway Parcels

In considering the development of these parcels, the critical issue which the Town faces is that the success of the Town pier, golf course, or MDC/HRA parcels, will stimulate development pressures for commercial uses on these two sites. Either by preserving the parcels as open space or ensuring that any development would be compatible with the objectives of the Town would protect the major gateway to the Town. This could be addressed by the acquisition of the development right by the Town or by an environmentally sensitive group. Barring this, it is reasonable to anticipate that the properties will be subject to development pressures. The key is to ensure that the development is consistent with the objectives of the Town through appropriate zoning and development controls.

Revitalization Strategy

- The strategy set forth in the following section consists of a series of actions focused upon staged improvement in the commercial–beach Nantasket area and at other locations in the Focus Area as delineated by the Economic Development Task Force.

- The key is to use a combination of public–private actions to stimulate development.

- The recommended initial focus is on the transformation of the Town Pier into an exciting waterfront retail area with a focus on an outdoor restaurant, kiosk–type shops, artists, and recreational uses.

- Simultaneously, the Town could encourage a major reconfiguration and redevelopment of the MDC–controlled beach areas into an attractive waterfront beach–park that provides facilities for a variety of uses including young people, families with young children, and older persons.

- Although the undeveloped portions of the Hall Estate and the former Worrick Estate are in private ownership, the Town should encourage the owners to consider redeveloping the sites as a first class, waterfront golf facility. As an alternative, the MDC could be encouraged to acquire the properties for such use.

SECTION II—REDEVELOPMENT PROJECTS AND STRATEGY

SECTION II—REDEVELOPMENT PROJECTS AND STRATEGY

The revitalization of Hull's commercial, beach, and gateway areas will require a flexible implementation program, operating within a realistic set of parameters. The problems which face the area, although difficult, can be overcome through a steadfast vision of what is attainable and a determined approach based on market realities. The causes of the problems are numerous: the deteriorated and unattractive condition of the MDC properties which dominate the Nantasket commercial area; the over-development of high priced condominiums; the recession of the late 1980's and early 1990's; and the changing position of Hull in a highly competitive market.

Hull has historically maintained the attractiveness of a waterfront community which appeals to residents and visitors alike. With hundreds of thousands of seasonal visitors to the Town's beaches each year and visitor retail/restaurant sales accounting for some 25% of receipts, it is evident that the Town has a strong economic resource in its ability to draw people. It is this economic base upon which the recommendations are built, with the intent of strengthening the seasonal market base and transitioning into year-round economic demand.

The intent is to strengthen the seasonal market through the development of a festival retail/service component located at the Town Pier, but expanding throughout a renovated beachfront-park area and to use the development of a spectacular waterfront golf course to strengthen the tourist visitor markets as well as to better serve the residents. In the retail/service sector, the enhanced attractiveness of the area will improve the ability to capture non-traditional specialty retail/service establishments which do not rely on traditional retail mall to attract shoppers. The program is also intended to increase the area's attractiveness for higher income retirement and elderly housing as well as to "footloose" business which are seeking headquarters locations in areas other than established urban or suburban office locations.

Strategy

The major focus of the implementation of the suggested program involves three important distinct development opportunities, each with different timing, but all mutually reinforcing. The overall implementation effort will take three or more years to accomplish; however, initial results could occur within months. The actions which the Town should consider are as follows:

- Initially, focus on the revitalization of the Town Pier by preparing and issuing a Request for Proposal that outlines the Town Pier redevelopment program and solicits a developer or operator to master lease the area for redevelopment as a Waterfront Festival Market. It is likely that the Town Pier revitalization will be staged, with the tent restaurant and a limited number of retail/food and service kiosks in the initial period, and while a continued increase in the number of food, retail, and service vendors increasing over the next several years as the current MDC beach revitalization and the golf course become more of a reality. A discussion of the operational approach and key issues in the lease structure is presented later in this section.

- A second action involves commencing discussions with the key property owners of the Hall Estate and the balance of the Worrick Estate concerning their interest in pursuing the golf redevelopment proposal and/or their interest in selling or long-term leasing their properties for such a purpose. Should they object to the idea of participation, sale, or lease, and should the Town feel strongly about seeing the project go forward, either the Town or the MDC could acquire the properties for public recreational purposes, paying the current fair market value which we judge to be substantially below the current assessed value, and develop the facility. The subsequent operations could be under a lease to a professional golf course management organization.

- At the same time, the Town should commence discussions with the MDC concerning the redevelopment of the beach area in a manner reflecting the concept plan presented in this report. While the physical aspects of the plan are of considerable importance, the control and operational management should also be of vital concern to the Town since the MDC properties constitute the most critical properties in the Town in terms of the Town's revitalization efforts. More detail of alternative approaches are presented later in this section.

The implementation of the Town Pier project could take up to twelve months, with the actual physical structures in place by the summer of 1995 or 1996. Planning for the golf course would likely take until the spring of 1996 to be completed and construction to begin, with actual operation in the following year. It is likely that the negotiations with the MDC would take the balance of 1995, perhaps longer since the issues involve not only the physical aspects of the beach area, but control and operational issues. Planning could begin simultaneously, but that is unlikely. More probably, planning would not commence until 1996 and the actual implementation of new plans, the following year. To a major degree, the Town's successful commencement of the Town Pier project could provide impetus for both the golf course and MDC revitalization program.

Assuming a completion of the MDC revitalization in 1997, the likely year of the golf course opening, and at least one year after the Town Pier revitalization, there should be sufficient momentum for broader revitalization throughout the Town. With increased day visitors coming for an increased variety of recreational pursuits such as golf, scenic bike riding, sea kayaking, wind surfing, and surfing as well as visiting the beach, the Town's retail, restaurant, and other visitor services will become more profitable. Businesses are likely to expand from kiosks to storefront operations and new businesses should be attracted.

The key to the success is to actively foster, through public and private actions, a variety of active and passive pursuits that will draw a variety of visitors and encourage them to come more often and stay longer. If creatively marketed and developed, with it miles of waterfront, extensive beaches, and attractive setting, the Town could readily become a major day visitor destination. As has happened in other areas, the increased visitor traffic tends to become self perpetuating. Moreover, it often leads to the conversion of larger, existing properties into bed and breakfast establishments, and there are numerous former small hotel and boarding facilities which could be so converted.

In addition to the three previously noted projects, the Town should consider the rezoning of the Archdiocese Rectory site for the development of elderly housing and related uses. A group within the Archdiocese has had extensive experience in this field, and either they, private developers, or a joint effort could create and attractive, mixed income, market-rate and affordable elderly housing development on the property.

The Town should also consider protecting its entrance corridors, particularly the George Washington Boulevard entrance from undesired commercial development which could be spurred by the success of the Town's revitalization as a visitor destination. This could involve acquiring properties, development easements, stricter design and use control, or other means. The purpose is not to prevent the utilization of private property, but to ensure that the development which does occur does not under cut the Town's revitalization efforts.

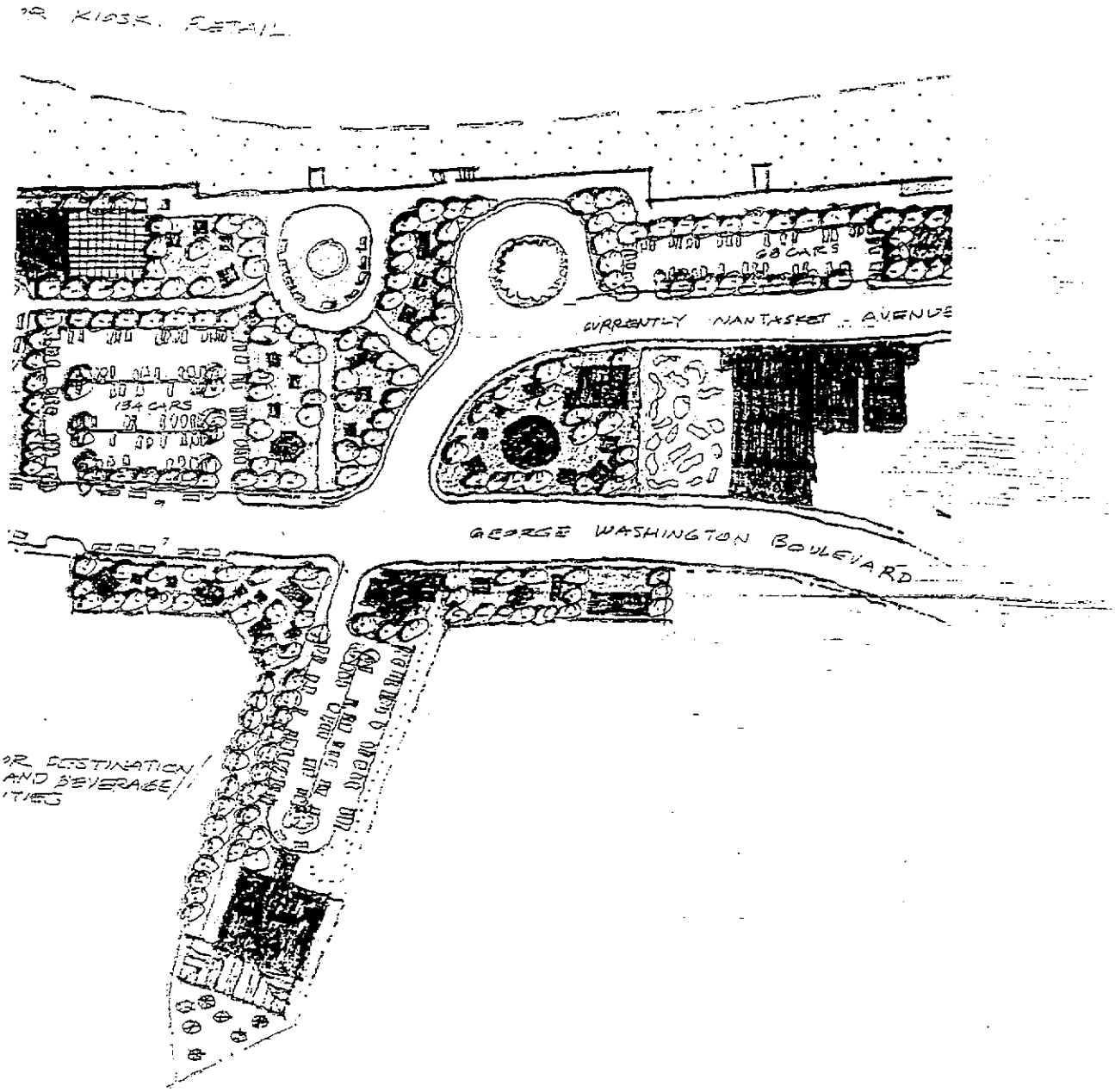
Town Pier Strategy and Program

Based upon our analysis of market support and the input from Task Force members, we believe that the Town Pier has a unique opportunity to be redeveloped into a seasonal–festival retail area which takes advantage of the unique location and attractive water views to World's End. Such a use is not incompatible with fishing and boating uses at the Pier and would be enhanced by such water activities.

The conceptual plan is illustrated on the following page. The plan envisions the creation of an attractive mix of gazebo-type kiosks and tent-type restaurant, augmented by a limited number of pushcart-type vendors. The atmosphere created would be similar to that at Quincy Market or that found in other summer communities.

The types of retail establishments should include establishments which take advantage of the tourist potentials of Hull such as bicycle rentals; sea kayak, paddle boat, and other water-craft rentals; local and regional art and handy-craft vendors; small food vendors such as ice cream, specialty snack and other foods, and an area for the sale of seafood and lobsters should the fishermen/ lobstermen wish to participate.

Exhibit 2—Plan of Town Pier



The key to success is the creation of an attractive area with landscaped seating, lighting, and adequate parking which will draw people from the South Shore who heretofore have not been frequent visitors to Hull. Clearly, this area would also serve the residents of the Town by providing a small, seasonal, festival retail area. Most importantly it would begin to change the Nantasket image and be a starter area for new retail ventures.

The success of the development will depend upon the ability to merchandise the entire festival market area as a visitor destination as well as to attract a mix of food, service, art, and other retail vendors. Also of importance is the ability to manage the area in order to keep it attractive to visitors and to draw a mix of food, service, art, and other retail vendors. We would, therefore, recommend that the Pier area be master leased for a period of three to five years, with options to renew based upon certain performance criteria and with the Town's right to terminate the lease upon failure to meet certain performance standards. The lessee would have the right to either sublease "pads" for sub-tenants to locate gazebo-type kiosks or the lessee could develop such kiosks and lease the improved space to tenants. Flexibility to the lessee is critical, but this must be balanced by specific design and maintenance criteria for the facilities. It is assumed that at the end of the season, the facilities could be moved for storage at other locations.

The objective of the Town should not be to maximize the initial revenue from the redevelopment, but to structure the lease so as to encourage the developer to take the risk which is successful will be highly profitable to the Town not only through spear-heading the revitalization of the commercial area but starting the momentum for a wider Town revitalization. Thus, the Town would be wise to accept a low base rent and a percentage rent against the break-point of the base rent. Thus, the Town might take a base rent of $500 per kiosk, against, perhaps, 6% of sales. In that instance, the minimum rent would be $500, but the Town would receive 6% of all revenues in excess of $8,333 ($500 divided by 6%) and if the kiosk makes $100,000 in sales, the Town would receive $6,000 from that single kiosk, plus tax revenue.

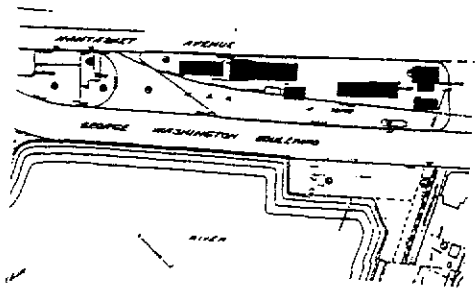
The actual rent terms will be the subject of negotiation, however, the under-riding principle is that the Town benefits increasingly from the sublease of the operations. Thus, the Town should be encouraged to take steps to ensure the viability and attractiveness of the project. This is in the Town's interest and that of both the master developer and each individual business. The Town, the developer, and the business should be encouraged to maximize the attractiveness to visitors by working together to develop bike trailer that attract tourists, creating visitor events, and other ways which do not intrude on the residents, but make the Town a more attractive destination. To the end, the Town, working with the developer and both new and existing business, should create the visitor infrastructure such as a marked bike trail winding throughout the scenic portions of Hull from the Town Pier to the Point. In concert with designated developer/ operator and the business, the Town should formulate an approach to creating destination events that will attract additional visitors.

The request for proposals to developers should outline types of uses desired, the design criteria which the Town expects to impose, the base rent, and anticipated percentage rents. It should, however, be sufficiently flexible to allow bidders to propose alternative designs, mixes of uses and rent terms. The proposals would then be reviewed and the most attractive ones negotiated to arrive at the best proposal which generates a fair return to the Town. The key points to highlight in the request for proposal would be the location, the attractive views, the success of the existing restaurant, and the flexible nature of the transaction.

MDC Property Strategy and Program

As noted earlier in the section, there are two distinct aspects of the redevelopment of the MDC beach area: the physical project and the subsequent control over operations.

The concept plan illustrated on the following page endeavors to create an attractive park and beach area which would be pleasing to residents and visitors alike. A necessary change, in the consultants' judgment, is the creation of a series of smaller, treed and landscaped parking areas which would maintain or expand the number of spaces available.

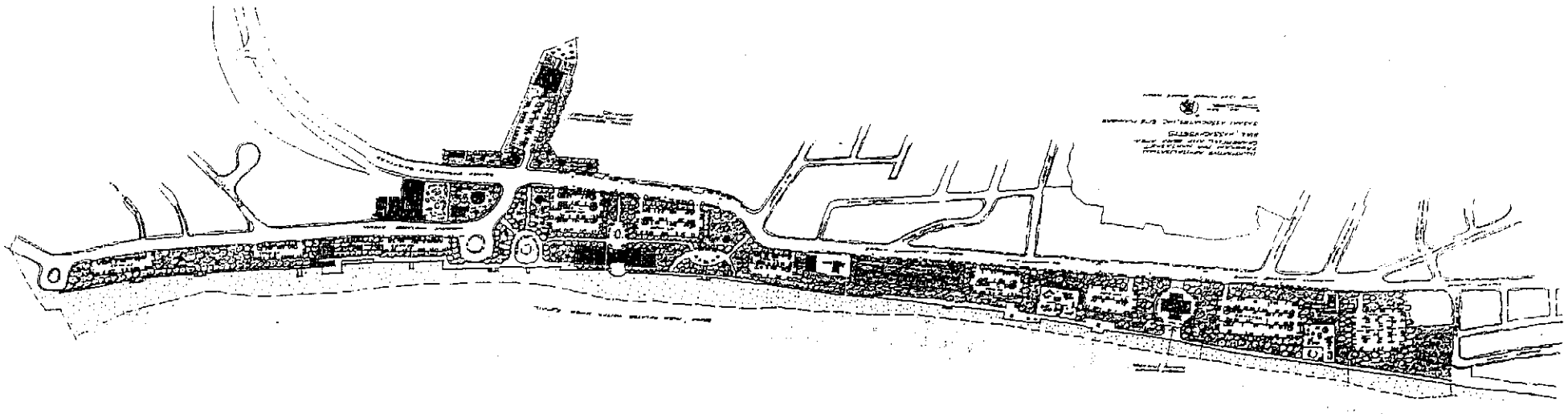


Illustrative Overlay Site Plan of MDC Facilities, Hull
Locations and Dimensions are Approximate

NOT TO SCALE

Based on Hull Property Tax Maps, MDC Property Maps, and Information Contained in Urban Design Study - Analysis: Nantasket Avenue by William Rawn Associates

Bonz & Company, Inc.



Moreover, through market pricing mechanisms and maximum parking times, an attempt should be made to foster turnover at certain of the lots, with the more remote lots, serving all day parkers and providing them with some form of inexpensive trolley-type service to the beach area. Turnover will provide a greater number of persons an opportunity to visit and use the revitalized areas, and the fees will help offset the costs of maintaining the landscaped, parking areas.

The concept also envisions the inclusion of retail and service kiosks throughout the park area in order to better serve the visitors and create interest and activity, but also to generate revenue to help pay the cost of maintenance. As illustrated in the concept plan, there would be substantial changes in the road alignment to facilitate the creation of the park-like beachfront. The large MDC parking areas would be removed in the western portions of beach and replaced by treed and grassed sitting areas and smaller parking lots. Kiosks and retailers could be located along the redeveloped walkway which goes the entire length of the beachfront park.

In the mid-portion of the beach, the plan shows the removal of the existing MDC facility to create more landscaped sitting and park areas as well as small parking areas. The focus in this area is the bathhouse which the MDC is proposing to renovate and the pavilion. Although the bathhouse is to be renovated, the uses for the central area remain undecided. In our judgment, this could serve as an area to senior citizens to gather, relax, and enjoy the beach and park. This area is linked to the proposed Town Pier redevelopment area of restaurants, boat rentals, and retail kiosks.

Moving eastward, the existing retail area containing the bank and related businesses would remain up the portion of the block formerly acquired as part of the AJ Lane development. A portion of the property could be used for commercial purposes, additional parking, and the balance as park.

The eastern portion envisions the reuse of the HRA parcel as parking and family beach-park area with a children's recreation/play area and a covered area where children could play and where supervised child-care, story-telling, and other activities could take place.

The plan is conceptual and serves to illustrate the type of redevelopment which is possible. Clearly, the concept can and will be changed to fit the actual site and the needs of the Town and MDC. For example, if the MDC work area and maintenance building cannot be removed, the plan could be adjusted to accommodate their continued presence. Should the HRA parcel be developed, the plan could likewise change without destroying the concept which is to create an attractive park-like beach setting that better serves the Town and the general public and enhance the attractiveness of Hull to residents and visitors alike.

As noted earlier, the conceptual plan links the park areas to the beachfront by removing the existing Nantasket Avenue and widening Washington Boulevard to make it a two-way road. Sasaki Associates preliminary calculations indicated that such a change would be feasible; however, a detailed traffic study would be needed to confirm this initial judgment since neither the Town nor the State had accurate traffic data.

Notwithstanding the changes that are eventually made in the plan to accommodate the traffic flow, MDC needs, and Town's desires, the concept of creating an attractive park-like beachfront is essential to the revitalization of the Nantasket area.

While the creation of the new beachfront park is an essential ingredient to the revitalization of the Nantasket commercial area, its management is also critical to the Town since the MDC beach area has a major impact on the Town, its appearance, and economic viability. In the past, the MDC park has been allowed to deteriorate and become unsightly due to MDC staff and budget cuts. This has had a deleterious effect on the Town. Recently, the MDC has commenced an extensive restoration project, but without increased maintenance and staffing budgets to ensure the ongoing upkeep and operation the beach area, the capital improvement efforts will be wasted and the area will again begin a cycle of deterioration. Some of the buildings being renovated by the MDC are functionally obsolete and according to MDC staff will remain unused. The renovation of such buildings and the inclusion of all of the MDC properties under an historic designation could have long-term adverse consequences to the Town as properties which are not in current daily use tend to receive less maintenance monies. Despite the current renovations, it remains possible that with future budget problems, the MDC could again allow the beach area to fall into disrepair.

Because of the beach's importance to the Town, it would seem reasonable that the Town should have a role in the management, control, and operational decision making of the MDC beach area. In addition, the Town and the MDC should jointly explore ways to raise the additional funds necessary for the beach's maintenance and operations. Other public agencies, authorities, and commissions faced with similar problems have been able to privatize all or part of the operation in order to create sources of operating revenue and to reduce operating costs. Unfortunately, the MDC has severe limitations on its ability to privatize the operation of any of its facilities including the Nantasket beach area.

If the twin problems of a lack of control by the Town of a vital resource and inadequate funding are to be solved, a difference operational structure will likely have to be instituted.

There is a variety of potential structures that could improve the operations in a way that would benefit both the Town and the regional community. Perhaps the best would involve the privatization of the facility with operational control vested in a private entity with public oversight or a joint public–private entity. Given the number of visitors that use the area, there is an opportunity for collecting user fees to offset the costs of an improved facility, yet with some MDC funding to ensure that all of the region's residents have a reasonable opportunity to enjoy the beach. Alternatively, the properties could be transferred to the Town, with appropriate MDC funding of the required work and the ongoing subsidy of non-residents users. The Beach could be redeveloped and operated in a joint Town–MDC partnership; or the MDC could undertake the redevelopment and operation, but with an substantially increased role of the Town in the control of the areas' operation. In our view, privatization in a form which involves private management subject to review and approval by the Town and MDC would provide increased sources of revenue for beach operations and improvements, yet would ensure the needs of the Town and the general public would be addressed. Should it be impossible to shift operational control from the MDC, in the least the Town should have substantial involvement in the redevelopment decisions and ongoing operation since Nantasket Beach has such a major influence upon the Town.

SECTION III—BACKGROUND INFORMATION

SECTION III—BACKGROUND INFORMATION

Founded some 350 years ago, the Town of Hull was originally a fishing and farming community as were most of the region's shore communities. Because of its location close to Boston and its extensive beaches, by the mid-1800s the Town emerged as a destination summer resort. Bostonians and other summer visitors would vacation or have summer residences in Hull, arriving by steamer, rail, as well as carriage.

Summer cottages increased and hotels, entertainment pavilions and casinos were developed. Paragon Park was built in the early 1900's, adding to the tourist attractions. During its heyday in the late 1800's and early 1900's, Hull boasted more than half a dozen major resort hotels, pavilions, an entertainment park, casinos, and related attractions.

With emergence of the automobile as the major means of transportation and the improvement of highways servicing more distant vacation areas such as Cape Cod, Maine, and other locations, Hull's competitive position as a destination tourist area declined. Although vestiges of the seaside resort continued after World War II, Hull's fortunes as a destination resort faded and the Town began its transformation from summer seaside community to a residential bedroom community serving the Greater Boston area.

The Town's sea-front location continues to be a major asset. Hull's beaches still attract summer visitors from Boston and the surrounding area, but now, most are day visitors. With fewer than 350 or so seasonal housing units, the Town is now a diverse a community of more than 10,800 residents, living in a wide range of housing from winterized summer homes to luxury condominiums.

Accessibility

Access to Hull is mainly by automobile, although there is commuter boat service to Boston from Pemberton, and bus access connecting with the MBTA transit system. Although less than 10 miles east-southeast of downtown Boston by sea, by car the distance is between 20 and 25 miles. Despite its perceived inaccessibility, Hull enjoys as good, if not better, access as many of the other South Shore communities. Access to the major employment areas in Boston and along Route 128 is via Route 228, which wends it way through Hingham to Route 3 and the balance of the region's limited access highway system. Additional access to Boston is by George Washington Boulevard to Route 3A which connects to Route 3 in Dorchester.

Population Trends

The population of Hull has increased steadily between 1980 and 1990, from an estimated 9,714 persons in 1980 to more than 10,400 in 1990. This rate of growth, (.77% annually) is expected to decline slightly to .73% annually through 1999, with the estimated population reaching just over 11,150. During the 1980s as Hull was experiencing population gains the population in the surrounding eleven city and town market area declined at a rate of .08% annually. The total population in the market area declined from an estimated 308,977 persons in 1980 to 307,385 in 1990. The 1994 population estimate stood at some 307,700 persons, an average annual gain of .35% from 1990. By 1999 the estimated market area population will be more than almost 317,750 persons, with an average rate of growth during the period of 1994 through 1999 at .39% annually.

Population Trends, 1980 through 1999
Hull Market Area

	1980	1990	1994	1999	Average Annual Change 1980-90	1990-94	1994-99
Hull	9,714	10,466	10,815	11,154	0.77%	0.83%	0.63%
Secondary Market Area (1)	299,263	296,919	300,896	306,612	-0.08%	0.33%	0.38%
Subtotal	308,977	307,385	311,711	317,766	-0.05%	0.35%	0.39%

Notes:
1 Consists of Following Areas: Weymouth, Hingham, Cohasset, Scituate, Braintree, Norwell, Rockland, Quincy, Randolph, Holbrook and Abington

Source:
NPDC and Bonz & Company, Inc.

Household Trends

The rate of household formation in Hull between 1980 and 1990 was more than twice that of population growth. For the eleven city and town secondary market area, the rate was over ten times that of population growth. This pattern reflects regional and national trends toward decreasing household size resulting from the establishment of more independent household units. Thus despite Hull's population gains which, in terms of percentage growth, were greater than the surrounding area, the household gains in the eleven city and town market area far outstripped Hull's growth. This in large part had to due with the availability of land for development, especially for single-family housing.

According to data from National Planning Data Corporation, Hull saw a 1.7% average annual increase in households between 1980 and 1990; however, the average annual household increase between 1990 and 1994 dropped to 1.2% per year. Looking to the future, the gain is estimated at 1.0% annually through 1999. For the secondary market area, during the 1980 to 1990 period there was an .8% annual household gain, a rate that generally remained constant through 1994 and is expected to continue through 1999.

Household Trends, 1980 through 1999
Hull Market Area

	1980	1990	1994	1999	Average Annual Change 1980-90	1990-94	1994-99
Hull	3,226	3,788	3,973	4,180	1.7%	1.2%	1.0%
Secondary Market Area (1)	103,442	112,081	115,178	119,552	0.8%	0.7%	0.8%
Subtotal	106,668	115,869	119,151	123,732	0.9%	0.7%	0.8%

Notes:
1 Consists of Following Areas: Weymouth, Hingham, Cohasset, Scituate, Braintree, Norwell, Rockland, Quincy, Randolph, Holbrook and Abington

Source:
NPDC and Bonz & Company, Inc.

The future estimates reflect an anticipation of a mild economic recovery from the recent recession, with continued mortgage financing availability. To the extent that the economy of the Boston area, and the South Shore, improves at a faster rate, the pace of household gains could be expected to increase in the market area and in the Town of Hull. As noted previously, however, Hull is limited in the available land for development and currently has a population density (persons per square mile) of 4,915 persons per square mile, a density approaching that of Quincy and far exceeding the other nearby towns. Thus, even with strong economic growth Hull is not likely to experience significant household gains.

Income Trends

Aggregate personal income in the Town of Hull is estimated to have increased by some 195% between 1979 and 1989 with an additional 27% increase anticipated between 1989 and 1999. For the secondary market area, there was an 135% increase in aggregate personal income between 1979 and 1989, with some communities experiencing greater gains than Hull, but others changing at a slower pace. The increase in aggregate personal reflects the combination of rate of household growth and the increasing number of households.

By 1999 aggregate personal income in the total market area is expected to reach nearly $7.2 billion. These projections represent a 25% increase in aggregate personal income in the area between 1989 and 1999 and provide a strong basis for increased housing, retail and other expenditures.

Aggregate Personal Income Trends, 1980 to 1999
Hull Market Area

	(Amounts in $-Millions)			Average Annual Change	
	1979	1989	1999	1979-89	1990-99
Hull	$60.0	$177.0	$224.0	19.5%	2.7%
Secondary Market Area (1)	$2,377.0	$5,583.0	$6,949.1	13.5%	2.4%
Subtotal	$2,437.0	$5,760.0	$7,173.1	13.6%	2.5%

Notes:
1 Consists of Following Areas: Weymouth, Hingham, Cohasset, Scituate, Braintree, Norwell, Rockland, Quincy, Randolph, Holbrook and Abington

Source:
NPDC and Bonz & Company, Inc.

On an average household basis, the income of Hull residents increased from just under $18,850 in 1979 to nearly $46,760 in 1989, and is expected to reach $53,070 by 1999. The average income for all secondary market area residents has been, and continues to be, slightly ahead of that for Hull. In 1989 average household income for the secondary market area was estimated at nearly $49,812, with a 1999 projected average household income for area residents of some $58,125. The rate of growth in Hull was higher than that for the secondary market area from 1979 to 1989, but is expected to be somewhat lower than the secondary market area from 1990 through 1999, according to projections by National Planning Data Corporation.

Average Household Income Trends, 1980 to 1999
Hull Market Area

	1979	1989	1999	Average Annual Change 1979-89	Average Annual Change 1990-99
Hull	$18,845	$46,658	$53,069	14.8%	1.4%
Secondary Market Area (1)	$22,979	$49,812	$58,126	11.7%	1.7%
Subtotal	$22,854	$49,709	$57,957	11.8%	1.7%

Notes:

1 Consists of Following Areas: Weymouth, Hingham, Cohasset, Scituate, Braintree, Norwell, Rockland, Quincy, Randolph, Holbrook and Abington

Source:

NPDC and Bonz & Company, Inc.

Economic Base

The Town of Hull is primarily a residential community and its economy is dependent upon that of Greater Boston and the South Shore area. Employment in the Town is primarily in the areas of government, services, and retail trade. According to Massachusetts employment statistics the Town lost nearly 300 jobs between 1980 and 1990, with the bulk of the losses in the first half of that decade including job losses in the trade and services sector as well as a downsizing of government employment. Between 1990 and 1993 an additional 1,120 jobs were lost; however, these were mostly in the construction field and government employment. With the improving economy, increases in construction and the service sector along with a stabilizing of the other economic sectors should result in additional job growth for the Town.

Employment Trends in Hull Market Area and Greater Boston
1980 through 1993

	1980 [1]	1985	1990	1993
Town of Hull	1,377	1,113	1,081	963
Balance of Market Area [2]	96,988	124,974	124,096	120,666
	98,365	126,087	125,177	121,629
Balance of Boston Area	1,392,935	1,514,113	1,699,423	1,605,771
Boston Area Total	1,491,300	1,640,200	1,824,600	1,727,400

Notes:

[1] Defination of Boston Metropolitan different in 1980 and data for 1980 are not comparable with later years.

[2] Balance of Market Area Includes:
Weymouth, Hingham, Cohasset, Braintree, Norwell, Rockland, Quincy, Randolph, Holbrook and Abington

Source

Department of Employment and Training,

Hull is primarily dependent upon the regional economy for its economic livelihood. In that regard, the Hull market area saw rapid growth during the first half of the 1980s and continued growth even through the initial recession and the late 1980s. Between 1990 and 1993 there was a slight decline in job; however, indicators point to a regaining of economic strength in the market area. A similar pattern holds for the Greater Boston which saw a spurt of job growth during the first half of the 1980s and a slow-down during the second half of the 1980s coupled with a slight decline due to the recession of the late 1980s and early 1990s. Economic indicators point to continued strengthening of the economy, albeit at a much slower pace than the early 1980s. Barring the location of a major employment generator in the Town of Hull, we anticipate that job growth in Hull with continue to move upward at a moderate pace, with emphasis on strengthening the retail and service sectors along with an increase in construction employment brought about by the strengthening of the regional economy.

SECTION IV—RETAIL POTENTIALS

SECTION IV—RETAIL POTENTIALS

Retail establishments in Hull primarily serve the residents of the Town and, to a lesser extent, the summer day visitor market. For the purpose of analyzing the Town's retail potentials, the primary market area for retail is considered to be the Town of Hull, with a secondary market area consisting of the eleven proximate cities and towns. In addition to the foregoing defined geographic market areas, retail establishments in the Town may attract purchasers from other locations in the region. The extent of the attraction of shoppers from the secondary market area and beyond is a function of the strengthen of the Town's retailers. As evidenced from past experience, retail and related facilities in Hull can expect to draw upon the summer day visitor market, particularly in the areas of convenience goods and related expenditures.

1994 Retail Expenditures

An analysis of retail expenditures and sales by category of expenditure has been undertaken using 1994 data provided by National Planning Data Corporation. The major retail categories consist of convenience goods (groceries, personal care products, drug store items, liquor, and related), shoppers' goods (general merchandise, apparel, appliances, and furnishings), and eating and drinking (food and beverages consumed on-premise away from home).

These data show Hull resident spending an estimated $17.65 million for convenience goods and services, $28.5 million for shopper's goods and $8.7 million for restaurant and related expenditures. The total population of the eleven city and town market area spends some $506.8 million for convenience goods and personal services, $532.2 million for shoppers goods, and $256.5 million for restaurant and related expenditures. The expenditures of Hull residents account for approximately 3.5% of the expenditures of all market area residents.

	Hull Resident's Expenditures	Market Area Expenditures	Hull as Percent of Market Area
Convenience Goods	$17,654,000	$528,169,000	3.3%
Shopper's Goods	$28,627,000	$534,811,000	5.4%
Eating and Drinking	$8,690,000	$258,825,000	3.4%

1994 Retail Sales

Retail sales data from National Planning Data Corporation show Hull retail establishments took in an estimated $3.45 million for convenience goods and services, $1.8 million for shopper's goods and $4.9 million for restaurant and related expenditures. The total retail sales for the entire market area amounted to some $642.1 million for convenience goods and personal services, $1.8 billion for shoppers goods, and $1.2 billion for restaurant and related expenditures. The sales by Hull merchants account for approximately 0.5% of the convenience goods and services, 0.1% of the shopper's goods and 0.4% of the restaurant and related expenditures. Clearly, the balance of the market area, particularly the South Shore Plaza and the other highway oriented retail establishments dominate the region's retail market.

	Est. Sales in Hull Stores	Est. Sales in Market Area	Hull as Percent of Market Area
Convenience Goods	$3,450,000	$642,100,000	0.5%
Shopper's Goods	$1,800,000	$1,827,700,000	0.1%
Eating and Drinking	$4,900,000	$1,212,800,000	0.4%

1994 Sales and Expenditure Comparison

In order to ascertain the balance of retail sales and expenditures in any market area, a comparison is made between the aggregate expenditures for retail goods by residents within the area and the sales for the same goods by stores within the market area. To the extent that resident's expenditures exceed sales, there is a net "outflow" or leakage of retail dollars from the market to other locations. Conversely, to the extent that retail sales exceed expenditures by residence there is a net inflow of retail expenditures to the region.

This analysis is useful in determining the strength and market competitiveness of a retail market as well as indicating potential strengths and weaknesses in the market. The relationship can be measured on two levels: first, in terms of net inflow/outflow based on aggregate resident expenditures; and second, in terms of resident expenditures excluding purchases outside of the trade area. The first measure, the comparison of aggregate expenditures and sales, indicates the extent of "net" leakage or inflow into the retail market area, while the second more accurately depicts the extent of "inflow" or sales to persons residing beyond the market area.

On a net, unadjusted basis, the Town of Hull shows a substantial outflow of retail expenditures both for convenience and shoppers goods. The net outflow of food and related items is estimated to be $14.2 million while the net outflow of shopper's goods is estimated to be $26.8 million. Not surprisingly, the net outflow of restaurant and related sales is less drastic, amounting to some $3.8 million.

	Est. Resident's Expenditures	Est. Sales in Hull Stores	Est. Inflow (Outflow)
Convenience Goods	$17,654,000	$3,450,000	($14,204,000)
Shopper's Goods	$28,627,000	$1,800,000	($26,827,000)
Eating and Drinking	$8,690,000	$4,900,000	($3,790,000)

In part the above numbers mask the probable inflow since the previously cited sales figures include sales to both Town residents and non-residents. The following data estimate the probable level of inflow from non-resident sales. The figures show a significant portion of the existing sales emanate from outside the Town, including sales to seasonal visitors' share of the sales. While the figures reflect estimates, they do illustrate the impact of non-resident sales on local retailers and particularly the sales to summer visitors.

	Est. Resident Purchases	Est. Sales in Hull Stores	Est. Inflow (Outflow)	Percent of Sales
Convenience Goods	$2,788,000	$3,450,000	$662,000	19.2%
Shopper's Goods	$1,594,500	$1,800,000	$205,500	11.4%
Eating and Drinking	$3,476,000	$4,900,000	$1,424,000	29.1%

Retailing and related businesses in Hull primarily serve the convenience needs of the residents and daily summer visitors. Some of the Town's restaurants attract a clientele from beyond the Town and immediate area, but for the most part the residents' retail needs must be met by the larger retail facilities in the surrounding towns.

Comparison of Retailing with Scituate

Any retail comparison between Hull and Scituate is going to show significant differences due to population, aggregate income, and market accessibility. Located on Route 3A, Scituate has the potential to serve a more broadly based retail market than does Hull.

A comparison of sales and expenditures in Scituate and Hull are set forth in the following table. Although the aggregate expenditures of residents and sales in the town are higher for Hull than for Scituate, both communities experience gross outflow in convenience goods and shopper's goods retailing. Scituate has the advantage of having a broader market to attract retailers in the community and therefore is able to capture sales from outside the community which offsets the actual outflow of shopper's goods and convenience goods' expenditures by town residents. Unlike Hull, Scituate has a net inflow of food and beverage business from restaurants and related establishments.

	Est. Resident's Expenditures	Est. Sales in Town Stores	Gross (Outflow)	Inflow Percent
Hull				
Convenience Goods	$17,654,000	$3,450,000	($14,204,000)	-80%
Shopper's Goods	$27,878,000	$1,800,000	($26,078,000)	-94%
Eating & Drinking	$8,690,000	$4,900,000	($3,790,000)	-44%
Scituate				
Convenience Goods	$29,453,000	$22,600,000	($6,853,000)	-23%
Shopper's Goods	$29,164,000	$11,200,000	($17,964,000)	-62%
Eating & Drinking	$15,661,000	$17,100,000	$1,439,000	9%

The major difference explaining local retail sales between Hull and Scituate is the ability to capture sales to persons living outside of the geographic boundaries of the town. In this regard, Hull suffers because it does not have through, major transportation routes. All automobile traffic going to Hull must go through a built-up interceptor core of retailing in Cohasset, Hingham and the surrounding communities. This makes it extremely difficult to attract persons from beyond the Hull market and causes retailers to select sites which can serve Hull as well as the broader market.

Retail Strategies

Strategies to strengthen and revitalize the Town's retail area should reflect both market realities and the area's competitive advantages. Among the market realities illustrate by the preceding data is the fact that the Town experiences significant retail outflows due to its inability to capture a sufficient share of local retail expenditures. Hull is located in a very strong and competitive retail market area which supports a wide range of convenience and shoppers' goods stores that attract expenditures by Hull residents. Notwithstanding these outflows of retail dollars, the Town's retailers do attract retail purchases from non-residents, including day visitors during the summer season.

It would appear that the simplest strategy would be to stem the outflow of retail expenditures and increase the inflow from outside the Town by developing additional convenience and shoppers' goods retail. Unfortunately, however, the population base in the Town is of insufficient size to either add more convenience goods stores, small apparel shops or attract a retail center.

With respect to the first concept, to support the number, scale, variety, and mix of retail establishments necessary to compete with other shopping areas outside the Town, and given the competitive nature of other retail locations, it is unlikely that a new retail development could achieve sufficient penetration in existing retail markets to create the inflow necessary to support additional retail (in the traditional sense of neighborhood and convenience shopping). Thus, attempts to develop additional convenience or shoppers' goods retail are likely to weaken, rather than strengthen the Town's retail base since such retail is unlikely to attract additional, new shopper's dollars, but rather redistribute the existing expenditure levels.

We undertook detailed studies to see if it would be realistic to attempt to attract a specialty retail center which would have sufficient drawing power to attract a high volume of shoppers from surrounding regions. Our research indicated that the only possibility would be a moderately-sized manufacturers outlet retail center of perhaps 35,000 to 60,000 square feet is size. Even were a developer interested, the development would likely face increased cost and delays due to the traffic impact and resulting objection from impacted parties including those in adjacent towns. There is also a problem in funding a potential site which could accommodate the traffic and parking. While such a project does not appear feasible, even it is were, such a development would be inconsistent with the Town's Vision Statement in the judgment of the consultants and Task Force members.

Typically due to marketing conflicts, such outlet stores will generally locate no closer than 15 miles from a regional mall handling their merchandise line. In this regard, Hull would appear to be almost far enough way from the South Shore Plaza and Hanover Mall, yet with sufficient accessibility to a broader market area to attract the necessary volume of shoppers. However, based upon our discussions with numerous outlet mall developers, the prospects for such a development in Hull appear bleak, primarily because of the issues of location and accessibility coupled with the reconfiguration of the Worcester retail mall into a major outlet mall and the number of outlet facilities on the Cape. Virtually all developer's stated that if they were to look for a site, they would want one with major highway accessibility.

While traditional retail depends upon access to high volumes of shopper's dollars, there are certain types of retail and related activities which of themselves create a sufficient draw to attract shoppers from a wide market area. Such stores survive by the uniqueness of their merchandise and services and are often augmented by a mail order business as well as retail sales. A local example of such an enterprise is Hagerty's Cohasset Colonials which manufacturers, mail orders, and retails colonial furniture kits from a non-retail location in nearby Cohasset. Other examples include artists, artisans, and businesses selling unique retail products. Such establishments are typically not attracted by the competitiveness of the retail facilities, but rather by the uniqueness and attractiveness of a location.

Hull has already demonstrated an ability to attract shoppers' expenditures from outside the Town. The source of this demand comes not only from day summer visitors but also from persons living in the surrounding area who are attracted to restaurants and other retail establishments. Based upon our analysis, we believe that by expanding the attraction of the destination, non-traditional retail/service market segment, Hull will be able to strengthen its retailing base.

Although Hull lacks market access to compete in the traditional retailing market, its unique locational advantages, which attract tourists and day visitors, can be mobilized or draw an anchor to attract additional purchasing power from the regional market. The concept is similar to that of a "festival market" whereby clusters of interesting food, specialty items, and services situated in an attractive setting could serve as a focus to attract additional visitors. The principle is similar to that which has successfully evolved in Rockport where visitors are attracted to the artists and shops on Bearskin Neck or in Boston's Quincy Market where the combination of shops, pushcart-type vendors, and eating and drinking establishments create an ambiance that is attractive to visitors. In applying the principle to Hull, we would suggest initially focusing upon the Town Pier which is a self-contained waterfront area with attractive views, dockage for pleasure craft and local fishermen, readily accessible to visitors, and convenient to the beaches and existing parking areas. The specifics of this program are described in the following section.

Recommended Retail Program

The Town Pier has a unique opportunity to be redeveloped into a seasonal-festival retail area which takes advantage of the unique location and attractive water views to World's End. Such a use is not incompatible with fishing and boating uses at the Pier and would be enhanced by such water activities.

The recommended form of redevelopment would involve the creation of an attractive mix of gazebo-type kiosks and tent-type restaurant, augmented by a limited number of pushcart-type vendors. The atmosphere created would be similar to that at Quincy Market or that found in other summer communities.

The types of retail establishments should include establishments which take advantage of the tourist potentials of Hull such as bicycle rentals; sea kayak, paddle boat, and other water-craft rentals; local and regional art and handy-craft vendors; small food vendors such as ice cream, specialty snack and other foods, and an area for the sale of seafood and lobsters should the fishermen/ lobstermen wish to participate.

The key to success is the creation of an attractive area with landscaped seating, lighting, and adequate parking which will draw people from the South Shore who heretofore have not been frequent visitors to Hull. Clearly, this area would also serve the residents of the Town by providing a small, seasonal, festival retail area. Most importantly it would begin to change the Nantasket image and be a starter area for new retail ventures.

The success of the development will depend upon the ability to merchandise the entire festival market area as a visitor destination as well as to attract a mix of food, service, art, and other retail vendors. Also of importance is the ability to manage the area in order to keep it attractive to visitors and to draw a mix of food, service, art, and other retail vendors. We would, therefore, recommend that the Pier area be master leased for a period of three to five years, with options to renew based upon certain performance criteria and with the Town's right to terminate the lease upon failure to meet certain performance standards. The lessee would have the right to either sublease "pads" for sub-tenants to locate gazebo-type kiosks or the lessee could develop such kiosks and lease the improved space to tenants. Flexibility to the lessee is critical, but this must be balanced by specific design and maintenance criteria for the facilities. It is assumed that at the end of the season, the facilities could be moved for storage at other locations.

The rent should be set at an affordable level with a percentage of the revenues generated by each of the retail establishments. This will attract developers who may perceive the development as "risky." The lease would be similar to a typical retail ground lease wherein there was a fixed rent payable on a monthly basis, plus a contingent rent which would be established at a percentage of retail sales in excess of a break-even operating number. For example, the fixed rent could be

SECTION V—RESIDENTIAL POTENTIALS

SECTION V—RESIDENTIAL POTENTIALS

The Town of Hull has seen two periods of major housing activity during the last 50 years. The first of these extended in the post-World War II period through the end of the 1950s. During that time only 1,700 new housing units were built. The second period of development was from the mid-1980s to the early 1990s, ending with the real estate recession. During that period some 800 additional housing units were developed in Hull, the majority of which were condominium units. As in other Greater Boston communities, the number of condominium units developed exceeded the market's ability to absorb the units and exacerbated by the recession, numerous projects failed.

In the recent past the market has begun to stabilize and many of the formerly vacant units have been sold. The housing market in Hull and the South Shore is beginning to regain strength. This section of the report addresses the potentials for housing development in Hull.

Overview

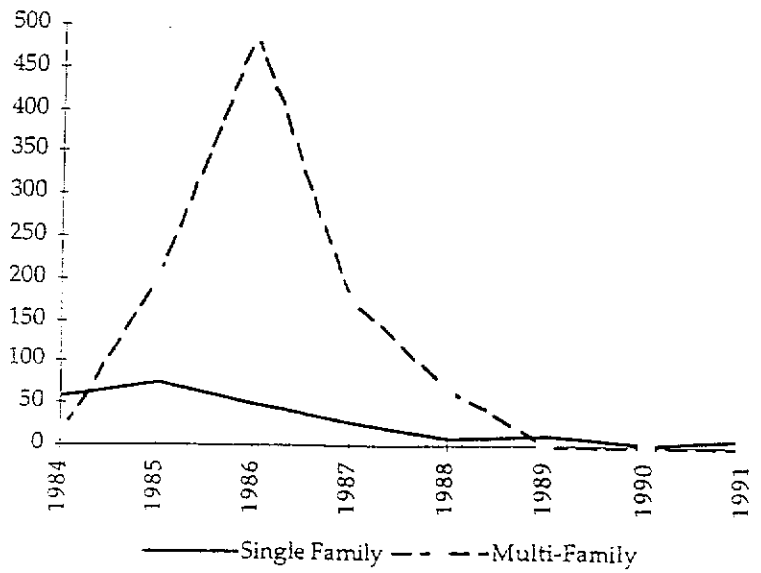
According to Census data there were more than 5,200 housing units in Hull in 1990. Of this number, some 2,535 were owner-occupied units, including more than 200 condominiums. Rental housing accounted for more than 1,250 units with nearly 160 of these being rented condominiums. Vacant units totaled in excess of 1,420 or more than 27% of the completed housing inventory. In addition, in 1990 there were numerous unfinished condominium units which were in the process of foreclosure or transfer to new owners.

Housing Stock in Hull, 1990
Date Constructed and Tenure Status

Year Built	Owner Occupied	Renter Occupied	Vacant Units	Total Units
1989	11	0	10	21
1985-1988	266	162	332	760
1980-1984	36	33	26	95
1970-1979	29	54	20	103
1960-1969	228	48	51	327
1950-59	468	181	189	838
1940-49	415	236	189	840
Pre-1940	1,082	539	604	2,225
Total	2,535	1,253	1,421	5,209

Source:
US Census

The building permit history in Hull between 1984 through 1991 illustrates the vast number of condominium units proposed in the Town. Permits for some 950 condominium units were granted, although not all units were eventually built. During the same period of time permits were issued for single-family houses and during the peak periods reached as many as 75 per year in the mid-1980s. Subsequently, single-family permits have dropped to the range of 10 or so annually.



Single-Family Sales Trends

In analyzing single-family sales trends for Hull, we have also included a comparison of other coastal communities in the immediate area.

The overall single-family housing market dipped in 1990 owing to the recession and lack of financing, but by 1991 and 1992 as prices plummeted and financing started to become somewhat more available, housing sales increased. Significant increases in the volume of housing sales were seen in 1993 and 1994 throughout the market. This experience is generally paralleled in the Town of Hull where sales levels dropped from 158 in 1989 to 135 in 1991. By 1993 and 1994, increased the combination of continued reasonable housing prices at below the levels of the 1980s and the availability of mortgage financing caused housing sales to increase significantly both in Hull and the surrounding region.

Single Family Sales Trends, 1989 to 1994
Hull and Nearby Areas

	1989	1990	1991	1992	1993	1994
Hull	158	148	135	161	169	200
Balance of Area						
Hingham	265	226	256	295	405	366
Weymouth	553	510	563	599	686	674
Cohasset	104	104	137	114	131	154
Scituate	247	184	262	303	329	336
Quincy	756	556	551	623	749	800
Subtotal	1,925	1,580	1,769	1,934	2,300	2,330
Total Area	2,083	1,728	1,904	2,095	2,469	2,530

Source:
Banker & Tradesman Data Base

Housing prices dropped in the market area from their high in 1989 to a low in 1992. Since that time, housing prices have remained level for a while, increasing only moderately in 1994 for the general market. In Hull housing prices continue to decline since 1992, averaging their lowest level of the six-year period in 1994 at an average of $95,000.

It should be noted that the above data are based on sales reported by Banker & Tradesmen and include both arms-length market sales and sales which would be regarded as non-market such as foreclosure sales or sales among related parties. Nonetheless, the data are useful since that is the basis of the market perception of Hull and surrounding communities. As will be evidenced in the subsequent discussion concerning condominium sales, the Town's Assessor has provided us with insights as to arms-length and other types of transactions and these data have been used in examining the market.

Single Family House Price Trends, 1989 to 1994
Hull and Nearby Areas

	1989	1990	1991	1992	1993	1994
Hull	$126,000	$120,000	$106,000	$110,000	$102,000	$95,000
Balance of Area						
Hingham	$217,000	$215,000	$205,000	$205,000	$200,000	$220,000
Weymouth	$147,000	$135,000	$131,500	$122,500	$124,000	$132,000
Cohasset	$283,000	$285,000	$243,000	$229,000	$245,000	$257,000
Scituate	$175,000	$175,000	$162,000	$160,000	$157,000	$170,000
Quincy	$156,800	$150,000	$142,500	$135,000	$133,000	$135,000
Subtotal	$171,425	$166,253	$158,715	$151,263	$151,926	$160,595
Total Area	$167,980	$162,292	$154,977	$148,092	$148,508	$155,409

Source:
Banker & Tradesman Data Base

Condominium Market Trends

Between 1989 and 1994 the condominium market has had mixed success. While a number of transactions have been registered, many of them reflect foreclosure sales and other non-market events. As is evident from the following table, the volume of condominium transactions declined sharply from 1989 throughout the coastal communities. In 1990 and 1991 many of the transactions were foreclosures, a pattern which is continued through 1992 and part of 1993. The brunt of the foreclosures, however, occurred in the 1990 and 1991 period. In 1993 and 1994 the market had generally stabilized with an average volume of some 45 sales per year in Hull and some 550 in the other coastal communities.

Condominium Sales Trends, 1989 to 1994
Hull and Nearby Areas

	1989	1990	1991	1992	1993	1994
Hull	78	103	127	64	44	47
Balance of Area						
Hingham	63	37	30	34	41	51
Weymouth	185	165	140	180	189	199
Cohasset	19	15	20	17	23	15
Scituate	35	25	21	18	20	35
Quincy	411	338	351	236	228	331
Subtotal	713	580	562	485	501	631
Total Area	791	683	689	549	545	678

Source:
Banker & Tradesman Data Base

Condominium prices began to decline significantly in 1989 and have continued to drop through 1993 as the oversupply of condominium units has forced prices to record lows. Foreclosed and traditional condominium resales are at prices of 30% to 50% below development costs. Although condominium prices have begun to rebound in 1994, the excess inventory of condominium units, many of which are rented by owners since they do not want to resell at today's low prices, have a depressing effect on the market.

Condominium Price Trends, 1989 to 1994
Hull and Nearby Areas

	1989	1990	1991	1992	1993	1994
Hull	$116,300	$110,500	$106,000	$95,000	$81,500	$99,900
Balance of Area						
Hingham	$139,500	$145,000	$134,000	$132,000	$118,600	$127,000
Weymouth	$122,000	$100,416	$75,500	$83,500	$77,000	$73,000
Cohasset	$212,000	$110,000	$190,000	$220,000	$150,000	$198,000
Scituate	$251,250	$236,900	$180,000	$178,000	$140,000	$205,000
Quincy	$123,800	$115,000	$97,900	$92,900	$78,000	$85,500
Subtotal	$133,327	$117,890	$100,592	$99,766	$86,726	$94,215
Total Area	$120,180	$100,111	$82,051	$88,136	$79,724	$87,684

Source:
Banker & Tradesman Data Base

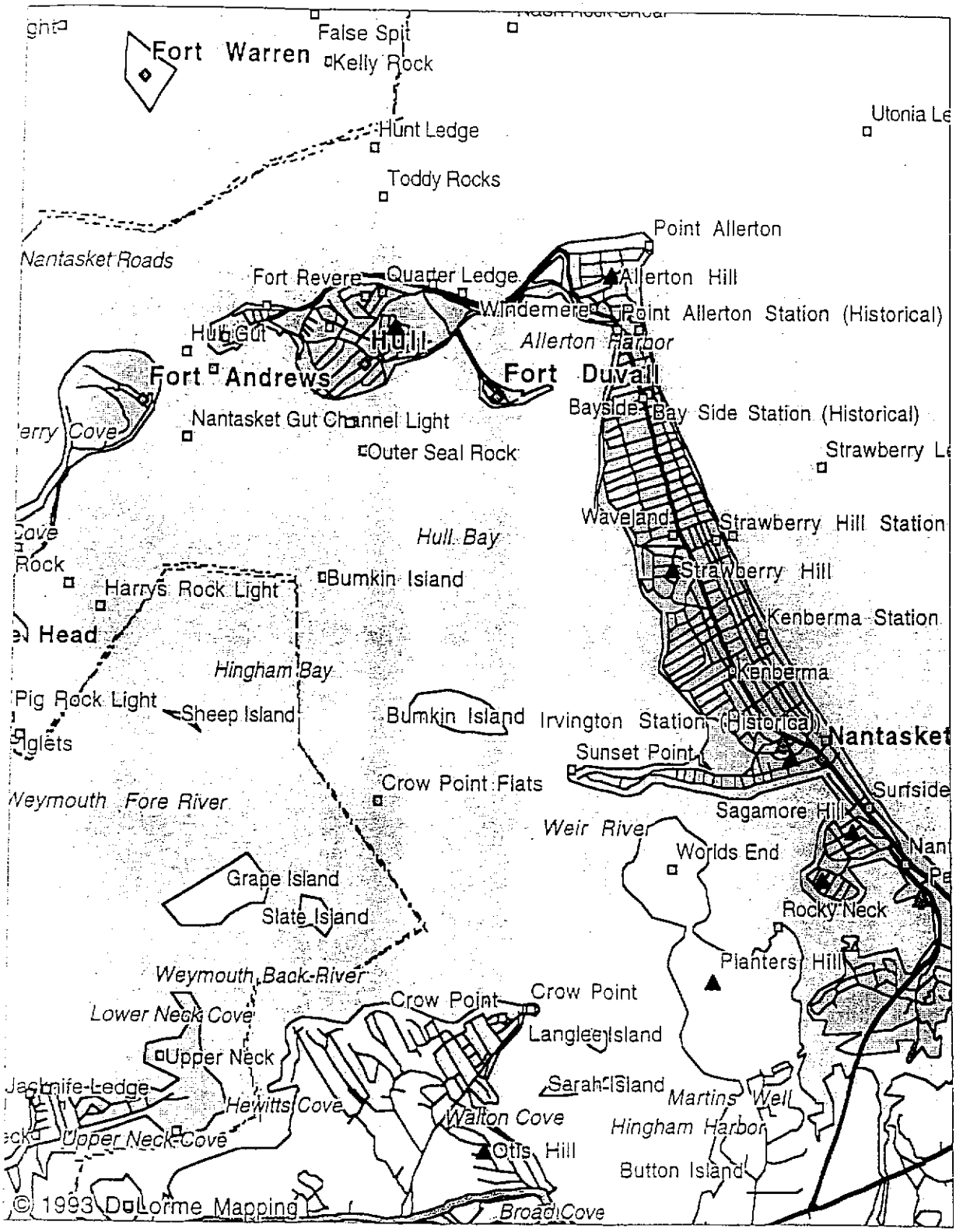
Price trends in market transacted condominium units, where the buyer was not forced to sell at a foreclosure price, illustrate the depressed level of pricing. In 1991, the average price of market transacted condominium units, excluding sales to related parties at abnormally low prices and foreclosures, stood at $127 per square foot for a one-bedroom and $106 for a two-bedroom in Hull. By 1994 the average price had dropped to $90 per square foot for a one-bedroom and the preliminary indications are that the price remained in the mid-$80s for a two-bedroom unit.

These sales prices are below development costs for comparable new product. Competitive new condominium units offered in the market such as Devon Wood in Braintree are at extraordinary low prices. Two and three-bedroom, ground floor apartment-style units were being offered in the fall of 1994 at prices under $105 per square foot, with two and three-bedroom, two-bath, 1,200 square foot units selling for below $127,000. Townhouses were generally in the same price range: two-bedroom, 1.5 bath units commanded the highest price per square foot because of their smaller size, averaging $120 per square foot. Three-bedroom, 2 and 2.5 bath units averaging 1,350 square feet were selling at only $103 per square foot. Even at these low prices, the pace of sales was averaging only four units per month.

Condominium Sales Price Trends in Hull
Based on Market Transactions, Prices per Square Foot

	One Bedroom			Two Bedroom		
		Range			Range	
	Average	Low	High	Average	Low	High
1991	$127	$87	$188	$106	$87	$116
1992	$104	$68	$153	$83	$68	$107
1993	$96	$65	$119	$84	$73	$94
1994	$90	$71	$104			$111

Exhibit 4—Regional Location Map



Tourism

The geographic location of Hull with its ocean beaches, makes the Town an attractive location for visitors from Boston and the surrounding area. s noted earlier from the mid-19th century through the early part of the 20th century, Hull was a destination resort area. While no longer serving as such, the Town's beaches and waterfront still attract numerous daily summer visitors as well as some seasonal residents.

Unfortunately, neither complete and accurate traffic counts nor MDC beach visitor data are not available. Thus, in order to estimate the number of tourist visits to the Town of Hull, we have analyzed the limited available automobile traffic count data as well as reported parking utilization from a sample of the MDC and other parking areas. Based on these data, it appears that the Town attracts between 500,000 and 950,000 summer visitors; however, given insufficient data, the number could be far greater. The Fire/Rescue and Emergency Service Department of the Town estimates a daily summer visitor rate of between 20,000 and 50,000 persons. The majority of the visitors are visitors to the MDC and other beach and waterfront areas. Visitors range from families visiting the beaches to surfers and fishermen.

The level of visitors to the MDC beach area is testimony to the fundamental attractiveness of Hull's waterfront location, since there was no special focus or marketing to attract visitors and until the recent renovations to the MDC facilities, the area was not attractive. The MDC has commenced a major renovation program which will enhance the attractiveness of the beach and should result in an increased number of visitors.

"X" thousand dollars per year with a contingent or percentage rent equal to "Y" percent of sales in excess of "Z" thousand dollars per year. The specific amount of base rent, percentage of sales, and percentage break-point would depend upon the types of users. We would further recommend that the base rent begin at a nominal amount in the first year and increase somewhat in the second, third, and succeeding years in order to provide an incentive for a developer to take the risk of establishing the festival area.

The request for proposals to developers should outline types of uses desired, the design criteria which the Town expects to impose, the base rent, and anticipated percentage rents. It should, however, be sufficiently flexible to allow bidders to propose alternative designs, mixes of uses and rent terms. The proposals would then be reviewed and the most attractive ones negotiated to arrive at the best proposal which generates a fair return to the Town. The key points to highlight in the request for proposal would be the location, the attractive views, the success of the existing restaurant, and the flexible nature of the transaction.

Retail Economics

The above concept has been predicated on creating "affordable" retail facilities which can service a seasonal retail market extending from May through October. The facilities themselves would have to be flexible and relatively inexpensive, yet attractive to the public. We believe that independent kiosk/gazebo type retailing would provide the flexibility and moderate cost while being extremely attractive to visitors. Such structures can be prefabricated and moved on-site in various configurations. They have significantly more flexibility than a fixed structure and utilize the open space as part of the retailing and tourist environment. The fact that the common areas are open reduces the cost and increases the attractiveness of the location which primarily involves being on the waterfront and enjoying the attractive views of the harbor and World's End. The fact that visitors are exposed to the elements is not of great significance since the visitors would not be expected during inclement weather.

The estimated construction costs are based on wood-framed octagonal kiosks/gazebos structures, approximately 8 to 12 feet across, and containing between 60 and 120 square feet, we estimate the cost to be between $6,500 and $9,500, each in place. These costs assume attractive wooden exteriors with wood shake, pitched octagonal roofs and with windowed or shuttered open areas on five sides. Each kiosk/gazebo would have electricity and electric heat for late spring and fall usage, but would not have interior fixtures or plumbing. Those costs would be additional.

It is possible that the owner of the kiosk would not necessarily be the operator but would have master leased the sites and supplied kiosks to a variety of operators on a leased basis. We have assumed that such a master developer would effectively amortize the cost of kiosks over a 12-year period and seek a return of approximately 17.5% on the investment. This return incorporates the costs of management, leasing, and minor repairs and would likely provide a net cash return in the 12% range.

It is also assumed that the Town would master lease the site at a nominal price but with a percentage return against actual sales. For the purpose of this example we have assumed a nominal ground rent of, for example, $750 per kiosk against a percentage rent of, say, 5.5% of gross sales. The actual percentage rent would likely vary by type of kiosk use and could be expected to range between 5% and 10% of gross sales. In addition to the two components of rent which the tenant would pay, the tenant would also pay a common area charge and be responsible for the real estate taxes.

As illustrated in the following table, we estimate that the seasonal cost to the tenant, excluding percentage rents, would be in the range of just under $2,500 to $3,200. The actual rents could be greater or lesser depending upon the kiosk size, developer's return, and percentage rent. At the rents set forth below, the minimum required sales per kiosk would range between just under $45,000 to approximately $58,000 per season. This sales volume reflects only the minimums to break even and not the likely volume which, we believe, would be considerably greater.

Analysis of Break Even Sales for Kiosk/Gazebo Retail

	Small	Large
Estimated Cost of Kiosk/Gazebo	$ 5,500	$ 9,500
Estimated Seasonal Rent (1)	$ 1,125	$ 1,945
Ground Rent (minimum)	$ 750	$ 750
Common Area Charge	$ 250	$ 300
Real Estate Taxes	$ 119	$ 205
Subtotal, real estate cost	$ 2,244	$ 3,200
Minimum Required Sales (2)	$ 40,800	$ 58,200

Notes

(1) *Rent based on full amortization over* 12 *years with return of* 17.5%

(2) *Break even sales with rent at maximum percent of sales of:* 5.5%

Financial Analyses

We have undertaken preliminary financial analyses including a development cost estimate and a break-even stabilized proforma financial analysis. These financial analyses are preliminary in that they are not based on detailed plans or specifications. Development costs are based on estimated areas using cost data from Marshall & Swift as well as R.S. Means. The break even retail analysis is based on estimated structure and ground rent, common area charges, and taxes for the net lease of a kiosk/gazebo on a seasonal basis.

Strengthening Hull Retail

There are several ways of strengthening Hull's retail climate. The first, and most obvious, is to attract destination-type retailers who by their very location in Hull would attract shoppers form a considerably wider market area. Among traditional retail establishments this would be difficult since they seek sites with significantly greater market accessibility than found in Hull. Based upon our research, the only potentially possible type of retail would be a moderately scaled manufacturer's outlet retail center of perhaps 35,000 to 60,000 square feet in size. Because of marketing conflicts such outlet stores will generally locate no closer than 15 miles from a regional mall handling their merchandise line. In this regard, Hull would appear to be almost far enough way from the South Shore Plaza and Hanover Mall, yet with sufficient accessibility to a broader market area to attract the necessary volume of shoppers. However, based upon our discussions with numerous outlet mall developers, the prospects for such a development in Hull appear bleak, primarily because of the issues of location and accessibility coupled with the reconfiguration of the Worcester retail mall into a major outlet mall.

Additional Neighborhood Retail

Given the extensive outflow of convenience goods dollars from Hull residents, we tested the market and financial feasibility of development of additional convenience serving retail. The analysis indicates that unless the retailers were sufficiently unique so as to attract a regular base of shoppers from the surrounding community, they would compete directly with the convenience shops already located in Hull. Because such stores do not carry the variety of merchandise and typically must price goods higher than larger shopping centers, the likely outcome of such development would be the division of the existing limited locally captured retail dollars rather than an increase in the capture of retail dollars. This would result in a weakening of the overall local retail market rather than a strengthening of the market. As a result, either the new retailers or existing retailers would likely be forced to close. Even the addition of several hundred new dwelling units of housing would support less than the 1,000 square feet of additional retail at a viable sales level.

Residential Outlook

While there continues to be a modest single-family development market in Hull, there is little available land for continued single-family development. At present, the Town of Hull is one of the most densely populated communities on the South Shore owing to its relatively small land area. With a population of some 10,815 persons in 1994, the density of population is just over 4,915 persons per square mile. As evidenced from the following table, the population density in Hull approaches that of Quincy.

Population Density Per Square Mile

Hull	4,915
Quincy	5,110
Weymouth	3,050
Braintree	2,350
Rockland	1,595
Holbrook	1,510
Abington	1,365
Hingham	880
Cohasset	705
Norwell	435

With little land for residential development, most of the potential development sites are situated in the Focus Area. In most sites, the existing zoning would permit development in excess of eight units per acre and the type of development which could be accommodated at such densities would range from clustered townhouses such as at the Hall Estates to mid-rise structures. These would most likely be condominium units since the rental market is insufficient to command prices that support the cost of new development. At present, however, even using lower cost construction techniques such as at Devon Wood, the economics of development of condominium sales is, at best, marginal. Until the legacy of the real estate recession has abated, it does not appear economically feasible to develop and market new condominium units.

As past experience has indicated, luxury and high-priced condominiums do not appear readily marketable in Hull, except in spectacular locations such as the Cliffs which overlook the bay. Such condominiums have and continue to establish the high prices in the market. For most sites, the likely market will be for mid-priced products and it is unlikely that development of such housing will be economically attractive for several years.

Elderly Housing

With the aging of the region's population, there is an increasing demand for elderly housing. Such housing includes independent living facilities, assisted living, and continuing care condominium complexes. The difference between independent and assisted living deals with the level of assistance and services provided and the disabilities and mobility of the residents. A continuing care complex typically has a mix of independent living facilities for those who are able to take care of themselves, assisted living facilities for those who require some degree of care, and nursing care facilities.

Generally the most critical indicators in looking at the potentials for elderly housing is the analysis of the demand for assisted care facilities since most modern developments contain a mix of both independent and assisted care units, with perhaps 15% to 20% of the units being assisted care.

Based on our analysis we believe that there remains a healthy demand for elderly housing facilities in the South Shore. Since most facilities are oriented to the private market which is able to pay the relatively high price for such housing, the competition is strong. Our analysis indicates that between 1994 and 1999 there will be an increased demand for some 240 assisted living units in the South Shore based upon the aging of the population. The aggregate demand is estimated to be more than 1,770 by 1999.

In our opinion, there is sufficient demand to consider the development of an elderly housing facility including a mix of independent living and assisted care living. The key element will be the ability to attract the higher priced market segment which is necessary for financial feasibility. To some degree, sole reliance

upon the higher priced market segment can be reduced by developing under the Massachusetts Housing Finance Agency's Elder Choice Program which includes a significant element of assisted housing in the complex.

Estimated Demand for Assisted Living Facilities
Hull Market Area - 1994 - 1999

Householder Age 75 and Older by Income Level	1994	1999	Increase
$35,000 and Over	697	818	121
$25,000-$34,999	293	350	57
$15,000-$24,999	545	604	59
Total	1,535	1,771	236

As with elderly housing, there is an increasing demand for nursing home facilities. In many regards the issues facing nursing home complexes are similar to those with elderly housing. In order to be financially viable, nursing homes need to attract a substantial share of "private–pay" residents with much less reliance upon Medicaid and Medicare-related patients. Unlike elderly housing development, the development of nursing homes is regulated by the Department of Public Health and permits must be granted for such development. The current need for nursing home beds in the Hull market area is estimated to be at just over 10,000. The license supply is just under 8,900 beds leaving an existing gap of approximately 1,100 beds. The Department of Public Health has, however, already approved licenses for the development of 1,500 beds in the market area. If all approved beds were built and licensed, there would be an oversupply, but the development of nursing homes is a long process and not all approved beds will be likely to be built. Having issued some 1,500 approvals, additional beds are not likely to be approved in the Hull market area. That means that any potential development would have to either wait for future increased demand or attempt to relocate an approved development to Hull. Regulations make the relocation possible, subject to the approval of the Department.

We believe that there are potential sites in Hull which would be attractive for a nursing care facility. Currently, however, such development could only take place by the relocation of an existing permitted project.

Estimated Nursing Home Bed Demand
Hull Market Area

1995 Need		10,017
Licensed Supply	8,896	
Beds Approved Not Yet Licensed	1,509	
Subtotal		10,405
		(388)
Plus Add'l Medicaid Patients		131
Need (Surplus)		(257)

SECTION VI—GOLF DEVELOPMENT POTENTIALS

SECTION VI—GOLF DEVELOPMENT POTENTIALS

The Town has historically been a tourist destination and continues to attract hundreds of thousands of seasonal visitors each year. Based on comments from Task Force members and on the consultant's study of the golf market, elsewhere in Eastern Massachusetts, it appeared that such development would be attractive if a site could be identified. Working with experienced golf course planners at Sasaki Associates, a potential site was identified for the creation of a potentially spectacular, 2,666-yard, par-57 water-oriented course. This section addresses the preliminary market and financial feasibility of such a project.

Market Support

There is a strong for golf in the Greater Boston area, particularly on the South Shore. There are about 100 public and semi-public golf courses located in Eastern Massachusetts and more than 30 on the Cape. Some 25 courses are located within Boston and the areas south of the City inside Route 495. On the South Shore there are more than 20 public and semi-public courses.

The number of rounds played at these courses varies depending upon the quality and location of the course as well as the pricing. Municipal, MDC, and county-owned courses such as George Wright (Hyde Park), Ponkapoag (Canton), and President's (Quincy) have reported between 50,000 and 60,000 rounds per course per year for the past several years. The better private and publicly owned courses which are available to the general public such as South Shore Country Club (Hingham), Pembroke Country Club (Pembroke), Stow Acres Country Club (Stow), Wayland Country Club (Wayland), Brook Meadow Golf Course (Canton), Marlborough Country Club (Marlborough), and Glen Ellen Country Club (Millis) report between 40,000 and 50,000 rounds per year for the past several seasons.

Pricing for a par 70 to par 72 hole course generally ranges from $18.00 to $32.00 for 18 holes on a weekend, with a $3.00 to $4.00 discount for weekday play. In addition to the green fees, charges for electric carts generally range from $20.00 to $24.00 per 18 holes.

Of the more than 160 public and semi-public golf courses in Massachusetts, thirteen are "par–3" courses, ranging in length from 2,400 to 4,000 yards. Three of the courses are located in the Route 3 corridor, six on Cape Cod, and two on the Route 93 corridor. Greens fees generally range from $18.00 to $22.00 for 18 holes and one course on the cape commands greens fees of $30.00.

Typical examples of par 3 coursers include the recently developed Squirrel Run Golf Course, the older and less challenging Lost Brook course, the attractive Firefly course, and the exquisite Kingsway Golf Course.

> Located off Route 44 in a partially completed trailer home area in Plymouth, the Squirrel Run Golf Course has weekend greens fees of $22.00. Although poorly located when compared to a potential site in Hull, the Squirrel Run course reportedly has 30,000 to 35,000 rounds annually with most play on weekends. The course is well maintained and is reasonably challenging for newer golfers as well as a good practice tract for serious golfers.
>
> The Lost Brook course in Norwood is located in an office and industrial park area. The tract is fairly flat and uninteresting when compared other courses, yet is estimated to get more than 40,000 rounds, despite its location and lack of challenge. The course caters mainly to the senior and younger golfers as well as to beginners.
>
> The Firefly course in Seekonk is a longer, 3,650 yard, par-3 type course. Their greens fees are $19.50 on weekends. Although not located in a major population center, the course reports more than 40,000 rounds per year.
>
> Perhaps one of the best maintained par-3 type courses is the Kingsway Golf Course in Yarmouthport. With narrow fairways and interesting topography, the course attracts summer visitors, senior golfers, and serious golfers in search of an challenging, attractive course that can be played in a reasonable time frame.

Course	Location	Holes	Par	Yards	Green Fee
Paul Harney GC	E. Falmouth	18	59	3,500	$ 17.00
Tara Hyannis GC	Hyannis	18	54	2,621	$ 20.00
Holly Ridge Golf Club	S. Sandwich	18	54	2,952	$ 18.00
Blue Rock GC	S. Yarmouth	18	54	3,000	$ 20.00
Little Harbor CC	Wareham	18	56	3,038	$ 17.00
Kingsway Golf Course	Yarmouthport	18	59	4,023	$ 30.00
Middleton	Middleton	18	54	3,215	$ 22.00
Heritage Hill CC	Lakeville	18	54	3,000	$ 18.00
Wading River GC	Norton	18	54	2,421	$ 9.00
Lost Brook Golf Club	Norwood	18	54	3,002	$ 18.00
Squirrel Run Golf Course	Plymouth	18	57	2,800	$ 22.00
Rockland Golf Club	Rockland	18	54	3,293	$ 18.00
Firefly	Seekonk	18	60	3,644	$ 19.50

Program Recommendations

There appears to be sufficient land in the undeveloped portion of the Hall Estate and the undeveloped portions of the Worrick estate, including the island in Straits Pond to accommodate an outstanding 18-hole, par 3-type golf course. Preliminary designs by Sasaki Associates indicates that a spectacular, 2,066–yard, par–58 course could be developed on the site.

The course would have attractive waterviews and potentially a spectacular pair of holes playing to the island in Straits Pond. The course could be configured to provide a reasonable challenge for experienced golfers, yet to be highly playable for senior and beginner players. Given its location, market accessibility, and dramatic marsh and water views, the course should not only operate to capacity on weekends when tee times are scarce for semi-public courses, but should also operate close to capacity on weekdays.

The typical time for a round of golf on one of the greater Boston area's semi-private or public courses is in the five hour range. Such a time is not atypical at Pembroke, Brookmeadow, Stowe, South Shore, Braintree, or other courses in the Greater Boston Area. Yet these courses report operating in the 40,000 to 50,000 round per year range. The proposed Hull course is significantly more playable,

The funding of a golf course is possible from either private and/or public sources. Because of the lower cost of public finance, many recreational facilities are funded by public debt. Depending on the development cost, including land acquisition, it may be possible to cover all public bond debt service from the lease payments made by an operator of the facility, especially as the course appears to have excellent income producing potential. The option of public finance could be available for publicly owned facilities whether or not they are operated by the public body or leased to a private operator.

In the past, numerous public park, open space, and other types of grants and loans were available from state and federal sources. Currently, such funding appears more difficult to obtain as budget tightening has become a major objective at most levels of government. It is not possible to project the availability of future grants or low interest loans. The ability to use a variety of infrastructure, open space, recreation, economic development, and other funding sources has in the past made it possible to underwrite development costs for such projects.

It is possible, depending upon the cost and difficulty of site acquisition, to finance the development of a golf course from private capital sources. The prospects for financing the development costs would appear quite good, based on the preliminary economics. The ability to cover the costs of site acquisition will depend upon the costs involved.

Summary

The development of a spectacular par-57 golf course appears physically and economically feasible, if the required land can be acquired on a reasonable cost basis. The course should enhance the attractiveness of the town to visitors and in so doing create opportunities for local businesses. If combined with a program of revitalization in the Nantasket Beach area and coupled as program of bike trails and other recreation activities, the development of a golf course could help restore the Town's former economic vitality as a destination for a broader visitor market.

The major problem facing the development of such a golf course are issues of site acquisition -- both the willingness of owners to sell property and the price of the property. If these problems can be overcome by private and/or public initiatives, the preliminary indications are that a golf course would be feasible.

The alternative uses for the properties on which the golf course would be situated are limited. The Hall Estate is zoned for residential development; however, recent experience has shown that development to be marginally marketable. While the owners may consider the option of "affordable housing," in reality there is no funding for such development presently from either the State of the Federal governments. Under the new programs that are proposed, there will be limited funds for specifically-targeted, affordable housing developments, with funding directed toward subsidies such as Section 8 and MRVP programs. These programs favor existing development, but since the subsidies are targeted to the tenants rather than the project, the development of new, affordable housing is extremely difficult.

The other possible use for the site would be as a location for independent or assisted living housing. Although the site is attractive, it would face the same problem of attracting high-priced independent and/or assisted elderly tenants as it did in attracting higher income condominium purchasers. Unless the site could attract at least 80% of the residents from the upper-income market, the feasibility of independent or assisted living housing would be marginal. Given the current market conditions, the competition from successful retirement projects on the South Shore and the contemplated development of such a project in Hingham, the prospects of the successful development of independent/ assisted living elderly housing on the Hull Estate are not great. However, assuming that there were sufficient demand to support an independent/assisted living facility, the scale of such a facility would probably not exceed 100 to 115 units and may be financeable only at a lower-size of 75 to 80 units. The land value created by such development would likely be less than $10,000 per unit given the economic mix likely to be attracted. Thus, the land value created under such a development would range between $750,000 and $1,150,000, with a likely value of somewhat under $1,000,000.

The likely reuse for the Gratta tract would be residential development, although the owner reportedly is considering a small shopping center and the site is zoned for commercial use. In view of our detailed analyses of the retail demand in Hull, the economics of such a center would be marginal, at best, and it is unlikely that such a retail development would be financeable. It is far more likely that residential development would pose a more viable option in the long run; however, the demand for additional housing in the near-term does not appear strong. The remaining parcels of land are platted for small lot subdivision; however, the economic feasibility of such an undertaking is highly questionable in the near-term.

Given the likely alternative uses of the unused portion of the Hall Estate, the Gratta Trust property, and the other properties, it appears that consolidation of ownership and the development of the golf course would be the highest and best use for the property. The development of such a course would also enhance the marketability and value of the unsold units at the Hall Estate, representing a potential source of additional profit to the owners.

SECTION VII—MOTEL AND BED & BREAKFAST POTENTIALS

SECTION VII—MOTEL AND BED & BREAKFAST POTENTIALS

Motel and Bed & Breakfast Potentials

The lodging industry, ranging from major hotels to bed and breakfast establishments, relies on attracting patrons from three primary market groups: "Business/Corporate" travelers; "Leisure/Tourist" travelers, and "Group Business," including tours as well as conferences and business meetings. All market segments seek lodging either at or near their destination or at convenient way-points located along the travel route.

On the South Shore, between Braintree and Plymouth, there are some eight major motel and hotel facilities containing more than 1,150 rooms. The major source of room nights are business visitors and leisure/tourist visitors, with group business primarily evidenced only at the Sheraton Tara in Braintree and a limited number of groups in the historic Plymouth area. Business travelers tend to account for the majority of the room nights in the market area with tourist and related business somewhat behind. Interviews with the various hotel and motel facilities indicate a three-tier rate structure. The more major facilities such as the Sheraton in Plymouth and Braintree have rates over $120 per night. These two hotels make up more than half of the total rooms in the market area. The second tier of hotels are priced in the $80 to $90 per night range and include the Holiday Inn Express, Days Inn, Ramada Inn, and Howard Johnson's. The lower priced hotels are exemplified by the Motel 6 in Braintree and the Boston Motel in Weymouth with rates in the $40 to $55 per night range.

Typical occupancy is in the mid-60% range with some motels doing worse and hotels like the Sheraton Tara doing well above the 70% range. The occupancy levels and room rates for the typical hotels underscore the competitive nature of the market, and since there are no destination resort hotels on the South Shore, that business is directed to the Cape and Islands. Based on our discussions with industry professionals, and a review of market data, we do not believe that there are good prospects for hotel or motel development in Hull.

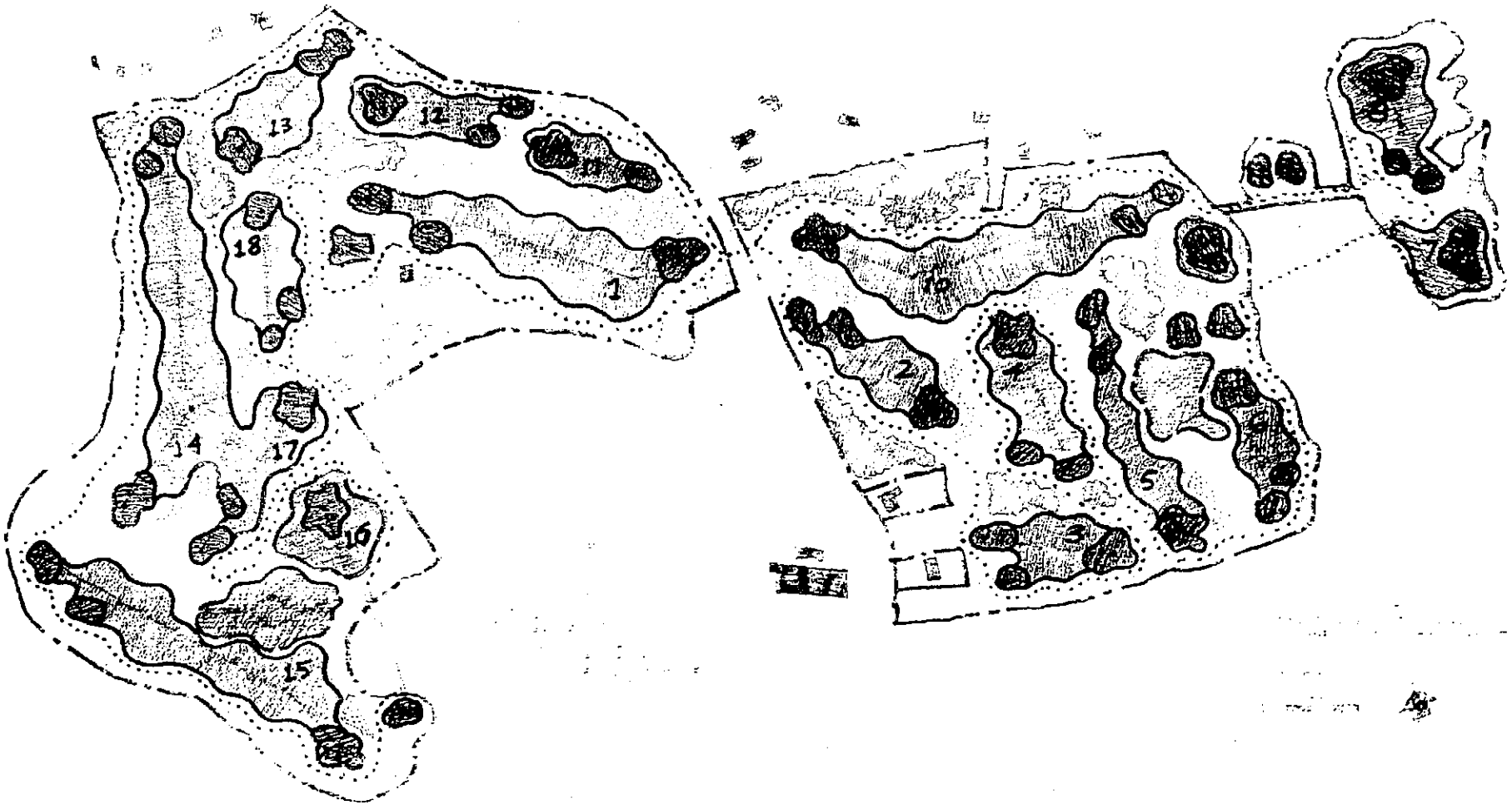
Bed and Breakfast

A particular segment of the lodging industry is the bed and breakfast business, which facilities usually locate in out-of-the-way places and cater primarily to the leisure visitor. Often these are destination locations on a scenic tourist route. There are a limited number of small inns and bed and breakfast establishments on the South Shore according to the Bed & Breakfast Association and discussions with Chambers of Commerce and town officials in the various communities.

One of the more successful is the three-room Windsor House in Duxbury which is a destination restaurant with a family bar. They record modest occupancy on a round-year basis but increased occupancy in the summer and other holiday seasons with some guests visiting people in the area. A second bed and breakfast containing six guest rooms is the Allen House in Scituate where the rates are between $120 and $155. Occupancy is generally modest, but better in the summer season. There is one bed and breakfast in Hull, the Allerton House, which contains two rooms with rates of $65 per night. There were three additional bed and breakfast establishments located in Cohasset, Marshfield, and Plymouth, but these have all gone out of business due to low occupancy and the demand of such a facility on it's owners.

Based on our experience in other market areas, primarily in Northern New England, the Cape and Islands, we find that successful bed and breakfast establishments operate in a destination tourist area. They generally contain six to twelve rooms and attract people based on the ambiance of the facility and the attractiveness of the location. Since the South Shore is generally not a destination tourist market, bed and breakfast facilities have a more difficult time surviving. Thus, these facilities must be attractive enough to capture the "get-away weekend" business and there must be sufficient activities to attract people to the area.

Assuming that Hull is able to revitalize the beach area and successfully institute the festival retail area at the Town Pier, as well as creating other tourist activities such as bike trails, boat rentals, and perhaps a golf course, the opportunities for bed and breakfast business in Hull will far surpass the opportunities in other South Shore coastal communities. Thus, as the tourist and visitor market improves, it is reasonable to anticipate additional bed and breakfast facilities will be developed and thrive. Absent these conditions, however, there would be significant risk in attempting to develop bed and breakfast facilities.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SECTION VIII—OTHER DEVELOPMENT POTENTIALS

SECTION VIII—OTHER DEVELOPMENT POTENTIALS

In addition to the potentials for retail, residential, and golf, the consultants have examined other development potentials to see what other uses could be attracted to the Town. This analysis addressed office, cultural, and public and private ventures.

Office Development Potentials

The office market in the South Shore is yet weak from the recession of the late 1980s and early 1990s; however, the market is beginning to increase. Office development tends to be divided into two areas: headquarters' office facilities which are typically developed for a specific firm and multi-tenant office facilities where there are a mix of firms. The latter are typically developed in highly accessible locations and would not be attracted to the Town of Hull. The former, however, are idiosyncratic in their locational choices. Very often, the choice is dictated by the chief executive officer of the firm, even in publicly-held firms. Many such firms have sought unusual office location ranging from the Berkshires to Camden, Maine. The overriding reason for choice is the quality of life and the attractiveness of an area.

It is impossible to estimate the demand for such use nor to predict whether such a use could be attracted to Hull. It is possible that an enterprise might wish to have the type of location afforded by the Town. It is most likely the choice by a chief executive officer who lives either in the Town or near the Town and wishes to locate a firm's corporate offices convenient to their residence. Several facilities were located in Charlottesville, Virginia for this very reason. The choice of Camden, Maine as a headquarters location resulted from the fact that the chief executive vacationed extensively in the area and sought a change of lifestyle from the Carolinas.

It remains a long-shot possibility that a firm could be attracted to Hull. It is not the type of use that one can reasonably predict, but it is a use which, as the Town's image and attractiveness improve, is more likely to occur.

Theater and Entertainment

We have investigated the likelihood of a dinner theater, music circus, or other type of entertainment facility locating in the Town. While the Town draws a large number of summer visitors and would be an attractive location for such a use in the summer, discussions with persons engaged in the business have indicated that with the existence of the South Shore Music Circus, Great Woods, Boston's Harborfest, and other entertainment facilities, the market is unlikely to support another such facility at a scale necessary to become economically feasible.

Public Research Facility

The Task Force has advised us of studies that would indicate the possibility of the location of a research or educationally-oriented facility in Hull. We have discussed the possibilities with several institutions and find that their choice of location is frequently dictated by the funding that is available. Often times such institutions are given large, attractive sites along with a bequest which enables the establishment of such an institution. While it is possible that such an institution could locate in Hull, it is highly unlikely based upon our research.

APPENDIX

CERTIFICATION

I certify that, to the best of knowledge and belief:

- the statements of fact contained in this report are true and correct;
- the reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, unbiased professional analyses, opinions, and conclusions;
- I have no present or prospective interest in the property that is the subject of this report, and I have no personal interest or bias with respect to the parties involved;
- my compensation is not contingent on an action or event resulting from the analyses, opinions, or conclusions in, or the use of, this report;
- my analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice as promulgated by the Appraisal Foundation and with the requirements of the Code of Professional Ethics and the Standards of Professional Appraisal Practice of the Appraisal Institute;
- I have made a personal inspection of the properties that are the subject of this report;
- no one other than those individuals or firms specified in this report or Appendices provided significant professional assistance to the person signing this report and,
- the use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.

Prepared By:
BONZ & COMPANY, INC.

Richard E. Bonz, CRE
President

Bonz & Company provides comprehensive real estate counseling and valuation services to a constituency of financial institutions, public agencies, nonprofit organizations, corporations, investors, educational institutions, and developers, in the United States and abroad.

The firm operated under the name of Leggat McCall Advisors, Inc. from 1985 until 1990. Prior to that the firm was known as Minot, DeBlois & Maddison, a preeminent real estate organization founded in 1782. Bonz & Company continues under the same management as Leggat McCall Advisors and Minot, DeBlois & Maddison, carrying forward a 200–year tradition of service.

With an approach that combines sophisticated analytical techniques with practical real estate experience, we provide clients with creative and pragmatic solutions to today's complex real estate and valuation problems. Our broad client base, diverse project experience, wide geographic coverage, and knowledgeable staff enable us a unique perspective in key service areas: feasibility consulting, structuring joint public-private development, acquisition and disposition consulting, appraisal, expert witness testimony, workout assistance, and negotiating transactions.

Today, real estate owners, investors, developers, and public agencies continue to face major challenges. In this constantly changing real estate climate, our goal is to draw upon our experience, skill, and creativity to enable our clients to maximize their business objectives.

Richard E. Bonz, CRE
President

Services of the Firm

An extensive client base and diversity of project experience enable Bonz & Company to provide sound advice in a wide range of real estate situations. The firm has undertaken complex real estate assignments throughout the United States and abroad. The value added constant in Bonz & Company service is the unique combination of sophisticated analytical tools, a creative problem solving approach, and the pragmatic orientation of first hand real estate experience.

Feasibility Consulting – We provide a variety of services from market analyses and economic studies to detailed financial analyses of complex projects. Our feasibility studies have a common thread of thorough research, sophisticated analysis, an understanding of real estate trends, an objective evaluation of future conditions, and pragmatic real estate judgment. Our objective is to identify the likely market niche, strategy, and conditions necessary to maximize the clients objectives while minimizing the attendant risks. Our diverse background includes assignments involving office, retail, hotel, multi-family residential, and industrial projects as well as ski and golf resorts, interval ownership housing, parking facilities, race tracks and training facilities, marinas, art museums, and other specialized properties.

Joint Public-Private Ventures – As a pioneer in the analysis, formulation, and negotiation of joint public-private ventures and the privatization of publicly owned real estate, the firm has undertaken a wide variety of projects from maritime facilities and airport development to mixed use projects and mass transit related development. Among the projects which we were major participants are the World Trade Center in Boston, the Charlestown Navy Yard redevelopment, South Norwalk (CT) redevelopment, City Commons in Orlando (FL), and projects in the NIS. We provide the experience to evaluate the opportunities for such ventures, solicit developer proposals, analyze the impact of the proposed ventures, structure a feasible transaction in today's complex and difficult market, and negotiate the business terms of the transaction.

Valuation Services – The firm provides valuation services for investors, financial institutions, property owners, government agencies, corporations, and the legal community. We are experienced in the appraisal of office, retail, residential, industrial, hotel, and special use properties including bio-tech research, shipyards, golf and ski resorts, and other unique properties. Special areas of the appraisal practice address tax abatements, the valuation of real estate impacted by environmental contamination or other external factors, and the valuation of the Title II and IV HUD financed assisted multi-family housing, as well as more traditional appraisals.

Environmentally Contaminated Real Estate – The firm has pioneered the analysis of environmentally contamination on real estate including the impact on property values and the potential redevelopment or reuse of contaminated property to maximize the residual value and thus offset the remediation costs. In valuing the impact of contamination, we use market data to document actual market experience. This approach is based on established appraisal principals, the approach has been accepted in evidence in damage cases in federal and state court. Members of the firm have served as expert witnesses in contamination related litigation for commercial, industrial, and residential properties.

Corporate Real Estate Services – Bonz & Company provides corporations and other organizations with a variety of services including due diligence in property acquisition and disposition, property acquisition and disposition negotiations, lease negotiations, appraisals, analysis of the impact of environmental contamination on property value, and public-private real estate development joint ventures in the United States and abroad.

Expert Witness Testimony – The firm serves the legal community in preparing analyses and valuations for a variety of real estate litigation matters and has served as expert witness in state and federal court. Our work has involved such issues as: tax abatement; environmental contamination, lost development profits, the value of partnership interests, development feasibility, as well as eminent domain.

International Real Estate Consulting Services – The firm provides international clients with feasibility consulting, valuation, joint public-private ventures formation and development consulting services, tailored to each client's needs. We are familiar with the difficulty involved in assessing market and financial feasibility, structuring land acquisitions, financing development, and structuring joint public-private real estate ventures. Despite the lack of data that is readily available in Western market economies, we are able to provide clients with an assessment of market, development, and financial risk and to provide strategies to mitigate such risk. Members of the firm have undertaken a variety of assignments in the Russian Republic, Ukraine, and Israel, including evaluating the market support for new residential and commercial development projects, structuring and negotiating development projects, and developing valuation techniques in emerging market economies.

College and Institutional Services – Increasingly colleges, universities, and other nonprofit institutions are faced with financial pressures as the need for capital and operating funds meet the reality of stable or declining revenues. Often we are able to identify additional sources of funds from the creative use of under-utilized real estate assets, the strategic management of real estate investments, or the realistic evaluation of properties contemplated to be received under planned giving. We serve as a real estate advisor, working directly with the chief financial officer, other appropriate administrative officers, or a committee of the Trustees, to provide assistance from strategy formulation through implementation.

Workout /Restructuring Services – From the failure of REITS in the 1970's to the recent real estate crash, the firm has had first hand experience in evaluating non-performing real estate assets and formulating strategies to maximize the investment value. The problems frequently lie as much with a project's concept and implementation as with the effects of a general market downturn or other factors. Our approach starts with a preliminary property or portfolio audit designed to quickly uncover the key problems. When needed, more detailed market, operating, and financial analyses are undertaken to form the basis for a repositioning strategy.

Development Consulting – Frequently property owners, non-profit institutions, corporations and other clients need development assistance. We tailored our services to the specific requirements of the client and the project. This work has involved formulate development concepts, evaluate sites, analyze alternative programs, structure financial transactions, negotiate with developers and/or general contractors, and assist in the implementation of a proposed project.

Clients of the Firm

Bonz & Company serves a diverse constituency of clients. A representative list of clients includes:

Financial Institutions

Bank of Boston
BayBank
Federal Deposit Insurance Corp.
Fleet National Bank
Fuji Bank
John Hancock Properties
National Bank of Canada
New England Life
Niagara Asset Corporation
RECOLL Management Corporation
Shawmut National Bank
State Mutual Insurance Co.

Developers

Beacon Companies
Boston Properties
Campeau
Lincoln Property Company
Nishimatsu Construction Co., Ltd.
Olympia and York
The Dartmouth Company
Trizec

Public Agencies

City of Bangor, Maine
City of Boston, Massachusetts
City of Coral Gables, Florida
City of Fort Lauderdale, Florida
City of Norwalk, Connecticut
City of Orlando, Florida
City of Sturgeon Bay, Wisconsin
Connecticut Department of Transportation
Massachusetts Port Authority
Commonwealth of Massachusetts, DCPO
Massachusetts Bay Transportation Authority
Mass Museum of Contemporary Art Comm
PADCO / US Agency of International Development
Massachusetts Turnpike Authority

Corporations

Central Vermont Public Service
CBS
CITGO
Dominion Energy Corporation
Emhart Corporation
Exxon Oil Company
Fidelity/FMR Corporation
The Flatley Company
Guilford Industries
Microwave Development Laboratories
Sheraton Hotel Corporation
Sugarbush Ski Resort

Colleges and Nonprofit Institutions

Boston University
Church of Christ Scientist
Combined Jewish Philanthropies
Franciscan Missionary Sisters for Africa
Lasalle College
Massachusetts Conference United Church of Christ
Roman Catholic Archdiocese of Boston
Springfield College
Wellesley College

Law Firms

Choate Hall & Stuart
Cooley Manion Moore & Jones
Gadsby & Hannah
Goodwin Procter & Hoar
Gordon & Wise
Hill & Barlow
Mintz Levin Cohn Ferris Glovski & Popeo
Rubin & Rudman
Sullivan & Worcester
Warner & Stackpole

Professional Staff

The professional staff combines training in sophisticated analytic approaches with practical real estate experience in finance, deal structuring, appraisal, market analysis, urban planning, economic analysis, feasibility analyses, and investment to provide our clients with the ability to solve a wide range of real estate and appraisal problems. Members of the firm include:

Richard E. Bonz, CRE—President

Mr. Bonz is a real estate professional with over twenty-five years experience in the industry. He has managed real estate assignments throughout the United States and abroad for public, private, and institutional clients. He is a member of the American Society of Real Estate Counselors and holds the CRE designation. In addition, he is a member of the Urban Land Institute, a director of the Greater Boston Real Estate Board, and the Real Estate Finance Association.

He has undertaken a diverse range of consulting and appraisal projects involving: mixed-use hotel, office, and retail complexes; high technology and bio-tech research centers; regional and specialty shopping centers; ski and golf resorts; waterfront development including the redevelopment of the former shipyards; condominium and residential development; the adaptive reuse of older industrial properties; and special purpose properties ranging from art museums to toxic waste transfer stations. During the past five years he has undertaken appraisals for properties with an aggregate valued in excess of $3.4 billion. He has also been actively involved in real estate counseling and the negotiation of development transactions, particularly those involving public-private ventures. His experience also includes the asset management of office buildings, R & D facilities, and regional shopping centers.

Prior to forming Bonz & Company, Inc., Mr. Bonz was President of Leggat McCall Advisors, Inc., a national real estate consulting and valuation firm. Formerly, he was a principal and president of Minot, DeBlois & Maddison, Inc., the nation's oldest real estate and fiduciary firm and a vice president and principal of Gladstone Associates, Washington, DC. A Dartmouth College graduate, he has a master's degree from the University of Pennsylvania. He has been a faculty member at the University of Virginia, Boston University, and George Washington University and has lectured at Harvard University, the University of Pennsylvania, Catholic University, and is a Faculty Associate at the Lincoln Institute of Land Policy.

Erich K. Jacobs—Vice President

Mr. Jacobs brings to the firm diverse experience in market and financial feasibility, valuation, parking, workouts, and deal structuring. Prior to joining the firm Erich was an Associate with Leggat McCall Advisors, Inc. Erich performed economic analyses for a consortium of developers in Madison, Wisconsin and was previously the feasibility consultant for a successful recreational developer. Erich holds a Masters of Science degree in Real Estate Investment Analysis and Appraisal from the University of Wisconsin Graduate School of Business. He also holds a Bachelors of Science in Economics from the University of Wisconsin - Madison.

Among the projects Erich has completed are: identified various financing mechanisms available for financing the proposed extension of the rapid transit service using private sector funding, undertook feasibility analyses for a 1,400 car luxury underground parking facility and other structured parking garages; evaluated work-out financial analysis for $100-million condominium complex; evaluated market and financial feasibility for a proposed championship golf course and club; performed comprehensive economic impact analysis and report for a proposed 25 acre corporate/R&D park; analyzed workout strategy for an ailing shopping center in Virginia; and undertaken numerous complex appraisal and feasibility studies for condominium, office, retail, mixed use, and industrial properties.

Erich is a member of the American Real Estate Society, American Real Estate and Urban Economics Association, and an assistant editor of the Journal of Real Estate Literature. He is also board certified as a Certified General Appraiser in Massachusetts and New Hampshire.

Eric S. Stotz, MAI—Vice President

Mr. Stotz is a Member of the Appraisal Institute (MAI) and has been active in real estate operations, consulting and appraisal since 1981. Prior to joining the firm, Mr. Stotz was a senior manager with Pannell Kerr Forster's Chicago office, where he managed appraisal and consulting services for a variety of regional and national clients. His experience also includes operational experience with Sheraton Corporation in managerial positions within their flagship hotel in New York City. Mr. Stotz holds a Bachelors of Science degree from the Whittemore School of Business and Economics at the University of New Hampshire.

Mr. Stotz has experience in a wide variety of property types and national markets in connection with appraisal, feasibility, and consulting assignments, including: mixed-use developments consisting of office, retail, hotel and parking uses; as well as single purpose and specialized developments such as expiring use affordable housing, office buildings; industrial facilities; retail complexes; hotels and motels; resorts; golf courses; restaurants; sporting/health clubs; multi-family residential; marinas; and condominiums. He has consulted and appraised in connection with both in civil and bankruptcy litigation proceedings. Eric has also provided workout assistance to banks, financial institutions, investors, and developers.

Charles L. Clark, Ph.D.—Senior Associate

Mr. Clark provides a wide range of consulting, appraisal and market analysis studies. Prior to joining Bonz & Company, he was Director of Research for Codman Associates and Meredith & Grew, both large commercial real estate brokerage firms. He was responsible for commercial/industrial market analysis throughout Eastern Massachusetts, valuation studies, as well as consulting assignments for major financial institutions, corporations, public agencies, universities and real estate developers. Charles holds a B.A. from Bridgewater State College and a M.A. and Ph.D. in Cultural Anthropology from State University of New York at Buffalo. He has published numerous articles and newsletters on real estate market conditions in the Greater Boston area. Dr. Clark's monographs include *A Guide to Theories of Economic Development* (HRAF Press: 1981) and *The Role of Socio-Political Factors in Economic Development* (Ann Arbor: 1982).

Representative projects that he has completed include: analysis of market leasing dynamics for developers of major office projects in Downtown Boston; highest and best use analysis for large underutilized urban sites; acquisition consulting to major public agency; economic and market analysis for office, retail, and industrial projects; consulting and financial analysis for redevelopment of a former aircraft facility for a combined city and state planning group; and various appraisals of office, R&D, retail and industrial properties for lenders and owners.

Andrea d'Amato, A.I.C.P.—Senior Associate

Ms. d'Amato brings to the firm a diverse background in economic geography and urban and regional planning, coupled with practical experience as a member of the City of Boston's Zoning Board of Appeal. Prior to joining the firm, she was a Senior Consultant with Kenneth Laventhol & Company. She previously served in the Boston Redevelopment Authority as an Assistant for Program Development and as a Planner working on complex economic development projects. Ms. d'Amato's background also includes experience with a regional planning commission and assessing the performance of development programs overseas.

A graduate of the University of Wisconsin, Ms. d'Amato holds an A.B. degree in Geography, master's degrees both in Urban and regional Planning and in Economic Geography, and is a Ph.D. candidate in Economic Geography. She is a member of the American Institute of Certified Planners and of New England Women in Real Estate (NEWIRE).

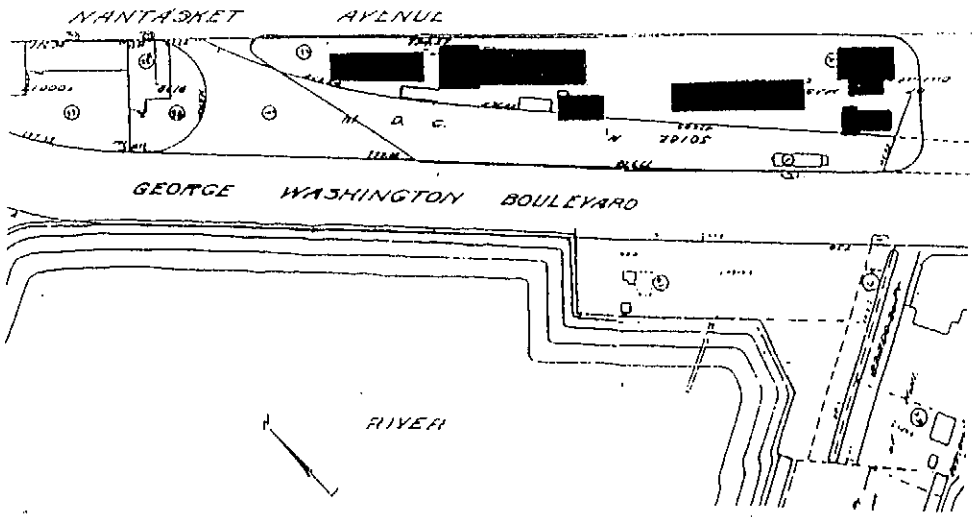
Howard W. Kielley—Associate

Mr. Kielley has been actively engaged in real estate consulting, valuation and development management since 1984. He provides market and financial analysis for feasibility, asset disposition and valuation studies. He has experience in the analysis and valuation of various types of real estate assets, including: office buildings, retail shopping centers, hotels, industrial facilities and parking garages. Clients served include banks, private developers, public agencies and various publicly and privately held corporations. Mr. Kielley is a graduate of Yale University, and holds a Masters Degree in Architecture from the Yale School of Architecture. He has attended courses at the MIT Center for Real Estate.

Prior to working with Bonz & Company, Howard was employed by the F. D. Rich Company where he was responsible for the financial analysis of development projects and property acquisitions in Boston, as well as the coordination of the planning, design and environmental approvals for Commonwealth Center, a 2 million square foot mixed-use complex in downtown Boston. Prior to the F. D. Rich Company, Howard worked for a management consulting firm. He also has been engaged as a real estate consultant and appraiser at Minot, DeBlois & Maddison and previously worked as an architect and urban planner for Skidmore, Owings and Merrill, one of the largest architectural firms in the U.S.

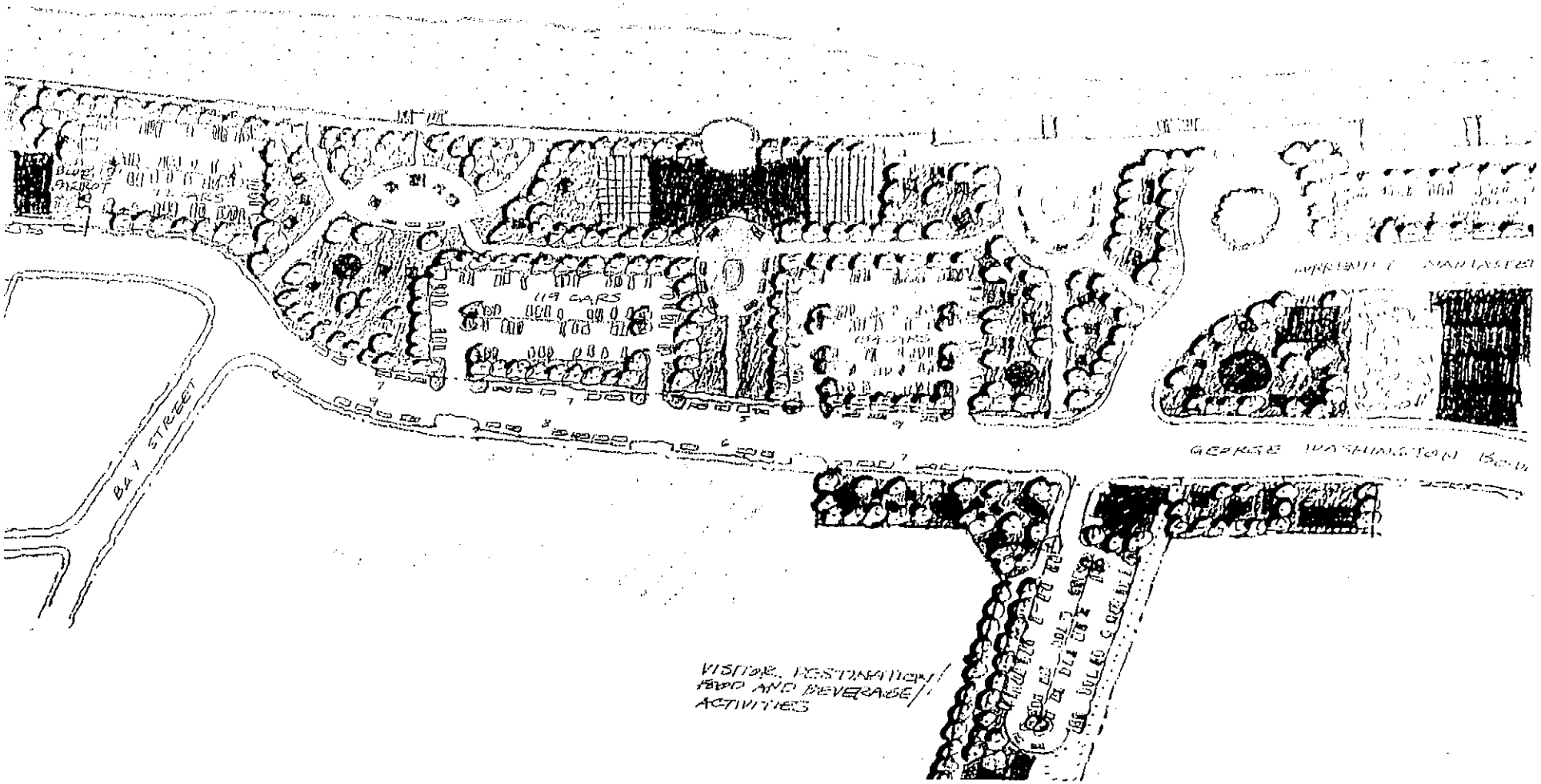
Eli J. Levine—Associate

Mr. Levine brings to the firm diverse experience in market analysis, financial feasibility, valuation, and environmental consulting. His specialty is the valuation of contaminated real estate. Prior to joining Bonz & Company, he was New England Division Manager for Professional Service Industries, a national environmental testing company. Mr. Levine is a graduate of Syracuse University with a B.A. in Environmental Policy from the Maxwell School of Citizenship and Public Affairs. With Bonz and Company, he has specialized in the impact of environmental contamination on real estate values. Recent environmental projects have included the valuation of an industrial/manufacturing facility impacted by soil and groundwater contamination for a major Fortune 500 firm involved in litigation and the valuation of diminution in property value of residential properties impacted by gasoline contamination for a major oil company involved in litigation. Other work includes the appraisal of office, retail, mixed use, and multifamily residential properties throughout Massachusetts and northern New England. Mr. Levine has also undertaken consulting assignments for mixed use, recreational, and other forms of development.



Illustrative Overlay Site Plan of MDC Facilities, Hull
Locations and Dimensions are Approximate

NOT TO SCALE

Based on Hull Property Tax Maps, MDC Property Maps, and Information Contained in Urban Design Study - Analysis: Nantasket Avenue by William Rawn Associates

BEACH PARK RELATED VISITOR RISK REVIEW