



TOWN OF SHARON

Library Reuse Committee

Select Board Proposal

September 10, 2019

Library Reuse Committee: Matt Grosshandler (Chair)
Adam Shain, James Popkin, Roni Thaler

Purpose

Determine possible uses / reuses of the [existing] building.

Executive Summary

The Library Reuse Committee has evaluated numerous options for the Carnegie Library Building and associated grounds located at 11 North Main Street and have concluded that the highest and best use for the property is:

- Retain the property and lease [at market rate] the front portion of the building to an independent operator to create a shared office space (approximately 2,000 – 4,000 sf)
- Retain a portion of the existing rear portion of the building for community use, to utilize as off-hour community space (approximately 4,000-6,000 sf);
- Demolish the remaining portion(s) of the building

This option provides the town with (i) a modest revenue stream, while also generating (ii) a civic benefit that is not currently provided within the Town. It is also in-line with the strategic vision for the Town and Post Office Square as determined by the Master Plan Steering Committee.

Proposal

Introduction

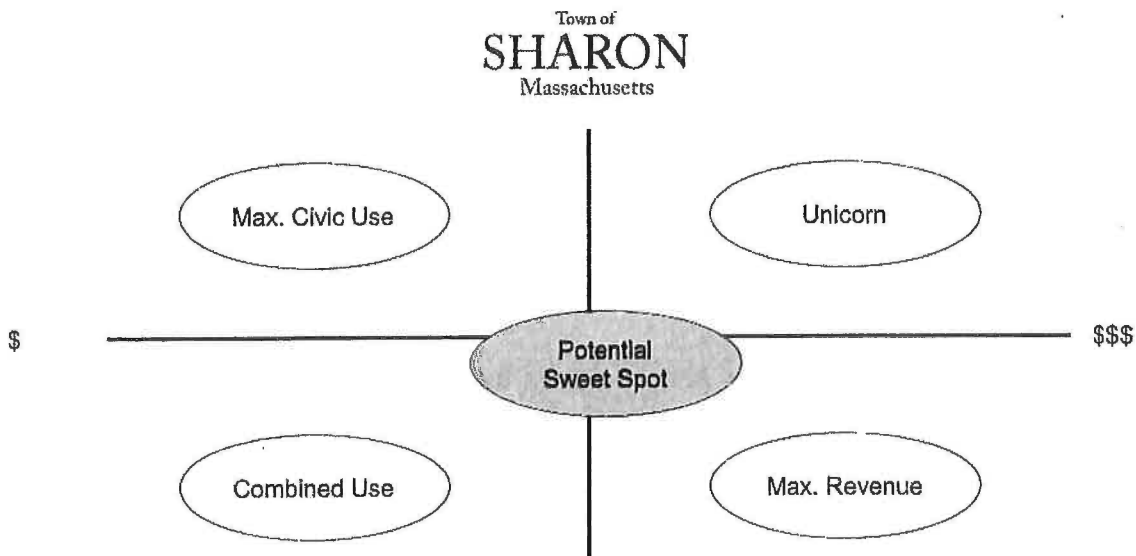
In order to generate a recommendation for the Select Board, the Library Reuse Committee took the following steps:

1. Identify potential uses for the building
2. Evaluated the suitability of the current site for potential uses
3. Met with a commercial real estate agent to gauge tenant viability
4. Reviewed the results of Imagine Sharon and the Master Plan Steering Committee

These steps led us to consider multiple options and to generate a final recommendation for the Select Board's consideration.

1. Potential Uses

In order to determine the highest and best use of the current Library Building, the committee considered two primary dimensions: revenue generation and civic use.



Civic Needs

This quadrant represents uses that primarily benefit the residents of Sharon by way of adding community oriented benefits. Because the old library has a larger, open space, it can be utilized for larger projects that current town spaces are less suitable for, such as a "robust" maker-space, set design workshop and woodworking classes, etc.

Examples of the civic uses are:

- Community Education Space
- Youth Activities
- Community Groups
- Town Use (**previously informed that this need did not exist)

Potential Uses	Viability
Community Education Space	Music and art education, etc.
Youth Activities	Scouts, theater companies, sport groups, chess club, etc.
Community Groups / Needs	Clubs, organizations, gallery space, etc.
Town Use	We have been informed by the town manager that there is no urgent or anticipated town use for this space in the immediate future.

Combined (Hybrid) Uses

This quadrant represents uses that will provide a benefit to the community while also generating revenue for the town. It generally focuses on providing services to Sharon residents that enhance quality of life or supporting non-profits focused on arts and culture. Some examples of combined uses are:

Potential Uses	Viability
Incubator Space	For profit startUp company space (perhaps grant or merit based)
Music/Specialized Schools	For profit, but not lucrative – providing community subsidized education and/or scholarships
Adult Day Care	For profit, but with community in mind
Day Care	For profit
Theater Groups	Non-for-profit, but with dues
Camps	Non-for-profit, but with fees
Non-Profit Arts Use (Workspace/Gallery)	Non-for-profit, but with membership fees / dues

Revenue Generation

This quadrant represents uses that will generate revenue for the Town of Sharon. In some cases items in this quadrant may overlap with those in the combined (hybrid) uses quadrant. Some examples of revenue generating uses are:

Potential Uses	Viability
Restaurant	For profit – constrained by septic
Retail	For profit – constrained by limited parking & reliance on foot traffic (destination shopping)
Office Space	For profit – constrained by parking & dependence on public transportation
Self-Storage	For profit – constrained by infrastructure & logistics [and is this what we want in our downtown]
Manufacturing	For profit – may be constrained by infrastructure & logistics [and is this what we want in our downtown]
For Profit Arts / Gallery Space	For profit – unlikely tenant (may have high vacancy awaiting a suitable tenant)
Non-Profit Arts Use (Workspace/Gallery)	Not-for-profit – low revenue (see Civic)
Medical Offices	For profit – may be viable, but would likely be constrained by parking

Constraints and Considerations

The committee evaluated several areas that should be considered when determining whether various options were feasible for the space. In this section, we identify several constraints that are inherent at the site as well as options for how the Town can manage the site and prepare it for use.

Parking

The current library site is constrained in that there is limited parking available for potential tenants. This makes the site considerably less attractive for retail, performance venues or offices that require a high number of people to be present simultaneously.

By removing parts of the building expansion, in the side and rear, it is possible to create more parking, but the committee believes this to be insufficient for high-attendance uses.

Septic

The current site has a limited septic system that limits the building capacity to roughly 70 people at a time. This system is difficult to expand and further complicates potential uses that depend on high attendance. The septic system also constrains potential uses which have a high water utilization such as restaurants.

Ownership/Management Options

The committee considered several options for managing the site:

- **Hold and Manage** - The Town would retain full control of the site and use it for municipal purposes.
- **Sell** - The Town could sell the property to a developer who would be responsible for its long-term use.
- **Hold & Sublet (“Defer the Decision”)** - Lease the building for a relatively short period of time (~10 years) during which time the Town can determine an appropriate long-term strategy for the site.

During this time – rely on sublet to renovate & manage the space

Will likely require a TI allowance (or free rent period) in exchange for TI work

Given the relative lack of available real estate in the center of town, the town’s desire to retain strategic real estate assets and the lack of an immediate long term need, the committee recommends finding a short-term tenant.

Capital Requirements

- Make-Safe (asbestos, etc.)
- Building Improvements (structural, code & energy improvements)
- Tenant Improvements (fit-out)
- The Library Reuse Committee does not believe the Capital Requirements [in any scenario] will be as significant as those previously depicted

Revenue as Driver

- Sharon has 30% home based residents
- If assuming all homes are single income and average of four people per household, there would be approximately 1,500 potential users that could benefit from shared work space. If 20% of the total potential users actually subscribed to a shared work environment (300 people) at an average of \$200 per user per month, 4,000 sf would net approximately \$6,000 per month or \$72,000/year for an average return of \$18/sf, which is 50% greater than the market rate of \$12/sf.

Commercial Real Estate Broker Deedback

The Library Reuse Committee solicited feedback from an independent broker, who provided the following feedback:

"As I understand it, the goal of the Town is to retain the property as an asset and at the very least retain the Carnegie-funded original portion on North Main Street. The continuum of approaches range from the very aggressive of tearing down the addition and retaining the space for parking; a hybrid of tearing down a portion of the addition; and the least aggressive retaining the building as standing making the necessary repairs and upgrades to make it marketable..."

The best use that comes immediately to mind is shared office/We Work spaces...

The library has a unique location in the center of town with walking distance to the train for uses such as these. Sharon also appears to have a very strong demographic of home and virtual office users that could be attracted to a downtown shared use facility. Parking demand is usually relatively low compared to pure office uses...

A straight office/medical use in a building of that size would likely overburden the available parking..."

Upon deep consideration, very few viable revenue generation models exist. As a result, our fear is that the space will remain vacant for an extended period of time, causing undue maintenance and hardship on the Town in maintaining a vacant space [not to mention the optics of a vacant building in the Center of Town].

Recommendations

Renovate and hold the building for use as a shared work environment.

Examples

- Lynn Library (Lynn, MA) – leased by DiVirgilio Insurance and used as shared office space
- WorkspaceMA (Canton, MA)
- Village Works (Brookline, MA)
- Network Professionals (Walpole, MA)
- Roslindale Substation (Roslindale, MA)

****END****