



Appendix

MILL OVERLAY DISTRICTS

For more than a century mills were the economic engine of the city, however as manufacturing departed or no longer existed in its previous form or volume, many industrial mill structures were left empty or underutilized. Compounding the challenge was the fact that the mill buildings were situated in areas of the city zoned primarily for industrial use, therefore limiting the utilization of these once single use structures. Recognizing that underutilized industrial mill buildings offer opportunities for job growth and economic revitalization, the city's Planning Department in conjunction with the New Bedford Economic Development Council developed the template for the formation of Mill Overlay Districts in 2002.

An overlay zone or district builds on the underlying zoning by establishing another layer of regulations that applies in addition to the base zoning. When considering adaptive reuse of the city's mills and the encouragement of new business sector development, overlay zoning was the chosen planning tool used to protect the industrial uses existing within the mills while simultaneously promoting mixed-use development.

Currently there are five Mill Overlay Districts throughout the city. Their titles and locations are as follows:

Wamsutta Mill Overlay District (WMOD)

Location: The WMOD is established as an overlay district comprised of the area between the north side of Logan Street, the east side of Acushnet Avenue, the south side of Wamsutta Street and the west side of North Front Street.

Riverside Avenue Mill Overlay District (RAMOD)

Location: The RAMOD is established as an overlay district comprised of the area beginning at a point of intersection with the easterly line of Riverside Avenue and the southerly line of Manomet Street; thence easterly in the southerly line of Manomet Street, a distance of four hundred eighty seven (487) feet, more or less, to the Acushnet River; thence commencing again at the first point mentioned and running southerly in the east line of Riverside Ave, a distance of one thousand two hundred sixty (1,260) feet, more or less, to a point in the Acushnet River; thence easterly and northerly along the Acushnet River to the termination of the first line herein described; containing approximately six hundred ninety thousand six hundred ninety one (690,691) square feet, more or less; and, all of the area bounded southerly by the north line of Manomet Street, westerly by the easterly line of Riverside Avenue; northerly by the southerly line of Belleville Road; easterly by the Acushnet River.

Cove Street Mill Overlay District (COSMOD)

Location: The COSMOD is established as an overlay district comprised of the area bounded northerly by the southerly line of Gifford Street from its intersection with the easterly line of Morton Court to the Acushnet River; bounded easterly by the Acushnet River; bounded southerly by the northerly line of Cove Street from the Acushnet River to its intersection with the easterly line of Morton Court; and bounded westerly by the easterly line of Morton Court.

Mott-David-Ruth Mill Overlay District (MDRMOD)

Location: The MDRMOD is established an overlay district comprised of the area beginning at the intersection of the westerly line of East Rodney French Boulevard and northerly line of Mott Street; thence proceeding westerly along the northerly line of Mott Street to the intersection of the northerly line of Mott Street and the easterly line of

Cleveland Street; thence proceeding northerly along the easterly line of Cleveland Street to the intersection of the easterly line of Cleveland Street and the southerly line of Ruth Street; thence proceeding easterly along the southerly line of Ruth Street to the intersection of the southerly line of Ruth Street and the westerly line of East Rodney French Boulevard; thence proceeding along East Rodney French Boulevard to the point of beginning. Notwithstanding the previous sentence, Lot 153 as shown in the City of New Bedford Assessor's Map 16 is excluded from the MDRMOD.

Soule Mill Overlay District (SMOD)

Location: The SMOD is hereby established as an overlay district comprised of the one-block area bounded by Nash Road to the south, Edison Street to the west, Belleville Road to the north and Brook Street to the east.



The Mill Overlay language that regulates the above districts is as follows:

Purpose. The purpose of the MOD is to provide adequate minimum standards and procedures for the construction of new housing facilities and rehabilitation of existing structures for mixed uses so as to promote economic and cultural development contributing to the emerging creative economy of New Bedford.

Definitions. Within this Section, the following terms shall have the following meanings:

Applicant: The person or persons, including a corporation or other legal entity, who applies for issuance of a special permit hereunder. The Applicant must own, or be the beneficial owner of, or have the authority from the owner(s) to act for him/her/it/them or hold an option or contract duly executed by the owner(s) and the Applicant giving the latter the right to acquire the land to be included in the site.

Creative Economy: Those industries that have their origin in individual creativity, skill and talent which have a potential for wealth and job creation through the generation and exploitation of intellectual property.

Dwelling Unit: A functioning room or group of rooms capable of being used as a residence (including studio units). Each residence shall contain a living area, bathroom and, except in studio units, one or more bedrooms, and may contain a kitchen area or combination kitchen/living area.

Proposed Project: The project proposed by the Applicant for which a special permit hereunder is being sought.

Proposed Project Site: The parcel of land, with buildings thereon on which the Proposed Project is located.

Regulations: The rules and regulations of the Planning Board.

Upper Level Floors: Any floor of a building that is located above the street level floor. Notwithstanding the above, any building with a single level, that level will be considered an upper level.

Front Yard Requirements.

No story or part of any building except projecting eaves or uncovered steps shall be erected nearer to the street line of any street on which it fronts than the average alignment of the corresponding stories or parts of existing buildings within two hundred (200) feet on each side of the lot containing the Proposed Project and within the same block and district. Where there is a building on one or both of the adjoining lots, the front yard of a building shall have a depth equal to the average of the front yard depths of the two (2) adjoining lots. A lot without a building shall be counted as having a front yard of the depth required by this ordinance. If there are no existing buildings on the same side of the street, the average setback alignment of corresponding stories within two hundred (200) feet on each side of and directly opposite the lot shall govern.

Notwithstanding the previous paragraph, no building constructed within the MOD shall have a front yard that exceeds ten (10) feet.

Special Permit. Pursuant to the requirements of this section, the following may be permitted upon the issuance of a special permit by the Zoning Board of Appeals.

Residential dwelling units on all floors of pre-existing structures.

Reductions in setbacks, density, green space and parking requirements to allow for the development of dwelling units in pre-existing structures.

Reductions in parking requirements for commercial use of pre-existing structures or the construction of new structures.

Special Permit Application. An application for a special permit shall be submitted to the Zoning Board of Appeals on forms therefrom furnished. Applicants are encouraged to rehabilitate existing structures and to permit reuses which are compatible with the character of the neighborhood and which takes into consideration the interests of abutters, neighbors and the public, especially where the site abuts a residential area or the building(s) merit preservation.

In addition, the Applicant shall submit:

The following plans:

A copy of the site plan approved by the Planning Board, if required pursuant to Section 5400 et al. Notwithstanding the previous sentence, the Applicant may choose to seek site plan approval from the Planning Board at the same time the Zoning Board of Appeals is considering his application for a Special Permit, hereunder in which case he shall submit a statement indicating that he has filed an application for Site Plan Approval with the Planning Board. Upon receipt of said statement, signed under the penalties of perjury, on a form proscribed by the Zoning Board of Appeals, the Zoning Board of Appeals shall deem this requirement fulfilled and shall include a condition in any approval that said approval is contingent upon the approval of said site plan by the Planning Board.

A plan illustrating location and layout of buildings, including layouts of any Dwelling Units. Additional drawings may be subsequently required by the Planning Board;

The following narrative reports or data:

- (1) A proposed development schedule showing the beginning of construction, the rate of construction and development, including stages, if applicable, and the estimated cost of construction and date of completion;
- (2) Information pertaining to any organization which the Applicant proposes to form where the development is to be a condominium development, including forms and plans to be used to organize and manage the same, for approval as to form by the City Solicitor;
- (3) Copies of all proposed covenants, easements, and other restrictions which the Applicant proposes to grant to the City, the Conservation Commission, utility companies, any condominium organization and the owners thereof, including plans of land to which they are to apply, for approval as to form by the City Solicitor;

(4) Any and all other information that the Zoning Board may reasonably require in a form acceptable to it to assist in determining whether the Applicant's proposed development plan meets the objectives of this Section.

(5) New Bedford Historic Commission approval, if applicable.

Action by the Zoning Board of Appeals.

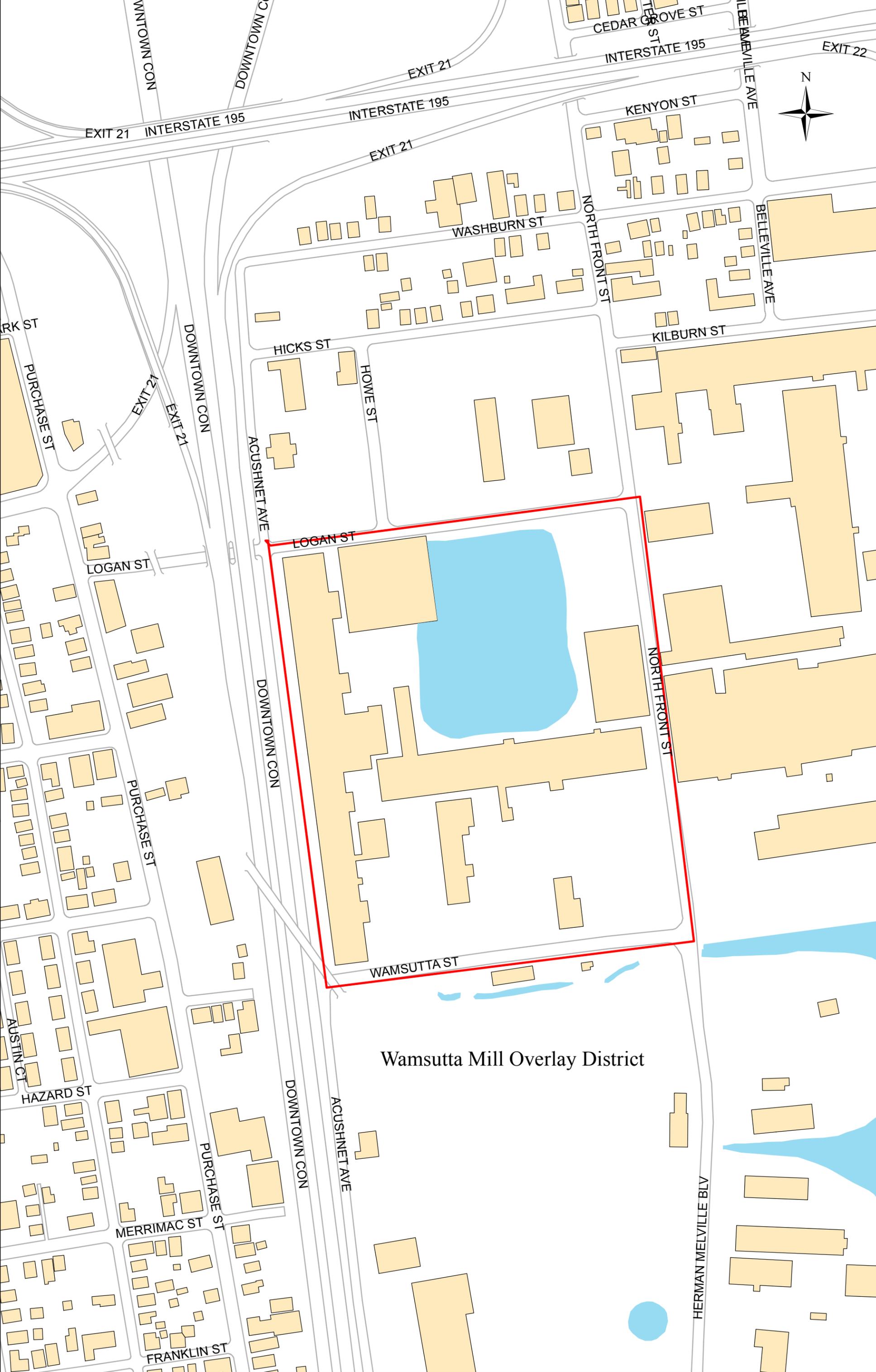
The Proposed Project complies with the requirements of this section;

The Proposed Project does not cause substantial detriment to the neighborhood after considering the following potential consequences

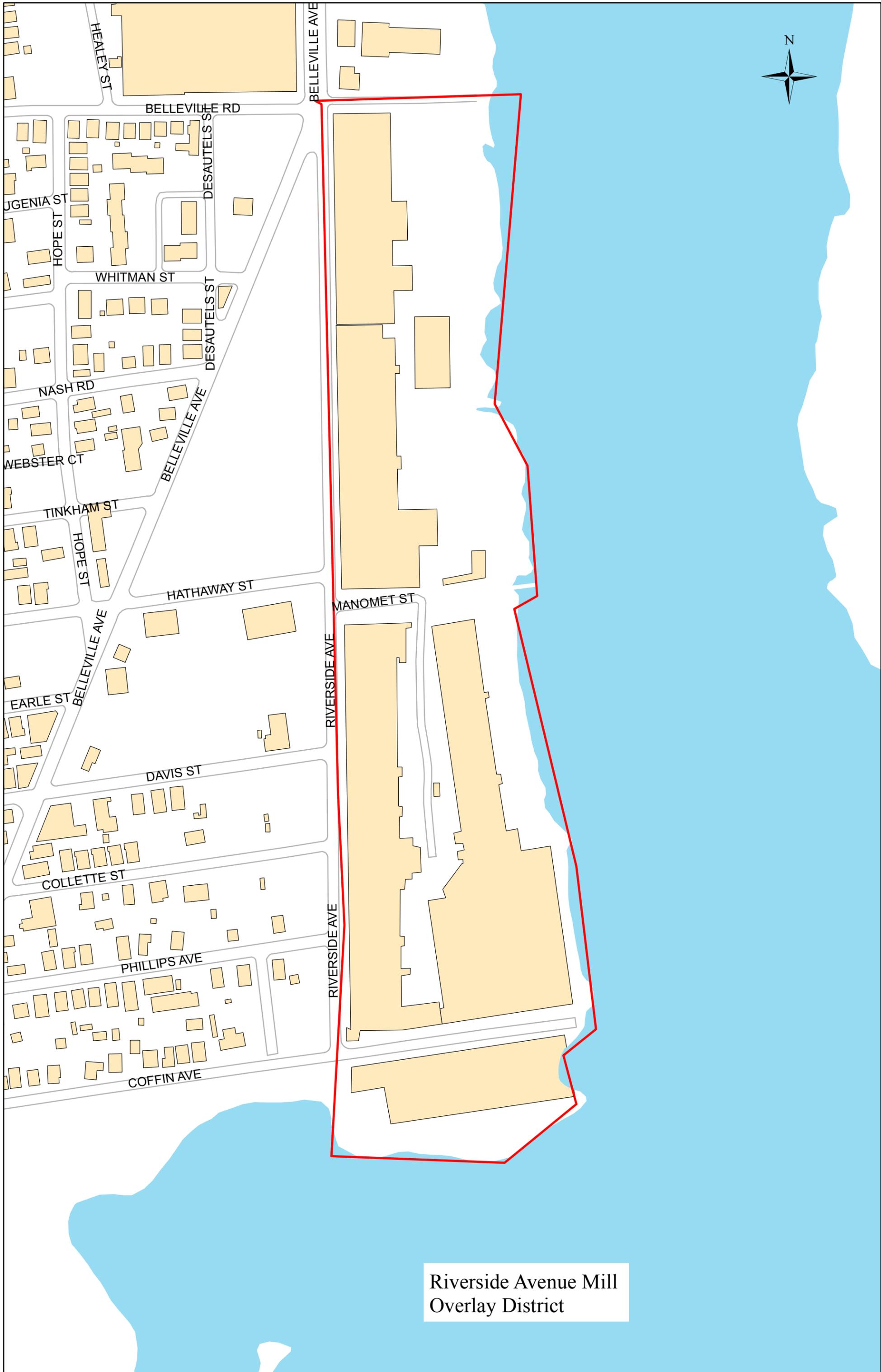
- noise, during the construction and operational phases;
- pedestrian and vehicular traffic;
- environmental harm;
- visual impact caused by the character and scale of the proposed structure(s).
- where relief to parking requirement has been sought, applicant has demonstrated that reasonable efforts have been made to comply with parking requirements.

For conversions of existing structures, the Zoning Board of Appeals must find that the Proposed Project protects the City's heritage by minimizing removal or disruption of historic, traditional or significant uses, structures or architectural elements, whether these exist on the site or on adjacent properties. If the building is a municipally owned building, the proposed uses and structures are consistent with any condition imposed by the Planning Board on the sale, lease, or transfer of the site.

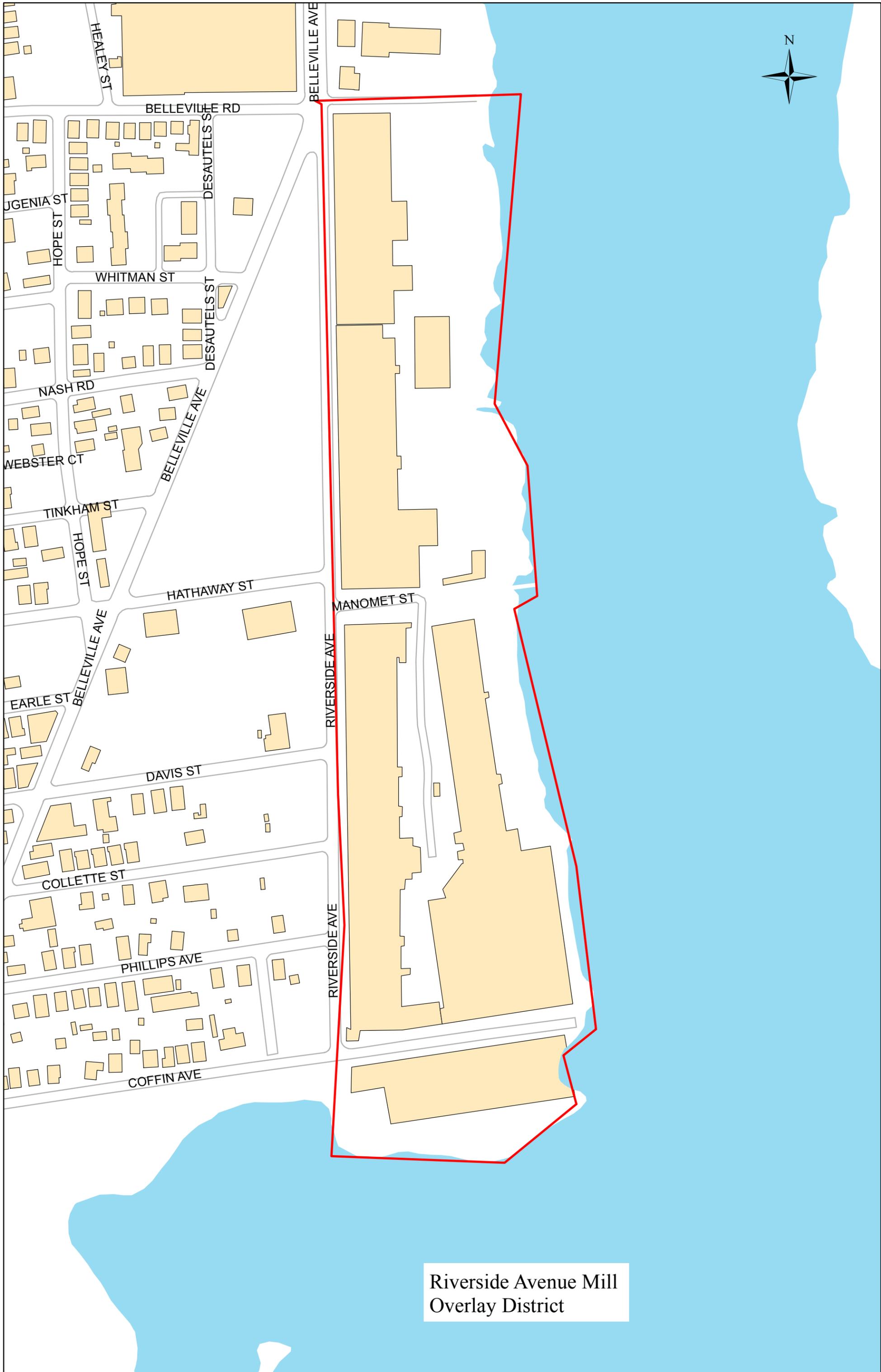




Wamsutta Mill Overlay District



Riverside Avenue Mill
Overlay District

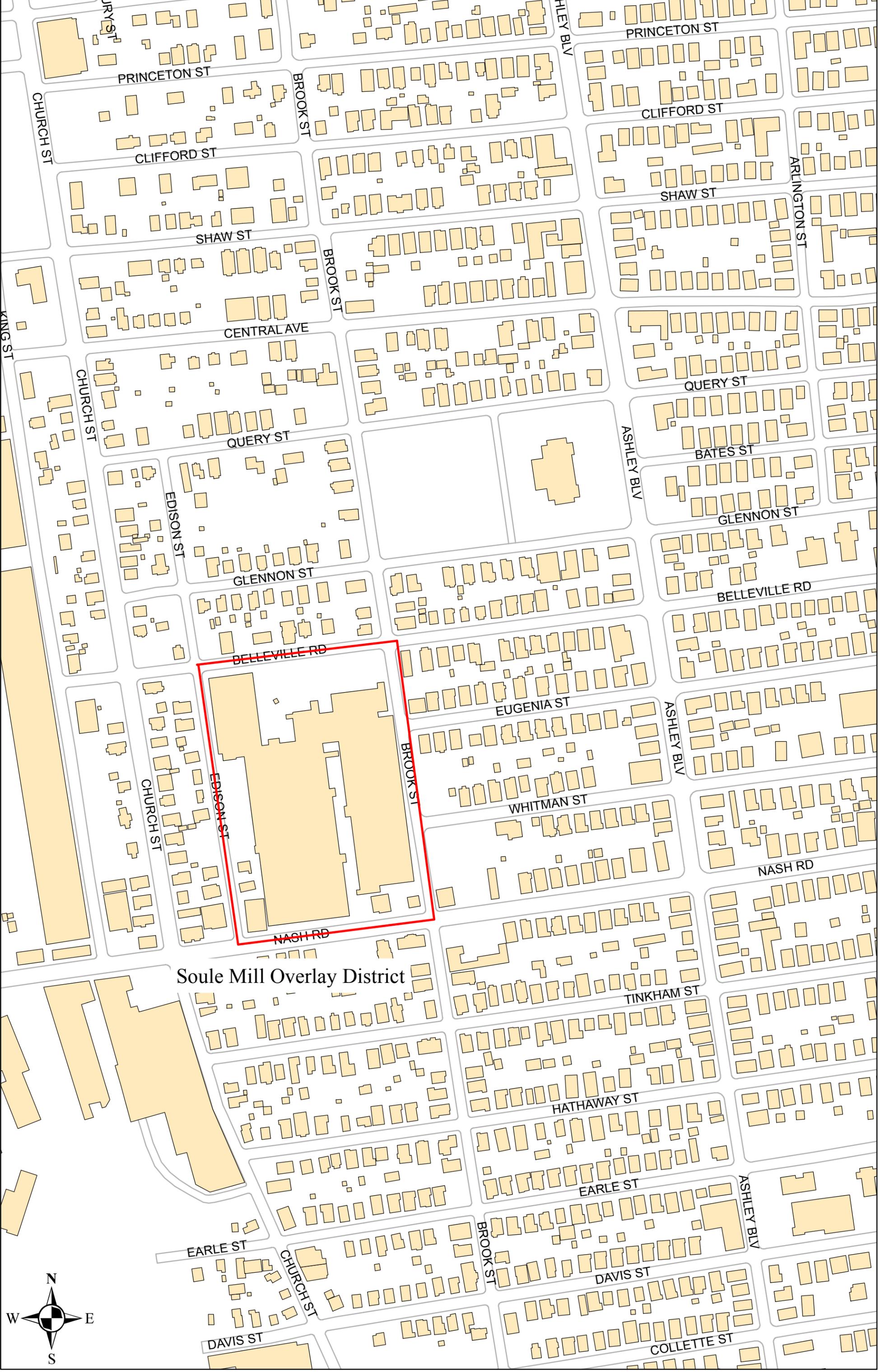


Riverside Avenue Mill
Overlay District



Mott-David-Ruth Mill Overlay District





Soule Mill Overlay District



HISTORIC TAX CREDITS

The Federal Historic Preservation Tax Credit was established in 1976 as an incentive to revitalize communities using historic preservation as a tool. This federal program provides a federal income tax credit equal to 20% of the cost of rehabilitating a historic building for commercial or income-producing use. To qualify for the credit, the property must be listed on the National Register of Historic Places or contributing to a registered historic district. (Non-historic buildings built before 1936 qualify for a 10% tax credit.) At present, individuals rehabilitating a historic property for their primary residence do not qualify for this federal tax credit (National Trust for Historic Preservation, 2007).

The Federal Historic Preservation Tax Credit has become one of the most powerful and effective tools for spurring historic rehabilitation throughout the nation. The federal tax credit, administered by the National Park Service, effectively demonstrated the link between historic preservation, economic development and community revitalization. So much so, that individual states established their own rehabilitative tax credits that can often be combined - or "twinned" - with the federal credit to create an even greater incentive to rehab. Additionally, federal rehab credits can be combined with other incentive programs, such as the low-income housing credit and the New Markets Tax Credit, to bring even more value to preservation.

The Massachusetts Historic Rehabilitation Tax Credit Program was established in 2004 and allows developers to apply for tax credits for restoring buildings located in existing historic districts, or for buildings with proven historical significance. Once the credits are obtained, developers are able to use them to reduce their own tax bill, or sell them to another entity and use the money to finance their project. Under the program a certified rehabilitation project on an income-producing property is eligible to receive up to 20% of the cost of certified rehabilitation expenditures in state tax credits. In Massachusetts an annual cap exists, requiring a selection criteria that ensure the funds are distributed to the projects that provide the most public benefit. The Massachusetts Historical Commission certifies the projects and allocates available credits.

New Bedford's Experience with Mill Redevelopment and Historic Tax Credits

To date in New Bedford, three mill developments have acquired either state and federal rehab tax credits, or both, and an upcoming mill development has applied for historic tax credits for its rehabilitation. Because the restoration and the adaptive reuse of mill buildings is a significant undertaking, it utilizes complicated financing and often requires the combination of several public and private sector debt and equity programs.

Several of New Bedford's mills have been successfully adapted for commercial or residential uses. For example, Howland Mills is home to several businesses and Taber Mills is a handsome senior housing community. However the first historically certified mill redevelopment that took place in New Bedford was the rehabilitation of the northern section of Whitman Mill #1 into Whaler's Cove, an assisted living complex consisting of 120 units. What was once a vacant, crumbling mill in 2002, was resurrected into an award-winning residential complex. Whaler's Cove is a \$22 million dollar investment that utilized federal historic tax credits as part of its financing structure. The Massachusetts state tax credit program had not yet been established for this project's use.

The completion of Whaler's Cove prompted the redevelopment of the southern section of the same mill into an affordable senior living complex named Whaler's Place. The Whaler's Place development is a state and national award-winning project that also utilized rehabilitation tax credits and increased the value of its building by nearly 800% within two years.

The Wamsutta Mill redevelopment project, which is currently underway, will convert the city's foremost historically significant textile mill building into 250 market rate units of residential living. This \$45 million dollar project to date has received a partial allocation of State Historic Tax Credits totaling \$6,300,000 and has applied for an additional \$1,608,000 in state credits. The Wamsutta Mill project is in a gateway location into downtown and is situated in the heart of the Hicks-Logan-Sawyer District. The completion of this project will be a major factor in the revitalization of this historic industrial area.

The development team that has overseen the Wamsutta Mill project recently purchased Whitman Mill #2, located adjacent to the Whaler's Cove and Whalers' Place projects. The plan is to adapt this vacant, blighted mill located on the banks of the Acushnet River into 98 units of housing that will take advantage of the spectacular views of the upper and outer harbors. This upcoming mill development sets a pattern as the third mill rehabilitation project within the Whitman Mills Historic District. The estimated project cost is over \$20 million and it has recently submitted an application for \$2,635,000 in state tax credits in order to make the redevelopment of this vacant industrial mill building feasible.

Uncapping the Massachusetts Historic Rehabilitation Tax Credit Program in the Gateway Cities

Nationwide, the preservation and adaptive reuse of industrial mill buildings has continually proven to be an economic stimulus. Individual states have recognized that in order to develop new economic opportunities within their former industrial mill buildings, there is a need to utilize historic tax credits to assure the financial viability of these complex projects. Twenty-nine of the forty-one states with state income tax also have a state historic preservation tax credit program. (National Trust for Historic Preservation, 2007).

Rhode Island established its Historic Preservation Tax Credit Program in 2002, with no annual cap and in the first five years of the program, federal investment in rehabilitation projects in Rhode Island increased 700% compared with the five years prior to the start of the Rhode Island program. The program has contributed \$160M to the completion of 150 projects (Lipman Frizzell & Mitchell LLC, 2007).

Grow Smart Rhode Island, a smart growth/anti-sprawl public interest group established in 1997, commissioned a study to evaluate the economic and fiscal impact of the Rhode Island Historic Preservation Tax Credit. A preliminary 2005 report and an updated 2007 report conducted by Lipman Frizzell & Mitchell LLC, concluded that there is a greater than five to one return on state investment relative to projects qualifying for the Rhode Island Historic Preservation Tax Credit. These estimates are based on temporary construction and support jobs required during construction, permanent employment created, and income and property tax revenue generated through the rehabilitation. The report estimates that each \$1M in development requires ten to twelve construction jobs and five to six additional jobs (Lipman Frizzell & Mitchell LLC, 2007).

The Massachusetts Historic Rehabilitation and Rhode Island Historic Preservation Tax Credit Programs are substantially similar with the exception of the program-wide cap. The significantly dissimilar rehabilitation rates lead to the conclusion that the program-wide cap indeed hinders development, especially in Gateway Cities.

The Massachusetts Legislature should lift the program-wide cap, at least within the Gateway Cities. To ensure return on state investment, the credit percentage may be variable, and be determined by the following Gateway redevelopment initiatives:

- **Attraction of new or expansion of existing demonstrably sustainable industry** – This credit percentage would reflect a commitment by the developer regarding employment generation including the number of permanent full-time jobs to be created, as well as the average or median wage.
- **Provision of open space and/or recreation facilities within population centers** – Research indicates that open space and access to recreational opportunities attracts upper and mid-level workforce (NALGEP; Smart Growth Institute, 2004). A credit percentage may be provided for the creation or restoration of publicly accessible areas or facilities that serve the general public or a minimum number of persons. A community garden, open space, or workout facility available to residents of a housing development or condominiums may apply.
- **Support of the arts** – A credit percentage may be made available for the creation of artists' loft, studio, and/or gallery space at reduced or deferred rates. Lobby space may be set aside for publicly accessible display(s) of artwork.
- **Creation of restaurants and amenities** – A Senior Vice President at Boston Properties, John Kaylor, states that "tenants want to be as close as possible to amenities, the restaurants, and retail" (NALGEP; Smart Growth Institute, 2004). This credit may be linked to square footage, or alternatively to hours of operation, since smart growth promotes dense, compact use of space.

- **Brownfields redevelopment** – This credit may be based on the area of land returned to productive reuse, whether a structure or open space. Brownfields redevelopment is essential to Gateway City economic redevelopment as it reduces blight and increases safety and security, often across a large area.
- **Support for Education** – This may include projects that are primarily education-related, such as a satellite campus of a community college or university. Credit may also be applied in areas used for “English as a Second Language” classes and other classes and training offered by employers.
- **Promotion of investment from other sources** – A credit may be tied to funding commitment from an economic development corporation, community development corporation, or other funding entity. In San Francisco, the Bay Area Council uses its Smart Growth Fund to invest in private real estate projects that involve mixed-use projects in any of its 46 designated priority areas (NALGEP; Smart Growth Institute, 2004).
- **Green building** - Patrice Frey, of the National Trust for Historic Preservation, claims that most buildings built prior to about 1920 are actually very energy efficient (Frey, 2008). If structurally sound, they also tend to be prime candidates for Leadership in Energy and Environmental Design (LEED) retrofitting. This credit may be applied to projects awarded LEED certification.
- **Transit-oriented development** – Transit-oriented development is not only an economic development tool, connecting people with available goods, but it is a strategy that is consistent with each of the Commonwealth’s Sustainable Development Principles. This credit may be considered for qualified rehabilitation projects within a quarter mile of transit stations. In Gateway Cities where no commuter rail service exists, consideration may also be given to areas planned for transit station location.
- **Creation of owner-occupied workforce housing** – Owner-occupied housing results in community stability. This credit may be applied if a minimum number of housing units created meet a determined definition of “workforce-housing” (Maclean J., Moniz N., Paul M., 2008).

By developing goal-oriented eligibility criteria in the context of the Gateway Cities’ needs, the Massachusetts Historic Rehabilitation Tax Credit will be better positioned to have a sustainable impact on economic redevelopment efforts in New Bedford and throughout Massachusetts.

Local government officials and other entities have been advocating to the Legislature and to Governor Deval Patrick for the removal of the state’s program cap that is currently restricted to \$50 million. Mayor Scott Lang, the New Bedford City Council, the New Bedford Economic Development Council, the local legislature and the Editorial Board of the Standard Times have all recognized the economic benefits associated with the state rehabilitative tax credits and have been proactive in communicating to Governor Patrick their desire to have the cap removed to better spur growth in New Bedford.



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