1. DESCRIPTION

1.1 Applicant: CJ and BP Holdings, LLC; Brian Packish (owner); Ben DeForest (leaseholder)
1.2 Project Location: 14 Kennebec Avenue, Oak Bluffs. Map 9, Lot 29 (0.05 acres).
1.3 Proposal: To demolish the existing 55-seat Red Cat Restaurant and 3-bedroom apartment above, and replace it with a 52-seat restaurant and four one-bedroom apartments above.
1.4 Zoning: B1 - Commercial.
1.5 Surrounding Land Uses: B1 Commercial, R1 Residential
1.6 Permits: Special Permit - OB Planning Board; review by OB Conservation Commission for basement installation; Wastewater; Building Permit.
1.7 Project History: The building was originally constructed in approximately 1888 according to MACRIS (1858 in Assessor’s Records) and was originally used as the William H. Davis Paint Shop. It was part of the Oak Bluffs Land and Wharf Co. development, a secular alternative to the MV Campground Meeting Association. The central portion of the existing building remains from the original structure, but many alterations and additions have been made over time, most without any sort of permitting. The front porch was added in 1984 and enclosed in 1987. The building formerly housed Zapotec restaurant. The building is currently a 55-seat restaurant on the first floor, with a 3-bedroom residential unit on the second floor, with unfinished storage space on the third floor. The residential unit has historically been used for daily, weekly and seasonal housing. The building is currently out of compliance with all ADA requirements, most notably the bathrooms (not accessible for a wheelchair) and the egress (which goes into the kitchen). The building has racked up an extensive list of code violations, and all mechanical systems have exceeded their lifespan.
1.8 Project Summary: Proposal to demolish and replace existing mixed-use building.

2. ADMINISTRATIVE SUMMARY

2.3 Site Visit: February 3, 2020.

3. PLANNING CONCERNS

3.1 Some Key Issues

- What is the historic significance of the existing building? Do the revised plans for the replacement house fit the style and materials of the historic building and neighborhood? Will any historic features be preserved and reused in the new building?
• How will this proposed mixed use project impact the surrounding businesses within the Oak Bluffs’ B-1 Business District?

• During construction, where will all building materials and equipment be stored and where will the staging be located? How will noise, dust, and traffic be mitigated during the construction process in order to minimize possible impacts to the surrounding businesses and residents?

• Is the proposed project consistent with local, regional, or state plans?

• Does the project meet the spirit and intent of the Oak Bluffs Mixed Use Zoning By Law Section 7.2 with regards to workforce, moderate income, or senior housing?
  o “Provide for a variety of housing needs, including reasonable, affordable accommodations for a fluctuating work force and opportunities to create moderate income and senior housing units, both of which would promote economic growth and stability in the existing B-1 district;”

• The applicant has requested to waive parts of the MVC’s Housing Policy and has offered a one-time monetary mitigation of $50,000 to a 501 c3 non-profit. The applicant’s Housing offer is not consistent with the MVC’s Housing Policy.

• Does the proposed building meet the required front setback of 5 feet and will it impact potential future sidewalk?

3.2 Historic Demolition

• The Menotomy Building is an existing building located at 14 Kennebec Ave that may have been building as early as 1858. Historically the building was part of the Land and Wharf Company Development and originally served as a paint shop and residence. The building was never part of a historic district and the original 19th century portion of the home has been engulfed by additions and alterations that were done as late as the 1980s.

• Based on its age, cultural significance, and the location and public visibility the structure has limited historical significance – holding a matrix rating of 7.

• The interior has structural concerns to include the unleveled floors with significant slopes on both the first and second floor of the building. There is also significant evidence of water damage however the extent of that damage is unknown (mold etc).

• There may be historic elements and/or materials that could be used in the proposed new building.

3.3 Economic Development

• The proposed project is to demolish and replace the existing 2,298 total square foot mixed use building with a new 5,621 square foot mixed use building (including basement). The new building will consist of a 52 seat (decrease from 55 seat) full service restaurant and 4 (1) bedroom apartments.

• The proposed new building will provide the commercial space with a more efficient layout and additional kitchen space to operate a full-service restaurant in compliance with current health and fire safety building codes. The restaurant is currently not ADA complaint. The additional storage may provide a decrease in the number of deliveries to the restaurant. It has not been determined whether the mixed-use building will be turned into condominium units or rental space. The new building will allow the restaurant to operate year-round as well as the residential units to be utilized year-round.

• The proposed new mix use building is an allowed use within the Oak Bluffs B-1 Business District.
• The current restaurant is a seasonal business that operates from April 1 - November
• It is not clear if the restaurant will be year-round or seasonal. The current hours of operation are as follows:
  o April 1 – May 21st and post Labor Day – six days a week, 5:00pm – 1:00 am
  o May 22 – September (Labor Day) – seven days a week, 5:00pm – 1:00 am
• The current number of employees is approximately 12 during the peak season and 6 during the shoulder seasons. The applicant does not anticipate increasing the number of employees.
• The potential impacts to municipal services such as police and fire are likely to be minimal since the proposed project is located within a densely developed commercial/residential area.
  o The proposed project will be building code compliant for health and fire safety
  o The 1st floor restaurant will be ADA compliant
  o It is not anticipated that there will be an impact to schools since the four residential units are one bedroom each
  o The proposed project will be tied to town water and sewer at the applicant’s expense.
• The proposed project’s FY 2020 Assessment is $562,200 and the FY 2020 Property Tax Revenue was $4,286. The proposed new building will have an increase in assessed value as well as an increase in annual property tax revenue to the town.
• The current and proposed restaurant will continue to generate meals tax revenue at 7%: 6.25% to the Commonwealth of Massachusetts and 0.75% to the Town of Oak Bluffs.
• The proposed demolition and new construction will create a small number of new temporary jobs in the construction and professional service sector industries.

### 3.4 Affordable Housing

• The proposed project is to demolish and develop a new mixed-use building of 5,621 square feet (including the basement). The current 3-bedroom apartment is currently utilized as part storage and seasonal housing for the Chef/Owner. The current apartment does not have a Certificate of Occupancy and therefore may not be deemed appropriate for year-round habitation.
• With the demolition, the MVC’s Housing Policy recommends that any useful materials such as flooring or doors be repurposed and donated to an Affordable/Community Housing entity, if possible.
• The proposed project will include 4 new (1) bedroom apartments which will be utilized for Fair Market rental or condominium ownership units.
• The recommended monetary mitigation calculations for the Non-Residential and Residential components are as follows with the square footage including only that of that of the finished portion of

A. Proposed Non-Residential incremental new square footage:
  • 1,806 (Proposed First Floor and Basement) – 1,238 (Existing Non-Residential) = 568 New Incremental Square Footage
  o 568 X 5 (Restaurant Multiplier) X $8 = $22,720 to be paid prior to the issuance of the Certificate of Occupancy.
Note: The unfinished portion of the basement is not included in the above calculation and will not be available for future use.
B. Proposed Residential Units:
   • 10% X 4 new units = 0.4 fraction
     o 0.40 of the total Fair Market Value of one (1) Bedroom Apartment. The Fair Market Appraisal will be determined by an independent appraisal to be completed after the applicant has received a Certificate of Occupancy. The MVC shall approve the appraiser and the appraisal shall be at the applicant’s expense.
     o For example, if the Fair Market Value of one (1) Bedroom Apartment is appraised at $300,000 or $550,000.
       • $300,000 X 0.40 = $120,000
       • $550,000 X 0.40 = $220,000
     • The recommended monetary mitigation will be $22,720 plus the 0.4 fraction for one apartment’s appraised value, to be determined, will equal the total monetary mitigation:
       o $120,000 + $27,720 = $147,720
       o $220,000 + $27,720 = $247,720
     • The applicant has requested to waive the Non-residential component and the appraisal process for the Residential component. The applicant has offered a one-time monetary mitigation of $50,000.

3.5 Wastewater
   • This project is located in the Oak Bluffs harbor watershed.
   • The existing building is currently on sewer.
   • The proposed project is to remain on sewer. The proposed project design will decrease the amount of flow required.
   • Oak Bluffs Wastewater has submitted a letter confirming the approved existing and proposed flow:
     The property located at 14 Kennebec Ave has an existing approved capacity of 2,135 gallons per day. The building currently has 55 seats and 3 bedrooms on the upper floor and the property will be decreasing its flow by 35 gallons per day as the proposed new building will seat 52 and have a total of 4 bedrooms on the upper floor for a new flow calculation of 2,100 gallons per day. (per OB Wastewater Department)

3.6 Transportation
   • Does the applicant have a construction management plan in place? If so, please provide staff with how traffic will be mitigated during the construction process.
   • Where will building materials be stored? How will the staging area effect the surroundings? (Should be part of a construction management plan)

4. CORRESPONDENCE

4.1 Town Officials: Oak Bluffs Police Chief Erik Blake.