



CITY OF SOMERVILLE, MASSACHUSETTS
MAYOR'S OFFICE OF STRATEGIC PLANNING & COMMUNITY DEVELOPMENT
KATJANA BALLANTYNE
MAYOR

THOMAS F. GALLIGANI, JR.
EXECUTIVE DIRECTOR

RACHEL NADKARNI
DIRECTOR OF ECONOMIC DEVELOPMENT

TO: Kristen Strezo, Chair
Members of the Housing and Community Development Committee of the Somerville City Council

FROM: Rachel Nadkarni, Director of Economic Development

RE: Responses To Council Items 23-1308, 23-1309, and 23-1310

DATE: September 20, 2023

The following memo is shared in preparation for a discussion at the September 20, 2023 Housing and Community Development Committee regarding the Armory and Council Items 23-1308, 23-1309, and 23-1310.

23-1308: That the Directors of the Arts Council and Economic Development:

- immediately engage the Arts at the Armory and other arts tenants in the planning process for the Armory Building and include them in the Master Plan Advisory Committee,
- provide this Council with the list of participants in the Master Plan Advisory Committee and the selection process for those participants, and
- explain why three of the five operating models listed in the Master Plan were not considered and how this decision came about.

23-1309: That the Director of Economic Development:

- provide an inventory of spaces and the potential use for those spaces in the Armory as part of the Armory Master Plan process,
- immediately renew all existing Use and Occupancy Agreements for the Armory that have expired and extend them for an additional 24 months,
- present to this Council an interim occupancy model for the Armory by October 2023,

- provide the list of “tenants” in the Armory Building and any use and occupancy fees charged and paid per month or per the agreed duration by those “tenants” from June 2021 through August 2023, and
- explain the increase in any use and occupancy fees for Armory tenants starting in June 2021.

23-1310: That the Administration report to this Council on the usage of the Armory building by existing tenants, city tenants, and what have been the vacancies.

Several members of the City Council have participated in the Armory Master Plan process to date. In order to bring everyone to the same starting point for this discussion, we have included a brief overview of the timeline since the City’s acquisition of the property and the steps that the staff team is taking in order to address concerns raised in the community process so far. A status update on the tenanting is attached as Appendix A and an overview of the Master Plan Advisory Committee is attached as Appendix B.

Timeline to Date

May 2021: the City of Somerville acquired the Armory by eminent domain for \$5.9 million.

- ‡ The public purpose for the taking was to create a community art center.
- ‡ At the time of acquisition, the building had 11 tenants, with approximately 50% representing arts organizations, 25% representing arts adjacent organizations, and 25% non-arts-related organizations (health & fitness uses).
- ‡ At the time of the acquisition, the understanding from the prior owner was that the rents generated did not allow the building to be self-sustaining during the Covid pandemic shutdowns, resulting in their intent to dramatically change the uses in the building, and the main performance hall specifically, into a higher income generating uses like a tech incubator or lab use.
- ‡ The City’s purchase was completed with an intent to maintain the community arts focus of the building.
- ‡ Over the past two years, the City has allowed pre-existing tenants to remain in their leased spaces, but has not made final decisions on who can or should use space in the Armory, how future users should be selected or how the property will be operated as a public community arts center until the community process of developing the Armory Master Plan is completed and we’ve heard from everyone seeking to provide input.

2021-2022: Property Transition Planning

- ‡ Initial building assessments:
 - ◆ Initial building assessments identified the building as being in fair to good condition, with as much as \$13 mil (2023 dollars) in needed capital investment, with much of the work dependent on the ultimate use of the building.
- ‡ Master Plan process development:
 - ◆ Released an RFP to select a consultant (Summer/Fall 2021)

- ◆ Selected Create Today, a specialist in arts facilities planning out of New York (Winter/Spring 2022)

2022-2023: First phase of community engagement & interim activation

- ‡ The first phase of community engagement around “what the Armory could be” has taken the majority of 2022 and 2023
 - ◆ First, fact finding – what has the Armory meant to different constituencies; what are the issues at play.
 - This was done by background research, stakeholder interviews and surveys of local artists.
 - ◆ Second, possibilities and limitations – what might a community art center mean from different perspectives; what challenges might the building pose to meeting those ideas.
 - This was accomplished through case study analysis and focus groups, picked from 180 resident volunteers, including one group dedicated to Armory tenants and another to Armory abutters.
 - ◆ Third, explore governance – what challenges and opportunities are there to different approaches to managing the building.
 - This started in the fourth Armory Master Plan Advisory Committee meeting in May, and continued in the three public Community Meetings in July and August.
- ‡ Interim Activation: The Somerville Arts Council has taken on management of several spaces in the building and are making those available to Somerville artists, just as they plan to do at the Hive in Boynton Yards and have done in the past at Assembly Square.
 - ◆ BIPOC Space @ the Armory on the second floor is available for free by use of Artists who identify as black, indigenous, or persons of color.
 - ◆ SomArt Space @ the Armory on the third floor is available for low-cost rentals by dance and movement artists. The full rental policy and rate structure can be found at <https://somartspace.org/>.
 - ◆ Both the 2nd floor BIPOC space and the SomArt Space @ the Armory were/are booked 205 hours for the month of September. The program enrolls 3 new artists each month and on average there are 2-3 different artists using the spaces each day.

What comes next?

Coming out of this first round of community engagements this summer, the Office of Strategic Planning and Community Development (OSPCD) and the Somerville Arts Council (SAC) recognize that there are some areas of consensus, as well as several areas that need a deeper level of community conversation.

- ‡ There is clear consensus that more stability for current tenants is desired until a master plan is finalized.

- ‡ There is also consensus that the main space should remain an open hall for performances and other large community programming, like the winter farmers market, as this is a unique facility not just in Somerville, but also the region.
- ‡ There is not a clear consensus about what the governance structure for the armory should be.
- ‡ There is also not consensus about the full range of arts programming that the armory should include.

In order to better serve current tenants and allow space for a more iterative conversation about the future of the armory, the administration has taken the following steps:

- ‡ Closer coordination of the various staff teams involved in operations/maintenance of the building and reporting structures to ensure building issues are addressed promptly. (Team includes but not limited to: OSPCD, SAC, Legal, DPW, and Communications)
- ‡ Establishing quarterly tenant meetings to ensure communication channels are open and setting up one-on-one meetings between interdisciplinary staff and each tenant in order to learn more about their businesses and operations to inform discussions about both the short- and long-term management of the building.
- ‡ Developing an interim occupancy plan for the Armory to provide a clear roadmap for the facility over the next 2-3 years as the Master Plan process is completed and its recommendations are implemented by the City.
 - ◆ Offering a stable option to current tenants throughout the interim period.
 - ◆ Determining what short-term investments in the building are needed to meet current operational needs.
- ‡ Clarifying decision making and communication protocols for the next phase of the long-term Armory Master Plan process, with all decision-making and communications responsibilities clearly and transparently identified.
- ‡ Setting expectations for additional, iterative conversations on linking the Armory's future vision to guiding principles, policy goals, governance options, programming options and financial models to achieve that vision. City staff will facilitate these discussions and will shape the next phase of community meetings accordingly.
- ‡ Charting a revised Master Plan process that will resume once the City-led community meetings are complete, with a goal for delivery of a final Plan to the Mayor and City Council in 2024 for implementation in the following years.

We look forward to discussing the Armory with the members of the Committee and hearing your perspectives on the process so far, the next steps outlined here, and priorities for both the interim and long-term plan.

Appendix A

Somerville Armory Space Register as of 9.20.2023

Unit	Tenant	Lease Area	Monthly Rent, '23	Annual Rent/SF	Use & Occupancy Agreement Status
1A & 1D	Acoustic Strings New England	1,080 sf	\$2,800	\$31.11/sf	Signed to 12.31.23
1B (hall)	Arts at the Armory	8,570 sf	\$3,500	\$4.90/sf *	Delayed (arrears)
1C (café)	Arts at the Armory	1,270 sf	\$3,415	\$32.27/sf	Delayed (arrears)
B5	Arts at the Armory	390 sf	\$667	\$20.51/sf	Delayed (arrears)
B7	Audiotech Services	530 sf	\$1,200	\$27.17/sf	Not signed
B1	Dead Moon Audio	1,806 sf	\$2,500	\$16.61/sf	Signed to 12.31.23
2C	Henley Design	790 sf	\$1,316	\$19.99/sf	Signed to 12.31.23
B3, B4	John Lavoie Fitness	1,505 sf	\$2,700	\$21.53/sf	Signed to 12.31.23
3B	Out of the Blue Arts	600 sf	\$2,400	\$48.00/sf	Not signed
B6	Out of the Blue Arts	740 sf	\$1,200	\$19.46/sf	Not signed
3A	Arts Council (SomArt @ Armory)	1,380 sf	\$0	\$0/sf	N/A
2A, 2B	Arts Council (BIPOC Space)	1,620 sf	\$0	\$0/sf	N/A
B2	Vacant	298 sf	\$0	\$0/sf	N/A
B8	Vacant	390 sf	\$0	\$0/sf	N/A
B9	Arts Council Storage	141 sf	\$0	\$0/sf	N/A
B10	Vacant	254 sf	\$0	\$0/sf	N/A
B12	Vacant	140 sf	\$0	\$0/sf	N/A

* Performance Hall Rent is \$4.90/sf annually plus 5% of revenue above \$350,000

Total Building Analysis

Total Building Area	27,064 sf
Leased Area	17,281 sf
Vacant Area	4,223 sf
Common Area	5,560 sf
Gross Average Annual Rent / sf	\$15.07/sf
Actual Average Annual Rent / sf	\$12.64/sf **

** Reflects rent arrears for Performance Hall since April 2023

Appendix B

Overview of the Somerville Armory Master Plan Advisory Committee

To guide the development of the master plan, the City formed a Somerville Armory Master Plan Advisory Committee (SAMPAC) in Spring 2022. Comprised of a diverse mix of municipal leaders and local artists (selected from an open call for members which produced 41 candidates) this committee has met four times in 2022 and 2023. As part of the next iteration of Armory Master Plan community engagement, the role and composition of this committee will also be reviewed (*note that existing Armory tenants do not serve on the Committee to preserve their ability to lease space in the building. Service on the Committee could incur conflicts of interest that would prevent tenants from participating in procurement for future tenants in the Armory*).

At the outset, the Committee was charged with reviewing feedback received from a variety of sources, including focus groups, public meeting hosted by the City, and other stakeholder engagement events included as part of a comprehensive public engagement process that garners feedback from a broad spectrum of residents, as well as Somerville's artistic community.

MEMBERSHIP ROSTER

- ‡ Jimena Bermejo - Artist member
- ‡ Jen Palacio - Artist member
- ‡ Elizabeth Hunter - Artist member
- ‡ Darren Hairston - Artist member
- ‡ Melissa Woods – Resident/Armory neighbor member
- ‡ Thomas Galligani - Office of Strategic Planning & Community Development
- ‡ Nikki Spencer - Mayor's Office
- ‡ Beatriz Gomez-Mouakad - City Council

MEETINGS TO DATE

- ‡ Meeting 1: June 6, 2022 - Establish a vision of success for the Armory.
- ‡ Meeting 2: September 12, 2022 - Review results from the interviews and environmental scan.
- ‡ Meeting 3: January 12, 2023 - Review case studies and short or long-term recommendations.
- ‡ Meeting 4: May 1, 2023 – Review learnings from the focus groups. Finalize strategic initiatives and refine definition of success for the Armory. Recommend operating models for detailed programming and financial analysis.