



September 19, 2023

Matthew D'Agostino, Chairman
Methuen Zoning Board
41 Pleasant Street
Methuen, MA 01844

Chairman D'Agostino,

We are Rob Christy, Dan Talbot and Julio Fuentes. We are the owners currently doing the brand new renovations and conversion of the old Masonic Lodge on Broadway and of the 5 Pleasant Street property. We are also actively pursuing other properties in the area in an effort to continue the rebirth of Methuen's downtown area. Additionally, we also own the car wash at 2 Baldwin St. in Methuen. We have been operating the car wash in Methuen since 2017. We are writing this letter in strong opposition to the possibility of another car wash permit being issued at 171 Pelham Street in Methuen.

When we heard about a possible 4th car wash within 4 exits (1 every exit) in Methuen, we immediately reached out to Jack Wilson and his office for more information as many red flags were raised.

After reviewing the info on zoning Jack sent us, we focused in on the Market Demand criteria.

This is a real issue/concern for Methuen now and in the future, especially given that Methuen has centrally zoned its carwash permissible zones. We thought it would be helpful to provide Methuen's leadership with some carwash industry perspective. Additionally, we point out other considerations and concerns that Methuen's Leadership **should** consider when permitting this type of business. We are happy to discuss in more detail if you or anyone else would like to do so.

Generally speaking, a carwash succeeds when:

- Surrounding population is large enough to support a carwash- **about 30k people per carwash**
- **RULE OF THUMB- a community can support 1 carwash every 3-mile radius**
- Surrounding population has some discretionary income
- **The operator provides a good quality carwash at reasonable prices**
- Towns and cities can support more than 1 carwash BUT certain factors must be present:
 - The population must be significant (about 25-30k people per carwash, so 60k for 2, 90k for 3 carwashes, etc., etc.)
 - **AND** ideally, the carwashes are spaced out with the 3-mile radius rule of thumb in mind

Following the general guidelines above would allow for a community to provide their constituents with this necessary utility which is what it is in places like New England with all of its' winter

sand and salt, **without exposing the community to the very serious and costly mistakes of overbuilding and over supplying certain markets.**

The current state of car wash access in Methuen:

- There are currently several carwashes in the Methuen area including:
 - Wash, Wax and Wheels Car Wash – 2 Baldwin Street
 - Merrimac Laundromat and Car Wash – 21 Burnham Rd
 - Circle K Car Wash – 181 Pelham Rd
 - Haffner's Gentle Touch Car Wash – 96 Pleasant Valley St
 - Washville Car Wash – Broadway St
 - Please see the map below for a visual of the current competitors in the Methuen market
- There are two car washes currently operating directly to the left and to the right of the proposed location (Circle K and Wash, Wax and Wheels). There is zero justification for a 3rd carwash here.
- There is currently a car wash being constructed on Rt 28 in Methuen 0.8 miles from the proposed location. This is going to be a tunnel car wash, very similar to what is being considered at the 171 Pelham location. This wash on Rt 28 is expected to be operational November 2023

Some of the concerns raised by carwash over supply and location concentration:

- Carwashes are real estate related businesses which are typically located in marquee, high traffic, commercial areas... **always lots of eyeballs on these types of properties**
- Carwashes require very unique equipment and a very unique building. This expensive equipment and expensive building have **ZERO alternative use...** the land does.
- If too many (even) good operators are forced or allowed to operate without adequate market demand, either due to lack of population or over concentration of capable carwash operators in a small area, then a community can expect that one or more of the operators (despite being "good" operators) will **begin to lose profitability which will lead to less investment in the business and the property** (the quality of the property is part of the carwash business), which will lead to even less profitability, etc., etc. with the end result being the failure of what was otherwise a well-run business before the pie was divided by too many operators... **this dynamic creates all sorts of explicit and implicit costs to the community:**
 - The carwash properties slowly start to be an eyesore
 - As the carwash properties become an eyesore more neighbors complain **due to its effects on their businesses**
 - As the carwash properties become an eyesore more neighbors complain **due to its effects on their property values**
 - Giving the use, **lots of expensive environmental and soil testing** must be done to transition the use of this failed business to the next owner and use
 - **Clean-up is very expensive.** Given the unique equipment and building there are no alternative uses. This demolition and clean-up increase the cost to transition the property to the next owner and use. This is not simply re-leasing fungible retail space in a strip mall... **this is far more complicated and expensive**

- Additionally, due to the high competition in that specific area, **seasoned carwash operators will have little to no interest** in expanding into that market via that dying property.
- For the reasons above, these tired, dying eyesores **typically take years to transition to new use and ownership**... meanwhile, the entire community suffers from what is an avoidable situation.
- Additional Factors to consider:
 - Having multiple carwashes in close proximity doesn't increase overall carwash sales. You might buy 2 t-shirts from 2 different stores today but you are not getting your car washed twice in 1 day from carwashes across the street from one another. **The carwashes SPLIT the community's business... they don't grow it! Over permitting them is a real risk to ALL operators and the community.**
 - In New England about 50% of carwash sales occur on the weekend, when people are doing other chores. If all carwashes in a community are on the same road there could **be very real traffic issues on the weekend.**
 - Unsubstantiated supply growth will destroy the economic values (net wealth's) of existing good operators, many of whom have been valued contributing members of Methuen for years. **For a good operator, the value of the carwash business is worth far more than the value of the underlying real estate. It is this value that gets destroyed with over permitting.**
 - Over permitting carwashes in a small geographic location could also **unnecessarily tax a city's sewer and water systems in those areas.**

We would appreciate the opportunity to further discuss this issue with you in person at your earliest convenience.

Thank you,

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