

MEMORANDUM

FEBRUARY 14, 2013

TO: BOSTON REDEVELOPMENT AUTHORITY AND
PETER MEADE, DIRECTOR

FROM: HEATHER CAMPISANO, DEPUTY DIRECTOR FOR DEVELOPMENT
REVIEW
DAVID CARLSON, SENIOR ARCHITECT, URBAN DESIGN
GEOFFREY LEWIS, SENIOR PROJECT MANAGER

SUBJECT: PARCEL 39A, HISTORIC MONUMENT AREA OF THE
CHARLESTOWN NAVY YARD IN THE CHARLESTOWN URBAN
RENEWAL AREA, PROJECT NO. MASS R-55

SUMMARY: This Memorandum requests that the Boston Redevelopment Authority (the "BRA") take the following actions regarding the proposed Parcel 39A project located in the Historic Monument Area of the Charlestown Navy Yard (the "Proposed Project"): (1) authorize the Director to issue a Scoping Determination waiving the requirement of further review pursuant to Article 80B, Section 80B-5.3(d) of the Boston Zoning Code (the "Code") because the Project Notification Form ("PNF") adequately describes and mitigates any impacts of the Proposed Project; (2) authorize the Director to issue a Certification of Compliance upon successful completion of the Article 80 review, subject to continuing design review; (3) authorize the Director to execute a Cooperation Agreement, a Boston Residents Construction Employment Plan, and an Affordable Rental Housing Agreement in connection with the Proposed Project; (4) authorize the Director to enter into any and all other documents that the Director in his sole discretion deems necessary and appropriate and upon terms and conditions determined to be in the best interest of the BRA; and (5) authorize the Director to enter into negotiations for a Lease Term Sheet and Ground Lease with Kavanagh Advisory Group, LLC (the "Redeveloper") for Parcel 39A.

INTRODUCTION

Parcel 39A (the "Parcel") in the Historic Monument Area (the "HMA") of the Charlestown Navy Yard in the Charlestown Urban Renewal Area, Project No. Mass R-55, is a vacant parcel of approximately 13,710 square feet owned by the Boston Redevelopment Authority (the "BRA"). The Parcel is located at the corner of First

Avenue and Ninth Street in the Charlestown Navy Yard, adjacent to Building 39. The Parcel is subject to the design guidelines outlined in the Program for Preservation and Utilization ("Design Guidelines") because it is located in the HMA within the Charlestown Navy Yard.

PROJECT HISTORY

On June 16, 2011, the BRA authorized the Director to issue a Request for Proposals ("RFP") for the Parcel. The RFP was issued in September 2011 and responses were due on December 2, 2011. BRA staff found that the proposal by the Kavanagh Advisory Group, LLC, met the criteria and objectives outlined in the RFP and tentatively designated the Kavanagh Advisory Group, LLC, as the Redeveloper of the Parcel.

The Redeveloper filed a Letter of Intent on October 12, 2012, in accordance with the BRA's policy on the provision of mitigation by development projects in Boston, as outlined in Mayor Thomas M. Menino's Executive Order of October 10, 2000, as amended. The BRA determined that compliance with the Mayor's Executive Order would be achieved by requesting that the Charlestown Neighborhood Council (the "CNC") review the Proposed Project. The CNC process is well established and effective in Charlestown. The CNC is a locally elected body that conducts regular public meetings and provides comments to assist various City agencies on matters such as those outlined in the Mayor's Executive Order regarding mitigation on development projects in Boston.

On November 26, 2012, the Redeveloper submitted a Project Notification Form ("PNF") for a 4 story, approximately 48,000 square foot residential building consisting of a total of fifty-four (54) residential units (the "Proposed Project"). Notice of receipt of the PNF was published in the Boston Herald on December 1, 2012.

Several meetings were held near the Project Site and on January 24, 2013, a publicly advertised community meeting was held at the Constitution Inn. The CNC voted to support the project with a proviso requesting the Redeveloper to provide 54 on-site parking spaces at their February 5, 2013 meeting.

The Charlestown Navy Yard is a National Historical Park, and its redevelopment is required to comply with the Secretary of the Interior's Standards for the Treatment of Historic Properties. The Proposed Project has been designed to conform to the HMA Design Guidelines as outlined in an agreement between the National Park Service, Massachusetts Historical Commission, Boston Landmarks Commission, and the BRA.

DEVELOPMENT TEAM

The development team consists of John E. Kavanagh, President and CEO of Kavanagh Advisory Group, LLC as the developer; Joel Bargmann of BH+A Architects as the Architect; and Don Wiest of BDLWT&G as zoning attorney.

PROPOSED PROJECT

The Proposed Project is a 4 story, approximately 48,000 square foot residential building consisting of a total of fifty-four (54) residential units. The required off-street parking for the Proposed Project is thirty-three (33) spaces, and this parking will be fully accommodated in the Building 199 parking garage. The ground lease for Building 199 requires that at least 500 parking spaces be dedicated to buildings in the HMA.

The four-story building, which will have a brick façade and a hipped roof, and features massing contextual to its setting, is designed in compliance with the provisions of the Program of Preservation and Utilization referred to in the deed dated July 7, 1978, from the General Services Administration to the BRA. The Proposed Project requires approvals from the National Park Service to comply with the Design Guidelines dated June 28, 1991. These approvals were obtained via a letter from Alissa McCann of the National Park Service dated February 16, 2006.

The Proposed Project is located in the HMA and within the Charlestown Navy Yard subdistrict of the Harborpark District. The Parcel is zoned B1-U, thus the Proposed Project's multifamily residential use is permitted. Dimensional and other zoning controls will be supplied pursuant to a Ground Lease between the BRA and the Redeveloper.

The Proposed Project is also in compliance with the Charlestown Urban Renewal Plan, as amended.

AFFORDABLE HOUSING

In accordance with the Inclusionary Development Policy, as amended (the "IDP"), the development of the Proposed Project will require the creation of an amount of affordable housing units equal to fifteen percent (15%) of the market-rate housing units included in the Proposed Project (the "Affordable Units"). The IDP requires that the Affordable Units be made affordable to households earning less than or equal to seventy percent (70%) of the Area Median Income ("AMI") for the Boston Standard Metropolitan Statistical Area ("SMSA") as promulgated by the United States Department of Housing and Urban Development ("HUD"). The Project's Affordable Units will be provided in compliance with the IDP, and on-site.

The size, location, square footage, finishes, and attributes of the Affordable Units will be approved by Authority staff.

The Proponent will enter into one or more Affordable Rental Housing Agreement(s) and Restriction(s) with the Authority for the Affordable Units. The Proponent has agreed to submit an Affirmative Marketing Plan to the Boston Fair Housing Commission and the Authority for the Affordable Units, which shall be approved prior to the execution of the Affordable Rental Housing Agreement(s) and Restriction(s). Preference for the On-Site Affordable Units will be given to applicants who meet the following criteria, weighted in the order below:

1. Urban Renewal Displacee;
2. Boston resident; and
3. Household size (a minimum of one (1) person per bedroom).

The Affordable Units will not be marketed prior to the submission and approval of the Affirmative Marketing Plan. The Affordable Rental Housing Agreement(s) and Restriction(s) will be recorded to maintain affordability for a total period of fifty (50) years (this includes thirty (30) years with an Authority option to extend for an additional period of twenty (20) years). The household income of any subsequent tenant of the Affordable Units during this fifty (50) year period must fall within the applicable income limit for each Affordable Unit.

GROUND LEASE

The Redeveloper must enter into a Lease Term Sheet, submit evidence of financing, and receive BRA approvals for the final working drawings prior to receiving Final Designation from the BRA.

RECOMMENDATION

To facilitate the redevelopment of the HMA and create additional housing opportunities in the City of Boston, Authority staff believes that the PNF and supplemental information meet the criteria for the issuance of a Scoping Determination Waiving Further Review. The BRA staff has determined that the PNF adequately describes the potential impacts arising from the Parcel 39A Proposed Project and provides sufficient mitigation measures to minimize any such impacts, such that further review through the Article 80 process is not necessary. Therefore, it is staff's recommendation that the Authority authorize the Director to: (1) issue a Scoping Determination under Article 80B-5.3(d) of the Code, waiving further review; (2) issue a Certification of Compliance upon successful completion of the Article 80 development review process; (3) execute a Cooperation Agreement, an Affordable Rental Housing Agreement, and a Boston Residents Construction Employment Plan for the Proposed

Project; (4) execute any and all other documents that the Director, in his sole discretion, finds appropriate and necessary; and (5) enter into negotiations with the Redeveloper for a Lease Term Sheet and Ground Lease.

Appropriate votes follow:

VOTED: That the Director be, and hereby is, authorized, to issue a Scoping Determination under Section 80B-5.3(d) of the Boston Zoning Code (the “Code”) which (i) finds that the Project Notification Form adequately describes the potential impacts arising from the proposed development by Kavanagh Advisory Group, LLC on approximately 13,710 square feet of land within the Historic Monument Area of the Charlestown Navy Yard, identified as Parcel 39A, to include the construction of approximately 54 residential rental units (the “Proposed Project”), and provides sufficient mitigation measures to minimize any such impacts; and (ii) waives further review under subsection three of Section 80B-5 of the Code, subject to continuing design review by the Boston Redevelopment Authority (“BRA”); and

FURTHER

VOTED: That the Director be, and hereby is, authorized to issue a Certification of Compliance for the Proposed Project upon the successful completion of the Code’s Article 80 process for the Proposed Project, subject to continuing design review by the BRA; and

FURTHER

VOTED: That the Director be, and hereby is, authorized to execute a Cooperation Agreement, an Affordable Rental Housing Agreement, a Boston Residents Construction Employment Plan, and any and all other agreements and documents which the Director deems appropriate and necessary in connection with the Proposed Project, all upon terms and conditions determined to be in the best interests of the BRA; and

FURTHER

VOTED: That the Director be, and hereby is, authorized to negotiate the terms of a Lease Term Sheet and Ground Lease with Kavanagh Advisory Group, LLC, or an affiliated entity controlled by Kavanagh Advisory Group, LLC, for the purpose of the redevelopment of Parcel 39A.