

MEMORANDUM

MARCH 14, 2013

TO: BOSTON REDEVELOPMENT AUTHORITY AND
PETER MEADE, DIRECTOR

FROM: HEATHER CAMPISANO, DEPUTY DIRECTOR FOR DEVELOPMENT
REVIEW
MICHAEL CANNIZZO, SENIOR ARCHITECT/URBAN DESIGNER
DANA WHITESIDE, DEPUTY DIRECTOR FOR COMMUNITY
ECONOMIC DEVELOPMENT
ERICO LOPEZ, SENIOR POLICY ADVISOR

SUBJECT: PUBLIC HEARING TO CONSIDER THE 275 ALBANY STREET
PROJECT, NOTICE OF PROJECT CHANGE AND AN AMENDED AND
RESTATED DEVELOPMENT PLAN FOR PLANNED DEVELOPMENT
AREA NO. 89.

SUMMARY: This Memorandum requests that the Boston Redevelopment Authority (the "BRA" or "Authority"): (i) approve the Amended and Restated Development Plan for Planned Development Area No. 89 at 275 Albany Street, in the South End neighborhood of Boston (the "Amended PDA Plan") pursuant to Section 80C of the Boston Zoning Code (the "Code"); (ii) authorize the Director of the Authority to petition the Zoning Commission of the City of Boston ("BZC") for approval of the Amended PDA Plan; (iii) authorize the Director of the Authority to issue a Determination waiving the requirement of further review pursuant to Article 80, Section 80A-6.2 of the Code in connection with the Notice of Project Change (the "NPC") for the 275 Albany Street project described in the Amended PDA Plan; (iv) authorize the Director of the Authority to issue Certification(s) of Consistency pursuant to Section 80C-8 of the Code; (v) authorize the Director of the Authority to issue Certifications of Compliance pursuant to Section 80B-6 upon successful completion of the Article 80 Large Project review process; and (vi) authorize the Director of the Authority to execute and deliver a Cooperation Agreement, an Affordable Rental Housing Agreement and Restriction, a Boston Residents Construction Employment Plan, and any and all other documents, as may be necessary and appropriate.

PROJECT SITE

The site is approximately 1.27 acres (55,485 square feet) in size and rectangular in shape, bounded by Traveler Street to the north, Albany Street and the south bound lanes of Interstate 93 to the east, East Berkeley Street and a Mobil gas station to the south and a group of buildings that make up the rest of the Harrison, Traveler, Albany, East Berkeley block and house the Medieval Manor, some small offices, Quinzani's Bakery, Ho Kong Bean Sprout Company, and Planet Self Storage (the whale building) to the west (the "Project Site").

PROJECT BACKGROUND

The 275 Albany Street project previously underwent Large Project Review under Article 80B of the Code. The project program consisted of two (2) hotels joined by a common above grade parking garage, loading dock, roof terrace and swimming pool. One (1) hotel was envisioned to be a "select-service" hotel and the other an "extended-stay" hotel.

The select- service hotel would occupy the northern end of the site and its front door was to be on Traveler Street. The select-service hotel would have approximately two hundred and ten (210) rooms and would be sixteen (16) stories high. Select-service hotels provide a less costly alternative for guests compared to a full-service hotel and are aimed at both business and leisure travelers. The select-service hotel included an approximately 4,000 square foot restaurant on the ground floor, occupying the corner of the building at the Albany and Traveler Street intersection, where it would help to enliven the street environment. The hotel would have also featured a swimming pool and a roof terrace on the second level.

The extended-stay hotel would have an L-shaped footprint and occupy the southern end of the site. Its front door would be on the East Berkeley Street. The extended-stay hotel would have had approximately one hundred and ninety-eight (198) rooms and would be nine (9) stories high on East Berkeley and seven (7) stories high on Albany Street. Extended-stay hotels are designed for the business traveler who generally plans to stay a week or more. The proposed hotel would have been well positioned to serve visitors and exhibitors at the Boston Convention and Exhibition Center who often require longer stays to attend conventions ("Original Proposed Project").

An Expanded Project Notification Form ("PNF") for the Original Proposed Project was filed with the Authority on January 15, 2010 by BH Normandy 275 Albany Street LLC (the "Previous Proponent"). On August 17, 2010, the BRA authorized the Director of the BRA to issue a Scoping Determination waiving further review under Article 80B of the Code based on a finding that the PNF adequately described the potential impacts of the Original Proposed Project and that the mitigation measures proposed were sufficient to minimize those impacts. On August 24, 2010, the Authority issued a

Scoping Determination waiving further review for the Original Proposed Project under Article 80B of the Code. On July 27, 2012, the Previous Proponent filed an application for a Planned Development Area for Planned Development Area No. 89 (“PDA No. 89”) approval with the Authority. On August 16, 2012, the Previous Proponent filed a Notice of Project Change (the “Initial NPC”) reflecting the change from the Original Proposed Project to a project with one hotel component and one residential component (the “Recently Approved Project”). PDA No. 89 for the Recently Approved Project was approved by the Authority on September 13, 2012 and PDA No.89 was approved by the BZC on October 10, 2012. On January 25, 2013, Albany Street JV LLC (the “Proponent”) filed an Amended PDA Plan with the Authority. On February 14, 2013 the Proponent filed an NPC reflecting the change from the Recently Approved Project to a project with two residential components (the “Proposed Project”).

DEVELOPMENT TEAM

The development team consists of:

Owner/

Developer: Albany Street JV LLC
Justin D. Krebs - Normandy Real Estate Partners
Kelly Saito - Gerding Edlen

Architect: ADD Inc.
James Gray
Tamara Roy

Counsel: Mel Shuman Law
Melvin R. Shuman

THE AMENDED AND RESTATED PLANNED DEVELOPMENT AREA

On January 25, 2013, the Proponent filed the Amended PDA Plan, and set the development plan for the approximately 1.27 acre site at the Project Site. The Amended PDA Plan specifically delineated the proposed location and description of the property, location and appearance of the structures, open spaces and landscaping, proposed uses of the area, densities, traffic circulation, parking and loading facilities, and access to public transportation, proposed dimensions of structures, and public benefits.

Albany Street JV LLC, a Delaware limited liability company, its successors and assigns (the “Developer”). The Developer is a joint venture between BH Normandy 275 Albany Street LLC, an affiliate of Normandy Real Estate Partners, with an address of 53 Maple Avenue, Morristown, NJ 07960, and GEGCF II Albany Street LLC, an affiliate of Gerding Edlen, with an address of 1477 NW Everett Street, Portland, OR 97209.

THE NOTICE OF PROJECT CHANGE/PROPOSED PROJECT

As currently planned, the Proposed Project consists of two primary building elements: one on the northern end of the Project Site (the "Traveler Structure") fronting on Traveler Street that will rise up to nineteen (19) stories; and the other an L-shaped structure on the southern end of the Project Site fronting on East Berkeley Street (the "East Berkeley Structure") that will rise up to eleven (11) stories. It is anticipated that the Traveler Structure will be used for residential use with up to 220 units and the East Berkeley Structure will be used for residential use with up to 180 units, provided that the total number of units located in the Proposed Project will not exceed 380 units. In addition, the Proposed Project will include complementary retail uses, which may include restaurant use and accessory parking. The uses will share the parking structure and loading area and may also share additional amenities such as fitness facilities, and/or a roof terrace.

A three (3) level, above-grade parking garage housing up to one-hundred and eighty (180) spaces will be located between the two building elements, shielded from public view from all three public streets by the Traveler Structure and the East Berkeley Structure. Additional parking, if any, may be provided off-site.

The Proposed Project will contain up to 330,000 square feet of gross floor area, of which up to 200,000 square feet of gross floor area will be located in the Traveler Structure and up to 150,000 square feet of gross floor area will be located in the East Berkeley Structure, provided that the entire Proposed Project will not contain more than 330,000 square feet of gross floor area. In addition, the Proposed Project will include up to 65,000 square feet of parking. The Floor Area Ratio ("FAR") of the overall Proposed Project, exclusive of parking, will not exceed 6.0, though the FAR of portions of the Project Area to be occupied by the structures included in the Proposed Project may exceed 6.0 so long as the gross floor areas of such structures do not exceed the limitations set forth above. The height of the Proposed Project will not exceed 200 feet, excluding the mechanical penthouse and the elevators and stairways serving the mechanical penthouse.

The Proposed Project may be constructed in up to two phases (each, a "Phase"). If constructed in Phases, one Phase will include the Traveler Structure and the other Phase will include the East Berkeley Structure. The parking garage may be constructed as part of either Phase. If the Proposed Project is completed in Phases, parking may be provided off-site until completion of the second Phase, provided that appropriate arrangements are made to ensure that such parking will be available to the Proposed Project. In such case, if the Traveler Building is constructed first, no less than 90 parking spaces will be provided for the Traveler Building pending completion of the East Berkeley Building; if the East Berkeley Building is constructed first, no less than 45 parking spaces will be provided for the East Berkeley Building pending completion of the Traveler Building. All loading facilities will be located within the building with

access from and egress to Albany Street. Up to two (2) truck bays will be provided. The size of the loading area will permit all trucks to enter directly into the loading bay and turn and maneuver as necessary within the building.

It is anticipated that the Proposed Project will create approximately two hundred to three hundred (200-300) construction jobs, and approximately 15 permanent jobs.

Total project cost is \$145,000,000 and construction is intended to start in the fourth quarter of 2013 and take approximately twenty-four (24) months to complete.

Open Space and Landscaping

The Project Site will be improved with new sidewalks and street trees on East Berkeley Street, Albany Street and Traveler Street. In addition, it is currently contemplated that a green roof and deck space will be incorporated into the Proposed Project on the second level in between the Traveler Building and the parking garage and extending to Albany Street in between the Traveler Building and the East Berkeley Building. The Proposed Project is exempt from Section 64-29.3 of the Code since its approvals under Section 80B of the Code were granted prior to the first notice of hearing before the Zoning Commission for adoption of Section 64-29.3. However, no less than 20% of the Proposed Project Site will be open space accessible to the general public.

Proposed Traffic Circulation

Current traffic circulation around the Project Site is expected to remain as is: two-way traffic on Traveler Street, one-way traffic in a southerly direction on Albany Street, and one-way traffic in a westerly direction on East Berkeley Street. It is currently anticipated that the Traveler Structure will have a separate main entrance with associated drop-off/pick-up areas on Traveler Street and the East Berkeley Structure will have a separate main entrance with associated drop-off/pick-up areas on East Berkeley Street. Vehicles will be permitted to access and exit the parking garage on Traveler Street only.

Access To Public Transportation

The Project Site is located close to several public transportation options providing service to downtown Boston, the Back Bay, Chinatown, South Boston and Cambridge. Three MBTA bus routes have stops near the Project Site. The MBTA's Silver Line on Washington Street, located two blocks from the Project Site, provides service to the Downtown Crossing area of Boston. The MBTA's Red Line Broadway Station, located approximately one quarter of a mile from the Project Site, provides service between Ashmont and Braintree in the south and downtown Boston and Cambridge in the north. The Red Line provides connection between downtown and the Silver, Orange and Green Lines, as well as regional commuter rail and intercity bus services at South Station.

PUBLIC PROCESS

The BRA sponsored a public meeting regarding the Initial NPC and the PDA No. 89 on August 29, 2012 at 6:00pm, at the Benjamin Franklin Institute of Technology, 41 Berkeley Street, Boston, MA 02116. The meeting was advertised in the *Boston Courant and the South End News*. The comment period on the proposed PDA No. 89 and the Initial NPC ended on September 10, 2012. The BRA sponsored another public meeting regarding the NPC and the Amended PDA Plan on February 26, 2013 at 6:30pm, at Project Place, 1145 Washington St suite 2, Boston, MA 02118. The meeting was advertised in the *Boston Courant and the South End News*. The comment period on the NPC and the Amended PDA Plan ended on March 12, 2013.

AFFORDABLE HOUSING

Up to thirty eight (38) units within the Proposed Project will be created as affordable housing (the "Affordable Units"). The Proposed Project is subject to the Inclusionary Development Policy, dated September 27, 2007 ("IDP"); which requires that the on-site affordable units be made affordable to households earning seventy percent (70%) of Area Median Income ("AMI").

The Proponent will construct affordable housing units equivalent to 10% of the dwelling units and contribute to the Inclusionary Development Program an amount equivalent to 10% of the Dwelling Units included in the residential portion of the project. This program is specifically authorized by Section 64-29.1(c) of the Zoning Code adopted earlier this year which, as follows, provides two options for satisfying the affordable housing requirement:

1. The Proponent of any Proposed Project within a PDA devoting any amount of Gross Floor Area to Residential Uses must construct or cause the construction of either:
 - a. Affordable Housing, as defined in Section 64-41.1, in an amount equivalent to no less than twenty percent (20%) of the Dwelling Units included within the Proposed Project, with all such Affordable Housing located on-site; or
 - b. A combination of such Affordable Housing and another significant contribution, consisting of: (a) on-site Affordable Housing in an amount equivalent to no less than ten percent (10%) of the Dwelling Units included within the Proposed Project; and (b) an equivalent contribution to the Inclusionary Development Program Fund, administered by the Authority, and/or the creation of off-site Affordable Housing, the combination of which shall be the equivalent of 10 percent (10%) of the Dwelling Units included in the Proposed Project.

The Proponent's affordable housing plan for the Proposed Project, as described above, utilizes option b.

Upon the issuance of the first Certificate of Occupancy for the Proposed Project, the Developer will make a payment to the Authority's Inclusionary Development Fund representing ten percent (10%) of the units in the Proposed Project in the amount of \$200,000 per unit - an amount of up to Seven Million Six Hundred Thousand Dollars (\$7,600,000) for offsite affordable housing.

Rental prices and income limits will be adjusted according to HUD at the time of the initial rental of the Affordable Units.

An Affordable Rental Housing Agreement ("ARHA") must be executed along with, or prior to, the issuance of the Certification of Approval for the NPC. The Developer must also submit an Affirmative Marketing Plan (the "Plan") for the ARHA to the Boston Fair Housing Commission and the BRA, which shall be approved prior to the execution of the ARHA. Preference will be given to applicants who meet the following criteria, weighted in the order below:

- (1) Boston resident; and
- (2) Household size (a minimum of one (1) person per bedroom); and

The Affordable Units will not be marketed prior to the submission and approval of the Plan. A deed restriction will be placed on the Affordable Units to maintain affordability for a total period of fifty (50) years (this includes thirty (30) years with a BRA option to extend for an additional period of twenty (20) years). The household income of any subsequent leaser of the Affordable Units during this fifty (50) year period must fall within the applicable income limit for each Affordable Unit.

PUBLIC BENEFITS

The Proposed Project will revitalize a large vacant parcel in the South End bringing life and vitality to a blighted area and serving as a catalyst for change in the neighborhood. It will also serve as a buffer between the imposing hulk of the Southeast Expressway and the historic South End neighborhood. The streetscape around the Proposed Project will be improved with new paving, lighting and landscaping. The Proposed Project will energize and enliven the area providing eyes and ears to the street to make the area safer, friendlier and more attractive for visitors and residents alike. The Proposed Project will provide new residential opportunities at reasonable prices to complement the existing housing stock in the neighborhood, and increase the vitality of the surrounding area. In accordance with Section 64-29.1 of the Code, the Proposed Project will provide Affordable Housing, as defined in Section 64-41.1 of the Code, in an amount equivalent to no less than twenty percent (20%) of the dwelling units included in the Project, with at least ten percent (10%) of the units located on the Project Site. When fully operational, the Proposed Project is estimated to produce over \$900,000 annually in real estate taxes for the City of Boston. Albany Street JV LLC has

volunteered an additional community benefit package of \$250,000 to be delivered to the BRA at the issuance of occupancy permit.

RECOMMENDATION

Based on the foregoing, BRA staff recommends that the Director: (i) approve the Amended PDA Plan pursuant to Section 80C of the Code; (ii) authorize the Director of the Authority to petition the Zoning Commission of the City of Boston for approval of the Amended PDA Plan; (iii) authorize the Director of the Authority to issue a Determination waiving the requirement of further review pursuant to Article 80, Section 80A-6.2 of the Code in connection with the Proposed Project described in the Amended PDA Plan; (iv) authorize the Director of the Authority to issue Certification(s) of Consistency pursuant to Section 80C of the Code; (v) authorize the Director of the Authority to issue a Certification of Compliance pursuant to Section 80B-6 upon successful completion of the Article 80 Large Project review process; and (vi) authorize the Director of the Authority to execute and deliver a Cooperation Agreement, an Affordable Rental Housing Agreement and Restriction, a Boston Residents Construction Employment Plan, and any and all other documents, as may be necessary and appropriate.

Appropriate votes follow:

VOTED: That, in connection with the Amended and Restated Development Plan for Planned Development Area No. 89 at 275 Albany Street, in the South End neighborhood of Boston, (the "Amended PDA Plan") describing the 275 Albany Street Project (the "Proposed Project") presented at the public hearing duly held at the offices of the Boston Redevelopment Authority (the "BRA") on March 14, 2013, and after consideration of evidence presented at and in connection with the hearing on the Amended PDA Plan and the Proposed Project, the BRA finds that: (a) such Amended PDA Plan is not for a location or Proposed Project for which Planned Development Areas are forbidden by the underlying zoning; (b) the Proposed Project in such Amended PDA Plan complies with the provisions of the underlying zoning that establish use, dimensional, design and other requirements for Proposed Projects in Planned Development Areas; (c) such Amended PDA Plan complies with any provisions of underlying zoning that establish planning and development criteria, including public benefits, for Planned Development Areas; (d) such Amended PDA Plan conforms to the plan for the district, subdistrict or similar geographic area in which the Planned Development Area is located, and to the general plan for the City as a whole; and (e) on balance, nothing in such Amended PDA Plan will be injurious to the neighborhood or otherwise detrimental to the public welfare, weighing all the benefits and burdens; and

FURTHER

VOTED: That the BRA approves, pursuant to Section 80C of the Boston Zoning Code (the "Code"), the Amended PDA Plan in substantial accord as presented to the BRA on March 14, 2013; and

FURTHER

VOTED: That the Director be, and hereby is, authorized to petition the Zoning Commission for approval of the Amended PDA Plan, pursuant to Section 80C of the Code in substantial accord, as presented to the BRA on March 14, 2013; and

FURTHER

VOTED: That the Director be, and hereby is, authorized to issue a Determination waiving the requirement of further review pursuant to Article 80, Section 80A-6.2 of the Code in connection with the Proposed Project; and

FURTHER

VOTED: That the Director be, and hereby is, authorized to issue one or more Certifications of Consistency for the Proposed Project pursuant to Section 80C-8 of the Code, when appropriate; and

FURTHER

VOTED: That the Director be, and hereby is, authorized to issue a Certification of Compliance for the Proposed Project pursuant to Section 80B-6 upon successful completion of the Article 80 Large Project review process; and

FURTHER

VOTED: That the Director be, and hereby is, authorized to execute and deliver a Cooperation Agreement, an Affordable Rental Housing Agreement and Restriction, a Boston Residents Construction Employment Plan and any and all other documents, as may be necessary and appropriate, and upon terms and conditions determined to be in the best interest of the BRA, in connection with the Proposed Project and the Amended PDA Plan.