

MEMORANDUM

APRIL 11, 2013

TO: BOSTON REDEVELOPMENT AUTHORITY AND
PETER MEADE, DIRECTOR

FROM: HEATHER CAMPISANO, DEPUTY DIRECTOR, DEVELOPMENT REVIEW
DANA WHITESIDE, DEPUTY DIRECTOR, COMMUNITY ECONOMIC
DEVELOPMENT
JOHN FITZGERALD, SENIOR PROJECT MANAGER

SUBJECT: PARCEL 24 PROJECT (CHINATOWN)
ORDER OF TAKING AND RELATED ACTIONS

SUMMARY: This Memorandum requests that the Boston Redevelopment Authority (“Authority”): (1) rescind the Demonstration Project Plan vote of October 18, 2012 and approve a new Demonstration Project Plan; (2) authorize the Director to petition the City of Boston Public Improvement Commission for the discontinuance of the public ways uses and purposes for a parcel of land located at the corner of Kneeland and Hudson Streets in Boston to be taken by the BRA (“City Parcel”); (3) adopt an Order of Taking for said City Parcel; (4) authorize the Director to execute a deed and any and all other documents deemed necessary and appropriate by the Director in connection with the transfer of the City Parcel to the Commonwealth of Massachusetts Department of Transportation (“MASS DoT”) for the Parcel 24 project; and (5) authorize the Director to execute an Affordable Housing Contribution Agreement in connection with the Parcel 24 project.

PARCEL 24 PROJECT BACKGROUND

Parcel 24, LLC (the “Proponent”) has proposed to construct the Parcel 24 project, which will include (i) an approximately 353,000 square foot structure (the “North Building”) containing approximately 312 rental apartments (approximately 217 market rate apartments and approximately 95 affordable apartments), approximately 4,900 square feet of area for community uses, approximately 3,300 square feet of commercial/retail space, and a four-level parking garage for approximately 135 vehicles, (ii) an approximately 59,370 square foot structure (the “South Building”) containing approximately 50 affordable condominiums, (iii) approximately 13,600 square feet of open space located between the buildings and linking Hudson and Albany Streets (the “Central Open Space”), and (iv) related landscape improvements (collectively, the “Proposed Project”).

The Proposed Project will be built on a currently-vacant, approximately 65,422 square foot parcel of land in the Chinatown neighborhood of Boston bounded by Kneeland Street to the north, the Albany Street ramp to I-93S and the Massachusetts Turnpike on the east, a point opposite Tai Tung Street to the south, and Hudson Street to the west (the "Project Site"). The Project Site comprises land declared surplus after construction completion of the Central Artery underground tunnel and related connections to I-93 South and the Massachusetts Turnpike.

The Proponent has been designated to be the developer of the Project Site by the Commonwealth of Massachusetts Department of Transportation ("MassDoT"), as successor owner of the Project Site, which was formerly owned by the Massachusetts Turnpike Authority.

ARTICLE 80 PROCESS

On October 16, 2008, the Authority approved (i) the Proposed Project in its original iteration (such project, the "Original Project") as described in a February 2008 Project Notification Form filed by the Proponent with the Authority pursuant to Article 80B of the Boston Zoning Code (the "Code"), (ii) a Development Plan for the Original Project and the Project Site under Article 80C of the Code, and (iii) a petition to the Boston Zoning Commission ("Zoning Commission") for approval of the Development Plan, a text amendment to Article 43 of the Code, and a map amendment to "Map 1C/1G/1N, Leather District and South Station EDA, Chinatown, Bay Village" of the series of maps entitled "Zoning Districts City of Boston."

On November 5, 2008, the Zoning Commission approved the adoption of the Development Plan, the text amendment to Article 43 of the Code, and the map amendment to "Map 1C/1G/1N, Leather District and South Station EDA, Chinatown, Bay Village" of the series of maps entitled "Zoning Districts City of Boston."

The Original Project was to comprise two buildings containing approximately 435,400 square feet of gross floor area, with approximately 156-189 market rate condominiums, approximately 66-99 affordable condominiums, and approximately 70 affordable apartments, together with an underground parking garage for approximately 175 vehicles, approximately 5,500 square feet of commercial/retail space, approximately 6,000 square feet of community uses, approximately 10,000 square feet of open space, and related landscape improvements. Due to changing market conditions, the Proponent filed a Notice of Project Change ("NPC") with the Authority pursuant to Article 80B of the Code on December 14, 2010 calling for a change in the project program to emphasize rental apartments. This revised project program included approximately 200 market rate apartments, approximately 95 affordable apartments, and approximately 50 affordable condominiums; no market-rate condominiums were proposed (the "2010 Project"). The 2010 Project varied modestly in design from the Original Project; it continued to comprise two buildings with approximately 435,243

square feet of area, include a sizable (13,000 square feet±) open space, underground parking (for approximately 125 vehicles), and landscape improvements.

The Proponent filed with the Authority an Amended and Restated Development Plan for Planned Development Area #73 pursuant to Article 80C of the Code concurrently with the NPC. After an Authority-sponsored community meeting and a public hearing, the Authority approved the NPC and Amended and Restated Development Plan on February 10, 2011. The Zoning Commission approved the Amended and Restated Development Plan for Planned Development Area #73 on March 9, 2011 and it became effective on March 9, 2011.

The 2010 Project was further refined in 2012 to reflect an additional 17 market rate apartments in the North Building, an additional 10 parking spaces in the garage, the allocation of up to 50 parking spaces for public use, a reconfiguration in the commercial and community spaces, and updated building designs. Due to the relatively minor nature of the refinements, a Notice of Project Change was not required by the Authority, and the Proponent filed a confirmatory letter describing such changes on July 12, 2012. The current program of the Proposed Project is described above. The Proponent will construct the Proposed Project in two phases, with construction of the North Building and the central open space commencing prior to the construction of the South Building. The Proponent will return to the Authority for approval of its Inclusionary Development Program.

PROJECT TEAM

The Proponent, Parcel 24, LLC, is a joint venture of affiliates of Asian Community Development Corporation (Janelle Chan, Executive Director) and New Boston Fund, Inc. (Kirk Sykes, Principal). The project architect is ADD, Inc. (James Gray, Principal); the landscape architect is Crosby, Schlessinger & Smallridge (Deneen Crosby, Principal); and legal counsel to the Proponent is Edwards Wildman Palmer LLP (Rebecca A. Lee, Esq. and Emily K. Yu, Esq.).

DEMONSTRATION PROJECT

In the course of its pre-development work for the Proposed Project, the Proponent determined that an approximately 610 square foot portion of the Project Site is owned by the City of Boston and not MassDoT (such parcel, the "City Parcel"). The City Parcel is currently vacant and unused.

The Proponent submitted an application and Demonstration Project Plan to the Authority requesting that the Authority acquire the City Parcel by eminent domain and convey the same to MassDoT for inclusion in the Project Site to be leased to the Proponent for construction of the Project. A majority of the City Parcel, which is

located at the Kneeland/Hudson Streets corner of the Project Site, will comprise sidewalk area.

On October 18, 2012 the Authority voted a Demonstration Project Plan in connection with the City Parcel. Since the Taking/Disposition Plan cited in the original Demonstration Project Plan vote has been revised, a new vote is being adopted.

ORDER OF TAKING AND PUBLIC IMPROVEMENT COMMISSION ACTIONS

The City Parcel is presently owned by the City of Boston. In order for the Authority to transfer the City Parcel to MASS DoT, the Authority needs to adopt an Order of Taking taking the City Parcel from the City of Boston. Since the deeds transferring the various portions of the City Parcel to the City of Boston transferred the portions for public ways uses and purposes, the public ways uses and purposes must be discontinued by the City of Boston Public Improvement Commission ("PIC"). The Authority and the Proponent must petition PIC to do so. Once PIC has discontinued said uses and purposes the Authority can transfer the City Parcel to MASS DoT.

INCLUSIONARY DEVELOPMENT PROGRAM

Pursuant to the Executive Order Relative to Affordable Housing dated February 29, 2000, as amended by an Order Relative to the Affordable Housing Cost Factor dated February 3, 2005, as amended by an Order Relative to the Inclusionary Development Policy dated May 16, 2006, as amended by an Order Relative to the Inclusionary Development Policy's Income Policy dated September 27, 2007 (as so amended, the "Executive Order"), proponents of certain development projects within the City of Boston are required to make contributions towards the preservation and creation of affordable housing in the city.

The North Building component of the Parcel 24 Project will result in the creation of approximately two hundred seventeen (217) market rate units. In accordance with the City of Boston's Inclusionary Development Policy ("IDP"), there will be an obligation on the part of the development team to create on-site affordable units, create appropriate off-site affordable units or to make a contribution to the Inclusionary Development Program Fund. The IDP obligation for the North Building Project is valued at approximately Six Million Five Hundred Ten Thousand dollars (\$6,510,000).

RECOMMENDATION

Based on the foregoing, the Authority staff recommends that the Authority: (i) rescind the Demonstration Project Plan vote of October 18, 2012 and approve a new Demonstration Project Plan; (ii) authorize the Director to petition PIC for the discontinuance of the public ways uses and purposes for the City Parcel; (iii) adopt an Order of Taking for said City Parcel; (iv) authorize the Director to execute a deed and any and all other documents deemed necessary and appropriate by the Director in

connection with the transfer of the City Parcel to MASS DoT for the Parcel 24 project; and (v) authorize the Director to execute an Affordable Housing Contribution Agreement in connection with the Proposed Project.

Appropriate votes follow:

VOTED: That the Boston Redevelopment Authority (“Authority”) rescinds the Demonstration Project Plan vote adopted in connection with the Parcel 24 Project on October 18, 2012 and further finds and declares as follows:

- a) in order to eliminate urban blight, the Authority can assist in the land assembly for the Parcel 24 project (“Proposed Project”) to be located in the Chinatown neighborhood of Boston;
- b) the Authority, by exercising its eminent domain power under General Laws Chapter 121B and 79, shall take a certain 609± square foot parcel of land shown as the “City Owned Parcel” on a plan entitled “Taking/Disposition Plan of Land” dated March 22, 2013 and prepared by Harry R. Feldman, Inc. Land Surveyors (“City Parcel”);
- c) the undertaking of such parcel of land requires require the assistance of the Authority; and
- d) based upon the Authority’s determinations in clauses a), b) and c) above, the proposed land assembly constitutes a “demonstration project” under Massachusetts General Laws Chapter 121B, Section 46(f), as amended; and

FURTHER

VOTED: That the Authority hereby adopts the following “Demonstration Project Plan” in connection with the Proposed Project: the Authority shall obtain title to the City Parcel for the Proposed Project and shall convey the City Parcel to the Commonwealth of Massachusetts Department of Transportation (“MASS DoT”). The Director is hereby authorized on behalf of the Authority to execute such documents or agreements with MASS DoT, the City of Boston and other entities as may be necessary to effectuate the foregoing Demonstration Project Plan pursuant to Massachusetts General Laws Chapter 121B, section 46(f), as amended, and the Authority’s role in the Proposed Project. The terms and conditions of all instruments and agreements shall be at the sole discretion of the Director; and

FURTHER

VOTED: That the Director be, and hereby is, authorized to petition the City of Boston Public Improvement Commission to discontinue the public ways uses and purposes on the City Parcel; and

FURTHER

VOTED: That the Authority hereby adopts the resolution that states “BE IT RESOLVED by the Boston Redevelopment Authority that an ORDER OF TAKING dated April 11, 2013, relating to a parcel of land located along Hudson Street and Kneeland Street in the City of Boston, Suffolk County, Commonwealth of Massachusetts, be executed and made a permanent part of these proceedings, a copy of which the Secretary shall cause to be recorded in the Office of the Registry of Deeds for the County of Suffolk;” and

FURTHER

VOTED: That the Director be, and hereby is, authorized to execute a deed and any and all other documents deemed necessary and appropriate by the Director in connection with the City Parcel for the Proposed Project; and

FURTHER

VOTED: That the Director be, and hereby is, authorized to execute an Affordable Housing Contribution Agreement in connection with the Proposed Project, upon terms and conditions acceptable to the Director and deemed to be in the best interest of the Authority.