

JULY 16, 2013

**TO:** BOSTON REDEVELOPMENT AUTHORITY AND  
PETER MEADE, DIRECTOR

**FROM:** HEATHER CAMPISANO, DEPUTY DIRECTOR FOR DEVELOPMENT  
REVIEW  
TYLER NOROD, SENIOR PROJECT MANAGER

**SUBJECT:** SOUTH COVE URBAN RENEWAL AREA, PROJECT NO. MASS. R-92:  
PARCEL P-7A, LOCATED AT 240 TREMONT STREET IN THE  
MIDTOWN CULTURAL DISTRICT

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**SUMMARY:** This Memorandum requests that the Boston Redevelopment Authority (“BRA”) extend the Tentative Designation of a joint venture between Amherst Media Investors Boston, LLC and Tremont Stuart Development, LLC as the Redeveloper (“Redeveloper”) of Parcel P-7A until January 31, 2014.

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#### **LOCATION AND BACKGROUND INFORMATION**

Parcel P-7A, located at 240 Tremont Street in the Midtown Cultural District of Boston, contains approximately 5,787 square feet and is located at the corner of Tremont and Stuart Streets (Attachment A). Parcel P-7A is restricted by easements for access, egress and other purposes for the Wilbur Theatre, which abuts the property. Parcel P-7A is in the South Cove Urban Renewal Area, and for zoning purposes is located within the Midtown Cultural District, as established by Article 38 of the Boston Zoning Code.

Parcel P-7A currently contains a temporary advertisement structure and is surrounded by over a dozen theaters. Parcel P-7A is within walking distance to 14 public transit stations, over 5,000 parking spaces, and nearly 5,000 hotel rooms.

On February 24, 2004, the BRA authorized its Secretary to advertise a Request for Proposals (“RFP”) for the long-term lease and development of Parcel P-7A. The BRA made Parcel P-7A available for lease to create a commercial development that lends further impetus to the City of Boston’s ongoing effort to reinvigorate the Theater District and to provide programmatically and technologically innovative enhancements to the area’s current vitality. On August 18, 2004, two (2) proposals were submitted in response to the RFP. Due to unsatisfactory submissions, the BRA rejected both proposals on September 9, 2004.

On September 29, 2004, the BRA again issued an RFP for the long-term lease and development of Parcel P-7A. On November 10, 2004, three (3) proposals were submitted in response to the RFP. On December 8, 2004, the BRA conducted a public meeting at the Doubletree Hotel located at 821 Washington Street for the development teams to present their proposals to the community for input.

On May 11, 2005, the BRA sent out a Request for Second Stage Submission to the three (3) entities who responded to the RFP of September 29, 2004. The purpose of the Request for Second Stage Submission was to encourage such entities to add more height and a residential component to their proposals submitted on November 10, 2004. On June 22, 2005, all three (3) entities submitted their proposals in response to the Request for Second Stage Submission of May 11, 2005.

On August 11, 2005, the BRA granted the Tentative Designation of Amherst Media Investors Boston, LLC ("Amherst") as the redeveloper of Parcel P-7A for the development on Parcel P-7A of a three story structure to contain commercial and retail space, community and cultural space, and a spectacular signage component (the "Original Proposal").

On January 26, 2006, in connection with the adoption of authorization to issue Notices of Termination to the two then occupants of Parcel P-7A, the BRA Board was advised of the revision of Amherst's Original Proposal by the introduction of residential use (and the elimination of commercial, community and cultural space) in a substantially larger structure, which residential development was to be undertaken in a venture with Abbott Real Estate Development LLC, and the retention of a signage component substantially in accordance with the Original Proposal.

On July 20, 2006 the BRA extended the Tentative Designation of Amherst to November, 2006.

On November 16, 2006 the BRA amended the Tentative Designation of the Redeveloper for Parcel P-7A from Amherst alone to add a venture between Amherst and Tremont-Stuart Development, LLC (the "Partnership"), a single purpose entity formed by Amherst and Abbott Real Estate Development, LLC and extended the Tentative Designation of the designee to November 3, 2007.

The existing project calls for a fourteen (14) story structure having approximately 74,458 square feet of gross floor area, to include approximately seventy-two (72) studio and one-bedroom dwelling units, restaurant space, and a signage component ("Existing Project"). The centerpiece of the signage will be an electronic video board ("Video Display") that will play full motion video, subject to obtaining applicable approvals, and can be used to provide news as well as arts and cultural information.

On August 14, 2007, the Existing Project received Article 80 Large Project review approval. On the same day, the BRA also petitioned the City of Boston Zoning Commission ("Zoning Commission") to designate Parcel P-7A an Urban Renewal Area "U\*" Overlay District, adopt a minor modification to the South Cove Urban Renewal Plan, and petition the Public Improvement Commission ("PIC") for the discontinuance of certain surface, subsurface and air rights portions of Tremont and Stuart Streets.

On October 31, 2007, the Zoning Commission designated Parcel P-7A an Urban Renewal Area "U\*" Overlay District.

The BRA has extended the Tentative Designation annually since 2006 and most recently on April 11, 2013, until July 16, 2013.

The Partnership has committed to develop a hotel for the site and has diligently proceeded to prepare a Notice of Project Change ("NPC"), which was filed with the BRA on April 9, 2012 and negotiate with the BRA on the business terms for the disposition of the Parcel.

The unique nature of the digital signage component within the project requires additional time for review and negotiation of the lease terms. BRA staff is working diligently on this aspect of the project and is requesting an extension until January 31, 2014.

### **THE DEVELOPMENT TEAM**

The development team is comprised of Amherst Media Investors Boston, LLC and Tremont Stuart Development, LLC.

As presently constituted, the balance of the development team consists of: Group One Partners as the Project architect; Bernard Shadrawy of Shadrawy & Rabinovitz as the Project attorney for permitting and entitlements; and Colliers International as real estate development consultants.

The NPC calls for an approximately 100,000 square feet, 19-story select/limited service hotel or Boutique Hotel, which is designed to meet the changing needs/habits of today's urban travelers (the "Project"). The design of the Project is undergoing review from BRA staff and the Boston Civic Design Commission ("BCDC") and is proposed to consist of a total of approximately two hundred forty (240) guest rooms, associated lobby areas, back of house, and street level retail/restaurant space. In addition, the new proposal will likely include the installation of a three (3)-story digital advertising signage component to be reviewed by the BRA design staff and the BCDC. The negotiations of lease terms for the Project are still being undertaken by BRA staff.

## **RECOMMENDATION**

It is the opinion of the staff that the BRA should grant a Tentative Designation extension until January 31, 2014, so the Redeveloper can negotiate lease terms and complete the Article 80 process with the BRA regarding the Project on Parcel P-7A, located at 240 Tremont Street in the Midtown Cultural District of Boston.

An appropriate vote follows:

**VOTED:** That the Boston Redevelopment Authority (“BRA”) hereby extends the Tentative Designation of a joint venture between Amherst Media Investors Boston, LLC and Tremont Stuart Development LLC as the Redeveloper of Parcel P-7A, until January 31, 2014, to allow the Redeveloper time to negotiate lease terms and complete the Article 80 process with the BRA and provide other information that the BRA deems necessary regarding the new hotel development proposal on Parcel P-7A, located at 240 Tremont Street in the Midtown Cultural District of Boston.