

MEMORANDUM

SEPTEMBER 26, 2013

TO: BOSTON REDEVELOPMENT AUTHORITY AND
PETER MEADE, DIRECTOR

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

SUBJECT: THE DISTILLERY | PHASE I
455-457 EAST FIRST STREET
SOUTH BOSTON

SUMMARY: This Memorandum requests that the Boston Redevelopment Authority authorize the Director to approve a substitution of affordable units and execute and deliver an Affordable Rental Housing Agreement and Restriction and any and all other agreements and documents that the Director deems appropriate and necessary in connection with Phase I of the Distillery project, located at 455-457 East First Street in South Boston.

PROJECT SITE

The Distillery Redevelopment site, located at 516-524 East Second Street and 2 Dorchester Street, in South Boston, consists of three parcels (Assessing Parcel ID# 0603067000, 0603067001, and 0603068000), totaling approximately 75,795 square feet, and is bound by East First Street to the north, H Street to the east, East Second Street to the south and Dorchester Street to the west (the "Project Site"). The grade of the Project Site increases significantly, approximately sixteen (16) feet, from East First Street to East Second Street. The Project Site includes three (3) existing buildings: a former rum distillery ("Distillery") building, which is located on the eastern half of the Project Site, which was constructed between 1862 and 1874, and currently contains approximately sixty-five (65) artist live/work units, work-only spaces, and commercial spaces; a former bottling plant, built in 1966, which is used as a warehouse by Shaughnessy Crane; and a former cooper shop, which is a one-story, circa 1930's building, that currently contains three (3) commercial tenants.

PROJECT DESCRIPTION

On May 29, 2007, the Proponent filed a Project Notification Form ("PNF") with the Boston Redevelopment Authority (the "Authority") in accordance with Article 80 of the

Boston Zoning Code (the “Code”) in connection with the Project Site. As described in the PNF and the subsequent Response to the Request for Additional Materials, which was submitted to the Authority on December 30, 2008, the Proponent plans to preserve the former Distillery building and construct two (2) new wings, totaling approximately 179,384 square feet, of which 121,226 square feet will be tempered space, and the rest will be parking, atria, greenhouse and storage.

Because of the substantial grade change on the Project Site, the height of the proposed project varies. Looking towards the inner courtyard from East Second Street, the proposed project is four (4) stories. At the corner of Dorchester Street and East Second Street, the Proposed Project is five (5) stories. Along East Fifth Street the proposed project is six (6) stories.

The project will contain approximately sixty-five (65) new residential units, including approximately forty-six (46) conventional units, fifteen (15) loft-style units, four (4) artist live/work units, as well as a gallery, café, greenhouse, small-scale retail/commercial spaces and approximately one hundred forty-seven (147) off-street parking spaces that will be provided in two (2) levels of structured parking. The former bottling plant and cooper shop will be demolished to allow for the new construction. An urban garden and an open courtyard will be located in the center of the Project Site. Rooftop gardens and decks, as well as balconies facing the courtyard, will also be incorporated into the design. The streetscape surrounding all four (4) sides of the Project Site will be improved, including a new, widened sidewalk on First Street with street trees (collectively, the “Proposed Project”).

Additionally, access and egress to the lower parking level, which will contain approximately eighty (80) spaces, will be by via H Street. Access and egress to the upper parking level, which will contain approximately sixty-seven (67) spaces, will be via Dorchester Street. A loading dock will be located on H Street, which will be utilized by both the existing Distillery building and the Proposed Project. Entrances to the building will be located at the corner of East First Street and Dorchester Street, as well as from the inner courtyard and five (5) street level entrances will be located on Dorchester Street.

The Proponent plans to sequence construction of the Proposed Project. Phase I is anticipated to include the construction of one (1) wing along East First Street, on the northern portion of Project Site, which will be adjacent to the existing Distillery building. The Phase I wing will wrap around onto Dorchester Street and will include a total of approximately thirty-three (33) residential units. Of the thirty-three (33) units, there will be fifteen (15) loft-style units, four (4) artist live/work units, and fourteen (14) conventional units. The fifteen (15) loft-style units will be designed to meet the city’s design requirements for artist live/work units. The Proponent intends to include an approximately 3,000-square-foot café, an approximately 780 square-foot art gallery, four

small retail/commercial spaces totaling 2,000 square feet, and approximately forty-six (46) parking spaces in Phase I. The gallery would be located on East First Street, adjacent to the four (4) artist live/work units and the café, which would be located on the third level, above the corner of Dorchester Street and East First Street.

In connection with Phase I of the Proposed Project, the Proponent also plans to convert a portion of the work-only space in the existing Distillery building into four (4) new market-rate artist live/work spaces. First preference may be given to existing tenants or occupants of the Project Site for the four (4) market-rate artist live/work units to be created in the existing Distillery building.

Phase II will include the construction of the second wing, located along Dorchester Street, and will be connected to the Phase I wing. Phase II will consist of approximately thirty-two (32) residential units, four (4) small-scale retail/commercial spaces, totaling approximately 1,750 square feet and located on the first level of Dorchester Street, a convenience food store of about 1,235 square feet, a greenhouse, which will be located at the corner of Dorchester Street and East Second Street, and approximately one hundred-one (101) parking spaces. The Proponent will establish design guidelines regarding the size, style, and color of the signage, as well as the lighting, for the commercial spaces' storefronts and display windows. The storefront windows will have attractive displays, preferably showcasing the wares of the retail stores or other products and artwork produced within the Proposed Project, including the existing Distillery building's studios and shops. If the small-scale retail/commercial units are used for purposes other than retail, the display area of the storefronts will be maintained along at least half of their street frontage, with an optional backdrop separating the display area from the interior unit space.

The Proposed Project is intended to build on the arts uses of the existing Distillery building. The Distillery, which has emerged as one of the most important artists' buildings in the city, currently has approximately sixty-five (65) artist live/work units, artist work-only spaces, and commercial spaces. The Distillery includes three (3) art galleries, runs two (2) open studios a year, and supports arts programs with donated space and salaried staff. The Distillery is also the home of two (2) major arts organizations, the Trans-Cultural Exchange and the Artist Foundation. The Proposed Project's new buildings are intended to expand the opportunities for artists to live and work in the city, with additional studio space, the addition of underground music practice space, a new gallery, on-street display windows for artwork, the use of the courtyard for installation art and as a venue for performance-art, and, if financially feasible, the offering of residential fellowships for artists.

On September 15, 2009, the Authority Board voted to approve both Phases of the Distillery project. The Proponent plans to begin the construction of the Phase I before the end of 2013, with an estimated completion date at the end of 2014. .

AFFORDABLE HOUSING

Eight (8) of the sixty-five (65) rental units within the Proposed Project will be created as affordable housing (the “Affordable Units”). Four (4) of the thirty-three (33) units in Phase I will be designated as affordable. The Inclusionary Development Policy, effective May 16, 2006, will be applied to the Proposed Project and requires that the Affordable Units be made affordable to households earning less than or equal to seventy percent (70%) of the Area Median Income (the “AMI”). The Proponent has requested a change from the previously approved affordable units, as described below:

The location, size, and rental price of the Affordable Units (as approved on September 15, 2009): *5 conventional residential units, 3 artist live/work units.*

Unit #	Bedrooms	Square Footage	Location
Artist 3.01 (Phase I)	1	966	Third Floor
Artist 3.02 (Phase I)	1	1,023	First Floor
Artist 3.03 (Phase I)	2	1,232	Second Floor
Resident 4.11 (Phase I)	2	1,695	Second Floor
Apt. 5.01 (Phase II)	studio	705	Fifth Floor
Apt. 3.08 (Phase II)	studio	635	Third Floor
Apt. 4.03 (Phase II)	2	1,482	Fourth Floor
Apt. 4.06 (Phase II)	2	1,437	Fourth Floor

New unit designations for Phase I: *1 conventional residential unit, 3 artist live/work units.*

Unit #	Bedrooms	Square Footage	Location	Rental Price Based Upon 70% AMI
Artist 301 (Phase I)	2	987	Third Floor	\$1,365
Artist 303 (Phase I)	2	1,064	Third Floor	\$1,365
Artist 304 (Phase I)	1	962	Third Floor	\$1,194
Resident 402 (Phase I)	2	1,073	Fourth Floor	\$1,365

The Proponent will enter into an Affordable Rental Housing Agreement and Restriction with the Authority for the Affordable Units. The Affordable Housing Agreement must be executed along with, or prior to the issuance of the Certification of Compliance. The Proponent must submit an Affirmative Marketing Plan for the Affordable Units (the “Marketing Plan”) to the Boston Fair Housing Commission and the Authority for approval, which approval must be in place before the execution of the Affordable Housing Agreement. For all Affordable Units, 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).

Applicants for the affordable artist live/work units in Phase I will be required to be certified by the Authority as working artists.

The Affordable Units may not be marketed prior to the submission and approval of the Marketing Plan. The Affordable Rental Housing Agreement and Restriction will be recorded to maintain affordability for a total period of fifty years (this includes thirty (30) years with an 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.

RECOMMENDATIONS

Staff recommends that the Director be authorized to approve a substitution of affordable units and to execute and deliver an Affordable Rental Housing Agreement and Restriction and any and all other agreements and documents that the Director deems appropriate and necessary in connection with Phase I of the Proposed Project, located at 455-457 East First Street in South Boston.

Appropriate vote follows:

VOTED: That the Director be, and hereby is, authorized to approve a substitution of affordable units and to execute and deliver an Affordable Rental Housing Agreement and Restriction and any and all other agreements and documents that the Director deems appropriate and necessary in connection with Phase I of the Distillery project, located at 455-457 East First Street in South Boston.