

MEMORANDUM

BOARD APPROVED

NOVEMBER 16, 2017

TO: **BOSTON REDEVELOPMENT AUTHORITY**
D/B/A BOSTON PLANNING & DEVELOPMENT AGENCY (BPDA)*
AND BRIAN P. GOLDEN, DIRECTOR

FROM: JONATHAN GREELEY, DIRECTOR OF DEVELOPMENT REVIEW
MICHAEL CHRISTOPHER, DEPUTY DIRECTOR FOR DEVELOPMENT
REVIEW/GOVERNMENT AFFAIRS
AISLING KERR, PROJECT ASSISTANT

SUBJECT: SCHEDULING OF PUBLIC HEARING TO CONSIDER THE SECOND
AMENDMENT TO SECOND AMENDED AND RESTATED DEVELOPMENT
PLAN FOR 49, 51, AND 63 MELCHER STREET, WITHIN PLANNED
DEVELOPMENT AREA NO. 69, SOUTH BOSTON/THE 100 ACRES,
LOCATED WITHIN THE FORT POINT CHANNEL DISTRICT OF SOUTH
BOSTON

SUMMARY: This Memorandum requests authorization for the Boston
Redevelopment Authority (“BRA”) d/b/a Boston Planning &
Development Agency (“BPDA”) authorize the Secretary to advertise a
public hearing, pursuant to Sections 80A-2 and 80C-5.4 of the Boston
Zoning Code (the “Code”), on November 30, 2017 at 5:40 p.m., or at
such a time and date deemed appropriate by the Director, to consider
the Second Amendment to Second Amended and Restated
Development Plan for 49, 51, and 63 Melcher Street (the “Second
Amendment”) within Planned Development Area No. 69, South
Boston/The 100 Acres, located within the Fort Point Channel District of
South Boston.

PROJECT SITE

49 Melcher Street, 51-61 Melcher Street, and 63 Melcher Street are adjacent lots,
each improved with one building (“Existing Buildings”), occupying one (1) city block
of approximately 0.68 acres (29,319 square feet) (the “Project Site”). The Project Site

*Effective October 20, 2016, the BRA commenced doing business as the BPDA.

is bordered by Melcher Street to the North, A Street to the East, Necco Court to the South, and Necco Street to the West. Necco Court and Necco Street are private ways open to public travel, and are owned by MEPT Necco Street Garage, LLC. JSIP 63 Melcher, LLC ("Proponent") owns 63 Melcher Street ("63 Melcher Street"). 49 Melcher Street, LLC, a Massachusetts Limited Liability Company, owns 49 Melcher Street ("49 Melcher Street"), and Bos Office 2, LLC, a Delaware Limited Liability Company, c/o Zurich Alternative Asset Management, New York, owns 51-61 Melcher Street ("51-61 Melcher Street").

The Proponent has sought and received the consent of 49 Melcher Street and 51-61 Melcher Street in connection with this Second Amendment.

The Project Site is identified as Parcel A₄ in the Master Plan for Planned Development Area ("PDA") No. 69, South Boston/The 100 Acres, as amended by the First Amendment dated July 12, 2012, by the Second Amendment dated June 13, 2013, and by the Third Amendment dated November 1, 2016 ("PDA Master Plan"). The Project Site is further subject to the Second Amended and Restated Development Plan for 49, 51, and 63 Melcher Street within Planned Development Area No. 69, South Boston/The 100 Acres dated February 16, 2012 ("Second Amended and Restated Development Plan"), as amended by the First Amendment effective July 10, 2013 ("First Amendment").

The First Amendment by its terms does not apply to 63 Melcher Street. Accordingly, 63 Melcher Street is subject to the PDA Master Plan and the Second Amended and Restated Development Plan.

DEVELOPMENT TEAM

The development team includes:

Proponent:	JSIP 63 Melcher, LLC Matt Frazier, Manager
Architect:	Bergmeyer Associates, Inc. Anthony DiFeo, Jr.
Legal Counsel:	Riemer & Braunstein LLP Dennis E. McKenna William J. Proia

PROJECT HISTORY

On December 4, 2008, the BRA approved a Development Plan for 49, 51, and 63 Melcher Street within Planned Development Area No. 69, South Boston/The 100 Acres (the "Original Development Plan"). Under the Original Development Plan, W2005 BWH II Realty, LLC, a Delaware Limited Liability Company controlled by Archon Group, L.P., which then owned the entire site, proposed to rehabilitate and expand the existing buildings into a single integrated office building with first-level retail/service space and additional gross floor area ("GFA") ("the Original Project"). On February 4, 2009, the Boston Zoning Commission (the "Commission") approved the Original Development Plan, which became effective on February 5, 2009.

On January 3, 2011, a Notice of Project Change (the "First NPC") as well as a First Amended and Restated Development Plan (the "First Amended Development Plan") were filed to allow certain changes to the Original Project (the "First Revised Project"). On April 14, 2011, the BRA approved the First Amended Development Plan, which the Commission approved on May 4, 2011 and became effective on May 6, 2011.

On December 9, 2011, a second Notice of Project Change (the "Second NPC") as well as a Second Amended and Restated Development Plan (the "Second Amended Development Plan") were filed to allow certain changes to the First Revised Project, including a separate operation of the existing buildings, and the elimination of all additional GFA (the "Second Revised Project"). The Second Revised Project had three (3) phases: "Phase I" at 63 Melcher Street; "Phase II" at 51-61 Melcher Street; and "Phase III" at 49 Melcher Street. On February 16, 2012, the BRA approved the Second Amended Development Plan, which the Commission approved on March 14, 2012, and became effective the same day.

On April 25, 2013, a third Notice of Project Change (the "Third NPC") as well as a First Amendment to the Second Amended Development Plan was filed to allow a single change to the Second Revised Project (the "Third Revised Project"). The sole change from the Second Revised Project was to acknowledge approximately 8,736 square feet of existing GFA in the basement of the existing building of 51 Melcher Street. On June 13, 2013, the BRA approved the First Amendment to the Second Amended Development Plan, which the Commission approved on July 10, 2013, and which became effective the same day.

FOURTH NOTICE OF PROJECT CHANGE AND SECOND AMENDMENT

On September 21, 2017, the Proponent filed a fourth Notice of Project Change (the "Fourth NPC") and the Second Amendment. The Fourth NPC and Second Amendment propose one (1) change to the Third Revised Project (the "Fourth Revised Project" or the "Project").

The Second Amendment has no effect on either Phase II at 51 Melcher Street, which is owned by Bos Office 2, LLC, or Phase III at 49 Melcher Street, which is owned by 49 Melcher Street, LLC. The Second Amendment would allow development of the Fourth Revised Project in place of the Third Revised Project. Upon approval and signature by the Mayor, the Second Amendment would constitute permanent zoning for the Project Site in accordance with Section 3-1A and Article 80C of the Code. Except as modified by the proposed Second Amendment, the Second Amended Development Plan, as amended by the First Amendment, remains unmodified and in full force and effect.

DESCRIPTION AND PROGRAM

As described in the Fourth NPC and the Second Amendment, the Proponent proposes to change approximately 2,695 square feet of existing residential GFA in the basement of the existing building at 63 Melcher Street, which is owned and is being renovated by the Proponent, to Office and/or Cultural and/or Community use.

	Third Revised Project (Previous)	Fourth Revised Project (Current)	Change
Office and/or Cultural and/or Community <i>(2,695 s.f. at 63 Melcher Street)</i>	107,736 square feet	110,431 square feet	+2,695 square feet
Enter., rest., or Rec./Retail/Svc.	11,510 square feet	11,510 square feet	No change
Residential	62,490 square feet	59,795 square feet	-2,695 square feet

All Uses	181,736 square feet	181,736 square feet	No change
Parking Spaces	0	0	No change

The additional Office space at 63 Melcher Street will be subject to periodic use by area arts and/or community organizations through express provisions in the lease of that space. Accordingly, that space is also being proposed for Cultural and/or Community use in addition to Office use. Generally, any Office lease for this space will provide that from time to time, during the lease term, the Office lessee shall host within the premises events and meetings for local arts and/or community organizations during other than usual business hours, and shall make the premises available for “art lending programs” as defined from time to time by the participating arts organizations. The scope of these Cultural and/or Community events may include between eight (8) to twelve (12) community meetings and two (2) to three (3) “open studio” programs yearly. The Cultural and/or Community use of the space is intended to be consistent with the current use of the space as a residents’ and public amenity, as well as consistent with the use of similar ground-floor spaces in nearby buildings, which are available to the public and used by such neighborhood arts and community groups.

Separate from the sole change under the Second Amendment – to acknowledge 2,695 square feet of the 63 Melcher Street Basement Space as GFA for Office and/or Cultural and/or Community use – the form of ownership of 63 Melcher Street will be altered to a condominium under M.G.L. c. 183A.

Although the ownership of 63 Melcher Street will potentially be a condominium, the four (4) affordable Innovation Units, along with the existing five (5) affordable Artist Units at 63 Melcher Street, are intended to remain as individual affordable for-rent units. All nine (9) of these existing affordable units are to be defined as the Block Residential Unit under the germane master deed and declaration of trust, maintaining their individual for-rent status. The Block Residential Unit shall be subject to the existing recorded affordable housing restrictions that will continue to protect and preserve the affordable, for-rent status and uses.

Subject to the changes, permitted under the Second Amendment, this structure is intended essentially to maintain the effect and the terms and conditions of the existing affordable housing restrictions that control the aforesaid affordable Innovation Units and the affordable Art Units. At some point to be determined, the

Block Residential Unit shall be wholly owned by a local not-for-profit arts organization, which will benefit from the rental income of the Block Residential Unit.

The remaining existing twenty-nine (29) residential rental units at 63 Melcher Street, which are not subject to affordability requirements or residential restrictions under the PDA, will become individual condominium units, without change to their numbers or dimensions and offered for sale at market rate. The 63 Melcher Street Basement Space, which is the subject of the Second Amendment, will be incorporated into the condominium as the Commercial Unit.

The Fourth Revised Project will generate additional public benefits in the form of the BPDA's Development Impact Project ("DIP") program, which requires development exactions, or equivalent in-kind contributions, for the creation of affordable housing and job training programs. The Proponent will comply by paying DIP exactions for approximately 2,695 gross square feet of the DIP Uses to which they apply, in the amounts of \$8.34 for housing (approximately \$22,476.30), and \$1.67 for jobs (approximately \$4,500.65).

ARTICLE 80 REVIEW PROCESS

On September 21, 2017, the Proponent filed the Fourth NPC and the Second Amendment.

The BPDA sponsored a public meeting to discuss the Fourth NPC and Second Amendment on October 19, 2017 in the basement space of 63 Melcher Street. This public meeting has been advertised in both the *South Boston Online* and *South Boston Today* newspapers. Additionally, the public meeting has been posted to the BPDA calendar, a notification was sent to all subscribers of the BPDA'S South Boston neighborhood updates, and local City and State elected officials and their staff members have received notification via email.

Pursuant to Section 80C-5(3) of the Code, the required 45-day public comment in connection with the submission of the Second Amendment will end on November 6, 2017.

RECOMMENDATIONS

Based on the foregoing, BPDA staff recommends that the Secretary be authorized to advertise a public hearing pursuant to Sections 80A-2 and 80C of the Code to consider the Second Amendment.

An appropriate vote follows:

VOTED: That the Secretary be, and hereby is, authorized to advertise pursuant to Sections 80A-2 and 80C of the Boston Zoning Code, a public hearing before the Boston Redevelopment Authority to be held on November 30, 2017 at 5:40 p.m., or at such a time and date deemed appropriate by the Director, to consider the Second Amendment to Second Amended and Restated Development Plan for 49, 51, and 63 Melcher Street within Planned Development Area No. 69, South Boston/The 100 Acres, located within the Fort Point Channel District of South Boston.