

MEMORANDUM

BOARD APPROVED

MAY 17, 2018

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, ASSISTANT PROJECT MANAGER

SUBJECT: SCHEDULING OF PUBLIC HEARING TO CONSIDER THE THIRD
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 that 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 June 14, 2018 at 5:40 p.m., or at such a time and date deemed appropriate by the Director, to consider the Third Amendment to Second Amended and Restated Development Plan for 49, 51, and 63 Melcher Street (the “Third 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 is bordered by Melcher Street to the North, A Street to the East, Necco Court to the

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

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 Third 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.

On September 21, 2017, a Fourth Notice of Project Change (the "Fourth NPC") and Second Amendment to the Second Amended and Restated Development Plan (the "Second Amendment") were filed to acknowledge approximately 2,695 square feet of existing residential GFA in the basement of the existing building at 63 Melcher Street as Office and/or Cultural and/or Community use. Under the Fourth NPC and Second Amendment, the form of ownership of 63 Melcher Street was also altered to a condominium under M.G.L. c. 183A.

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 and Third Amendments, will be incorporated into the condominium as the Commercial Unit.

The Fourth NPC and Second Amendment were approved by the BRA on November 30, 2017, with the Second Amendment subsequently receiving approval from the Commission on December 20, 2017.

THIRD AMENDMENT - DESCRIPTION AND PROGRAM

Following approval of the Second Amendment, as design and construction plans were being prepared regarding the 63 Melcher Street Basement Space, it was discovered that the 63 Melcher Street Basement Space had been incorrectly measured by 848 gross square feet, such that the 2,695 gross square feet shown on the Original 63 Melcher Street Basement Plan (attached as Exhibit A) is actually 3,543 gross square feet.

The 63 Melcher Street Basement Space permitted for the OCC Uses under the Second Amendment has the same footprint on both the Original 63 Melcher Street Basement Plan and the Revised 63 Melcher Street Basement Plan (attached as Exhibit B). Thus, other than the single change correcting the measured square footage of the impacted basement area, the Revised 63 Melcher Basement Plan is the same as the original 63 Melcher Basement Plan adopted under the Second Amendment. Accordingly, the proposed operation of the basement, and the remainder of the building under the Second Amendment, is not affected by the correction of the area of the 63 Melcher Basement Space.

As outlined, the only proposed change under this Third Amendment from the Second Amendment is to acknowledge an additional 848 square feet of the 63 Melcher Street Basement Space as gross floor area for Office and/or Cultural and/or Community use, for a total of 3,543 gross square feet for those uses from the currently permitted 2,695 square feet under the Second Amendment. This will result in a like increase in the overall Office/Cultural/Community area and a reduction of overall residential area, but not residential units, as depicted in Table 1 available below. As under the Second Amendment, the remainder of the 63 Melcher Street Basement Space will be absorbed into reconfigured utility, entry, and lobby areas appurtenant to the primary residential use of the building.

The Third 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. Upon approval and signature by the Mayor, the Third 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 Third Amendment, the Second Amended Development Plan, as amended by the Second Amendment, remains unmodified and in full force and effect.

Table 1: Comparison of Fourth and Fifth Revised Projects by Use			
	Fourth Revised Project (Previous)	Fifth Revised Project (Current)	Change
Office and/or Cultural and/or Community (3,543 s.f. at 63 Melcher Street)	110,431 s.f.	111,279 s.f.	+ 848 s.f.
Enter., rest., or rec./retail./svc.	11,510 s.f.	11,510 s.f.	No change
Residential	59,795 s.f.	58,947 s.f.	- 848 s.f.
All Uses	181,736 s.f.	181,736 s.f.	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.

The reprogrammed 63 Melcher Street Basement Space under the Third Amendment will generate added 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 3,543 gross square feet of the DIP Uses to which they apply, in the amounts of \$8.34 per square foot for housing (approximately \$29,548.62) and \$1.67 per square foot for jobs training (approximately \$5,916.81).

ARTICLE 80 REVIEW PROCESS

On April 20, 2018 the Proponent filed the Third Amendment.

The BPDA will be sponsoring a public meeting to discuss the Third Amendment on May 21, 2018 at the Fort Point Arts Community Gallery (300 Summer Street, Boston, MA 02210). 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 June 5, 2018.

RECOMMENDATIONS

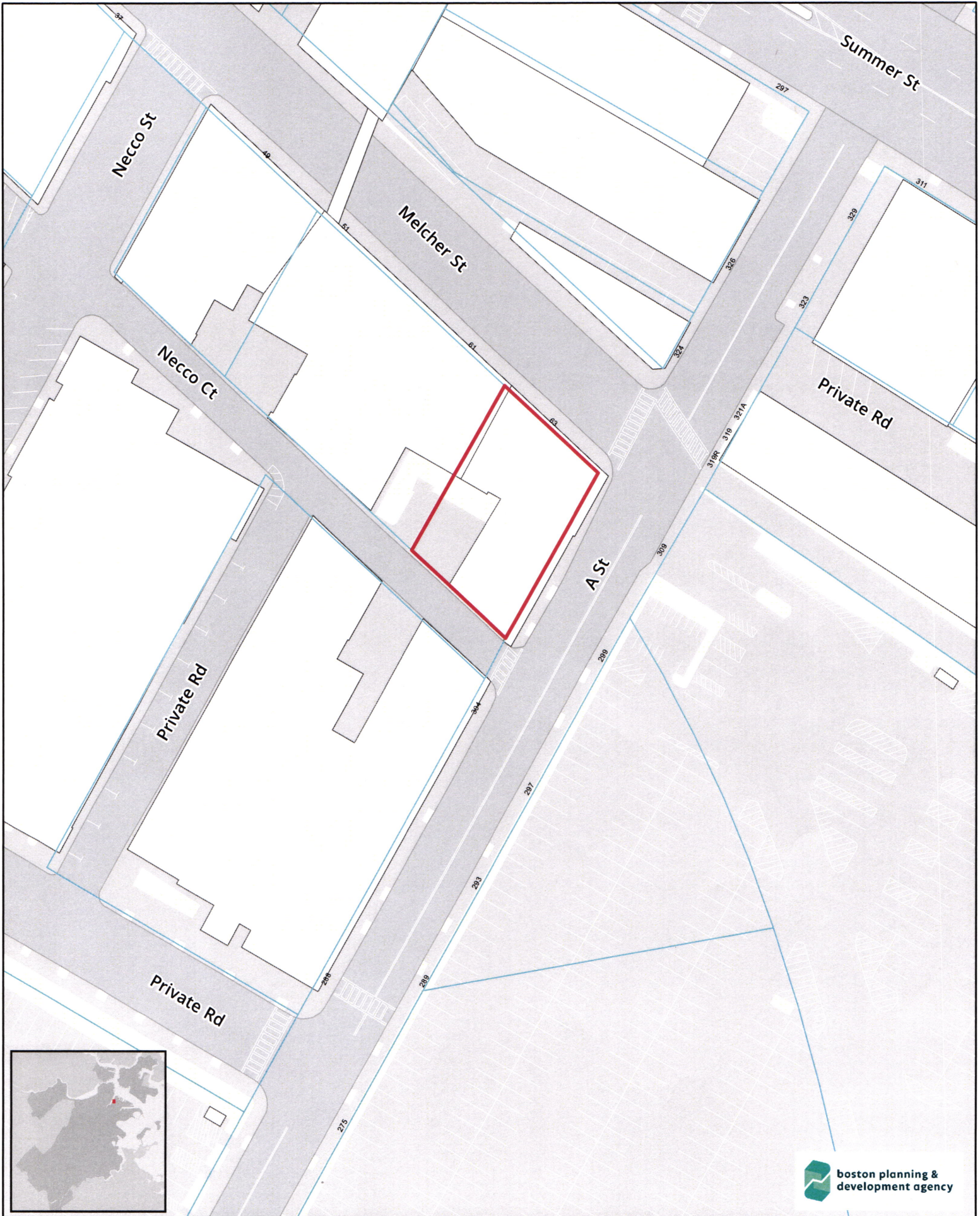
Based on the foregoing, BPDA staff recommends that the Secretary be authorized to advertise a public hearing pursuant to Sections 80A-2 and 80C of the Code to consider the Third Amendment.

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 June 14, 2018 at 5:40 p.m., or at such a time and date deemed appropriate by the Director, to consider the Third 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.

63 Melcher Street, South Boston

1:800



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1:800

