



November 4, 2011

Mr. Peter Meade, Director
Boston Redevelopment Authority
One City Hall Square
Boston, MA 02201

Attn: Mr. Geoffrey Lewis

Re: **Second Notice of Project Change (“NPC”) for Waterside Place Project, South Boston**

Dear Director Meade,

This Second Notice of Project Change (the “Second NPC”) is submitted by Core Development Group North LLC (“CDGN”) to clarify certain details of the Waterside Place Project proposed for the Seaport District of South Boston, and to request confirmation by the Boston Redevelopment Authority (the “Authority”) that no further review of the Project is required.

Project Background:

CDGN proposes to develop Phase I of the Waterside Place Project (as defined below) on an approximately three-acre, un-numbered parcel of land in the Seaport District of South Boston owned by the Massachusetts Port Authority (“Massport”), and which is to be ground leased to the Applicant. These parcels are known as Massport Parcels C1, C2, and C3, and are bounded by Congress Street to the north, World Trade Center Avenue to the west, the Silver Line right of way to the south, and D Street to the east (the “Site”).

On June 21, 2007, pursuant to Sections 80B-5.4(c)(iv) and 80B-6 of the Boston Zoning Code (the “Code”), the Authority voted to authorize the issuance of a Preliminary Adequacy Determination waiving further review and a Certification of Compliance in connection with the development proposal by Core Development Group LLC (“CDG”), an affiliate of proponent CDGN,¹ for Massport’s Commonwealth Flats Development Area Parcels C1, C2, and C3, as well as Parcels D1 and D2, which represented a further 1.9 acres of land [VERIFY DESCRIPTION]. The project involved the construction of approximately 209 residential condominium units on the northern portion of this site, as well as an approximately 300-room hotel, and approximately 640,000 square feet of retail space, including retail shops, a grocery store, restaurants, an approximately 20,000 square foot visitor center, and a multi-level parking garage with approximately 2,350 spaces to be utilized by residents, employees, and visitors (the

¹ The Drew Company is the Member Manager of both entities.

“Waterside Place Project”). The Authority issued a Preliminary Adequacy Determination waiving further review of the Waterside Place Project on November 2, 2007.

Because of the economic downturn, construction of the Waterside Place Project as initially contemplated never commenced. CGD then proposed to construct the Waterside Place Project in phases, beginning with Phase I on the Site. On June 30, 2010, CDG submitted a Notice of Project Change (the “First NPC”) to the Authority concerning the revision of the Waterside Place Project, and specifying the components to be constructed in connection with Phase I. On August 3, 2010, the Boston Civic Design Commission voted to approve the design for Phase I of the Waterside Place Project. The issuance of a Determination under Section 80A-6.2 of the Code waiving further review of the NPC (the “First Determination”) was approved by vote of the Authority on August 17, 2010. The First Determination was issued by the Director of the Authority on August 26, 2010.

The uses approved for Phase I are consistent with the uses for the northern portion of the Waterside Place Project as approved in 2007, with the exception of the addition of the innovation space described below. Overall, Phase I has been approved to include approximately 495,463 square feet of gross floor area,² featuring approximately 236 rental apartment units, approximately 72,000 square feet of retail space, including a grocery store and pharmacy, approximately 185 parking spaces, and approximately 14,000 square feet of innovation space. (“Phase I”).

This Second NPC is intended to clarify the following details of Phase I:

Construction of Phase I in Two Sub-Phases:

Phase I of the Waterside Place Project will be completed in two sub-phases. The residential component of Phase I (“Phase IA”) remains similar in design and massing to the residential component that was originally approved by the Authority for the Waterside Place Project, although the primary use of Phase IA will now consist of approximately 236 rental apartment units rather than approximately 209 condominium units, to be constructed in a 19-story building of up to 250 feet in height. Phase IA will also incorporate approximately 140 parking spaces, of which it is anticipated that approximately 70 will be above-grade, internal spaces (occupying approximately 29,000 square feet), with the remaining approximately 70 spaces consisting of exterior, surface spaces. Phase IA will also include approximately 17,000 square feet of ground-floor commercial space, to be dedicated primarily to retail and innovation uses. Approximately 7,000 square feet of the Phase IA ground floor commercial space will be allocated to an Innovation Center, to be located within the building’s frontage along Congress Street. The public benefits of Phase IA are summarized on Attachment A.

The balance of Phase I (“Phase IB”) will consist of the remaining approximately 55,000 square feet of retail space, which will include a grocery store and 7,000 square feet of innovation space, and approximately 115 parking spaces (representing the balance of the Phase I parking spaces, i.e., approximately 45 spaces, plus approximately 70 relocated former surface parking spaces,

² All square footage figures concerning Phase I and its sub-phases are intended to refer to gross floor area as defined per Article 2A of the Code.

occupying a total of approximately 52,000 square feet.

Reduction in Residential and Total Square Footage of Phase I:

The post-approval design development process has led to a determination that the “approximately 234” rental units authorized by the First NPC for the residential component of Phase I (i.e., Phase IA) will amount to 236 such units. Design efficiencies identified during this process have also allowed the area devoted to residential use in Phase IA to decrease from approximately 326,000 to approximately 296,400 square feet. The First NPC approved a total of approximately 495,000 square feet of buildout for Phase I of the Waterside Place Project. Phase I will now consist of approximately 463,400 total square feet.

Allocation of Innovation Space Between Sub-Phases:

Phase IA will contain approximately 7,000 square feet of innovation space. The remaining 7,000 square feet of Phase I innovation space will be constructed in Phase IB.

Affordable Housing Component:

The text of the Board Memo approving the First NPC (the “Board Memo”) provides, on p. 4, that the project will comply with the Mayor’s Executive Order Relative to the Inclusionary Development Policy of February 3, 2005. The housing contribution payment approved by the Board Memo consistently states that this contribution will be \$2.813M, a figure based on standards applicable prior to the most recent (i.e., September 27, 2007) such Executive Order, prorated for the increase in unit count associated with the approval of Phase I. The text of the Board Memo (although not its formal votes), however, contains an inconsistent reference to a requirement that the on-site affordable units be affordable to households earning 70% of Area Median Income (“AMI”).

The 70% of AMI requirement was established by the Mayor’s 2007 Executive Order, which post-dates the submission and approval of the Waterside Place Project. This Second NPC intends to remedy this internal inconsistency and to clarify that the five (5) Phase IA on-site affordable units will be affordable to households earning 80% of AMI.

Transfer of CDG Interest:

This Second NPC is intended to expressly approve the transfer of CDG’s interest in the Waterside Place Project to its affiliate, CDGN.

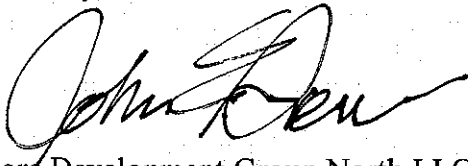
Conclusion and Request for Approval:

Code Section 80A-6, Project Changes and Lapse of Time, governs the Notice of Project Change process applicable to projects that have undergone Article 80 of the Code. Code Section 80A-6 makes clear that further development review is only required in situations where there has been a “material change in a Proposed Project or project phase, [or] any lapse of time, that is subject to review under this Article pursuant to Section 80B-2”

Neither of the potential bases for further review of the potential impacts of Phase I of the Waterside Place Project applies under the circumstances. No lapse of time has taken place. Nor has any material change been proposed concerning Phase I. As described above, the overall details and impacts of Phase I, as advanced through the design development process, remain consistent with those approved in connection with the First NPC.

The proponent therefore respectfully requests that the Authority determine that no aspect of the Project, as it is currently designed, represents "any material change in a Proposed Project," and approve the proposed Second NPC.

Sincerely,

A handwritten signature in black ink, appearing to read "John E. Drew". The signature is fluid and cursive, with the first name "John" being the most prominent part.

Core Development Group North LLC
John E. Drew for The Drew Company, Member Manager

cc:

Lowell Richards, Massachusetts Port Authority
James Doolin, Massachusetts Port Authority
Juan Carlos Loveluck, Massachusetts Port Authority