

MEMORANDUM

MAY 16, 2013

TO: BOSTON REDEVELOPMENT AUTHORITY AND
PETER MEADE, DIRECTOR

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

SUBJECT: TENTATIVE REDEVELOPER DESIGNATION OF BUILDING 58, THE
ROPEWALK COMPLEX, CONSISTING OF BUILDING 58 (THE
ROPEWALK), BUILDING 60 (THE TAR SHED), AND THE HEMP
HOUSE, LOCATED IN THE HISTORIC MONUMENT AREA OF THE
CHARLESTOWN NAVY YARD

SUMMARY: This Memorandum requests the tentative designation of Frontier Enterprises, Inc. or a related entity, as the redeveloper (the "Redeveloper") of the Ropewalk complex, consisting of Building 58 (the Ropewalk) and Building 60 (the Tar Shed/House), located in the Historic Monument Area of the Charlestown Navy Yard.

PROJECT SITE

The Ropewalk complex, which consists of Building 58 (the Ropewalk) and Building 60 (the Tar Shed/House), (collectively, the "Project Site" or the "Ropewalk") in the Historic Monument Area (the "HMA") of the Charlestown Navy Yard in the Charlestown Urban Renewal Area, is a parcel of land owned by the Boston Redevelopment Authority (the "BRA"). The Project Site is bounded by Chelsea Street and adjacent to Buildings 107 and 108, which run parallel to Third Avenue. The Project Site is subject to the design guidelines outlined in the Program for Preservation and Utilization ("Design Guidelines") because it is located in the HMA within the Charlestown Navy Yard.

The Ropewalk is a landmark in the history of American technology and cordage. When it began production in 1837, the Ropewalk's steam-powered preparation and spinning machinery was among the most advanced in the world, and shortly before the Ropewalk closed in 1971, its managers created a new structure for nylon rope that revolutionized the manufacture of maritime cordage.

PROJECT HISTORY/GUIDELINES

In the spring of 2000, the BRA advertised a notice calling for the submission of Letters of Interest in connection with the redevelopment of the Ropewalk, with a deadline of June 15, 2000. Four (4) Letters of Interest were submitted by the following entities: Kenny Development Company, Inc., Ropewalk Associates, Ltd., Cresset Development, and Paradigm Properties. The Letters of Interest included a wide variety of uses, including residential, commercial office, and an aquaculture laboratory/incubator. The Letters of Interest were submitted by entities who possess an abundance of development experience, including historic redevelopment in the Charlestown Navy Yard. None of the Letters of Interest resulted in development of the Ropewalk.

Since 2000, several interested parties have contacted the BRA in an effort to explore potential redevelopment of the Ropewalk; none have been successful.

Redevelopment of the Ropewalk presents *significant* physical and financial challenges, due in part to the structure of the building (measuring over a quarter of a mile long) and the significant cost to rehabilitate a building that is designated as a National Landmark. Any redevelopment of the Ropewalk must conform to the Secretary of the Interior's "Standards for Rehabilitation" (Rev. 1990). Rehabilitation of the structure, and any deviation from the Design and Restoration Guidelines for the Ropewalk (the "Guidelines"), requires approval from the following entities: the BRA, the Boston National Historic Park ("BNHP"), the Boston Landmarks Commission ("BLC"), the Massachusetts Historical Commission ("MHC") and the National Park Service/Philadelphia Support Office ("NPS/PSO"). (See Exhibit A)

The purpose of the Guidelines is to establish parameters for the preservation, rehabilitation and reuse of the Ropewalk. The goal is to provide for some flexibility in the reuse of the building with the primary goal being the preservation of the building's historic character. The existing physical fabric of the Ropewalk reflects both the original building designed by Alexander Parris and additions and alterations made in response to increased or changing production needs.

Another challenge to the redevelopment of the Ropewalk is the requirement for an approximately 6,600 square foot interpretive exhibit on rope making, as required by the Guidelines, which identifies its location to be on the first floor space of the eastern end of the building. Modification of the exhibit configuration to facilitate integration into the overall building circulation plan will need to be reviewed and approved by the above-mentioned entities. The exhibit is also required to consist of static machine displays utilizing equipment remaining on site as well as machines from the BNHP collection, together with other artifacts, images, media, and interactive displays as deemed appropriate.

PROPOSED PROJECT

Frontier Enterprises, Inc. (the “Redeveloper”), proposes to rehabilitate and restore the Ropewalk for new use for 68 mixed-income townhouse apartments and a space dedicated to interpreting the rope making process. The design proposal affects .7% of the existing building enclosure, while 99.3% of the building enclosure will remain and will be repaired to the original building design.

The design maintains in all respects the building’s overall scale and dimensions, length, granite construction, shapes and material of the roofs, distinct head house design, materials and configuration of window elements and pattern of regularly spaced windows along the north and south elevations. The design proposal preserves the industrial character of the building, and does not affect the single continuous expanse, shape or material or configuration of the building exterior. The entrance doors will be harmonized with the original window configurations so as to preserve the industrial character of the building.

The proposal anticipates the issuance of a variance for the rear egress so that it is allowed through the existing windows. The proposal also includes five egress stairs and gates at the rear of the building to bring the rear egress way into compliance with the State Building Code.

With respect to vehicle access, the Redeveloper is proposing to install hardscape on the south of the building to create a drivable surface road for vehicular moving, deliveries and emergency response. Three areas of the plan are proposed for drop off sites and 15 minute parking for residents of the building, one each at Sixth Street, Fourth Avenue and Thirteenth Street.

Trash and recyclables will be stored in an enclosure off the North Chelsea side of the building, and will be brought to the east side of the head house for trash collection by a private management company. Mail will be deposited for each unit in mail slots on the doors. HVAC service will be provided through split system furnaces in each individual housing unit, with cool zone condensers located on the north side of the building, each serving 20 units.

Flirtation Walk will be revised from 20 feet to 12 feet, and a landscape area and row of trees will be added alongside the building. The materials proposed are concrete and cobblestones strips at 40 foot increments.

This requested tentative designation grants the Redeveloper exclusive rights to conduct environmental testing and engineering and structural analysis, right of entry, and any other actions typically associated with pre-development activities deemed reasonable and proper by the Director.

PARKING/BUILDING 108

The Redeveloper is required to assist the BRA in identifying a solution to the parking challenges associated with the Proposed Project during the Article 80 process and prior to Final Designation. Additional analysis relative to the demolition of Building 108 and the construction of a new parking facility on the Building 108 site is a condition of Article 80 approval for the Proposed Project and Final Designation.

DEVELOPMENT TEAM

The development team consists of Joseph F. Timilty of Frontier Enterprises, Inc. as the redeveloper; Jack French of Neshamkin French Architects and Steve Sousa of Sousa Design as project Architects; and David Chavolla of Casner & Edwards LLP as legal counsel.

PROJECT FINANCING

The Project Site is within the HMA of the Charlestown Navy Yard and must be leased to a redeveloper in accordance with restrictions imposed by the Federal Government. The BRA has typically entered into 65 year lease terms with redevelopers of the buildings in the HMA. All material terms and conditions of the Ground Lease will be negotiated prior to final designation within the period of the tentative designation and will be memorialized in a Termsheet and/or Lease Commencement Agreement. The anticipated total development cost of the Proposed Project is approximately \$25 million. Financing for the Proposed Project will include, among other elements, federal and state historic tax credits, low income housing tax credits and tax-exempt bonds. The Redeveloper has agreed to submit a non-refundable deposit of \$50,000 to the Authority; this Tentative Designation will not go into effect until such payment has been received.

CONDITIONS FOR FINAL DESIGNATION

Conditions to be met by the Redeveloper prior to Final Designation include the following:

1. Evidence of the availability of necessary equity funds as needed; and
2. Evidence of firm financial commitments from banks or other lending institutions; and
3. The submission of Final Working Drawings to the BRA for review and approval; and
4. Resolution to the parking issue, as none is being provided within the Project Site, including, but not limited to, additional analysis relative to the demolition of

Building 108 and the construction of a new parking facility on the Building 108 site.

RECOMMENDATION

Staff recommends that Frontier Enterprises be tentatively designated as Redeveloper of the Project Site until May 16, 2014. This tentative designation shall automatically expire without prejudice and without further action by the BRA Board if the Redeveloper has not received final designation for the Project Site by May 16, 2014.

With Tentative Designation, the Developer shall be permitted access to the Project Site to conduct necessary due diligence.

Appropriate votes follow:

VOTED: That the Boston Redevelopment Authority hereby adopts the Resolution of the Boston Redevelopment Authority dated May 16, 2013 re: Tentative Designation of Frontier Enterprises as Redeveloper of the Ropewalk complex, consisting of Building 58 (the Ropewalk), and Building 60 (the Tar Shed/House), located in the Historic Monument Area of the Charlestown Navy Yard (the "Project Site"); and

FURTHER

VOTED: That the Director be, and hereby is, authorized to execute a temporary License Agreement with Frontier Enterprises, or a related entity, for the purpose of providing the Redeveloper with access onto the Project Site, for the purposes of building exploration, soil conditions investigation, survey and geotechnical investigation, site preparation, and all related pre-development activities associated with the analysis and feasibility for redevelopment of the Project Site; and

FURTHER

VOTED: That this tentative designation of Frontier Enterprises as the redeveloper of the Project Site, is automatically rescinded without prejudice and without further action by the BRA Board, if the Redeveloper has not received final designation as Redeveloper by May 16, 2014.