

MEMORANDUM

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
CASEY HINES, SENIOR PROJECT MANAGER

SUBJECT: REQUEST AUTHORIZATION TO APPROVE THE DEVELOPMENT PLAN FOR PLANNED DEVELOPMENT AREA NO. 117, 115 WINTHROP SQUARE REDEVELOPMENT, LOCATED AT 115 FEDERAL STREET IN THE DOWNTOWN NEIGHBORHOOD OF BOSTON, PETITION THE ZONING COMMISSION FOR APPROVAL OF SAID DEVELOPMENT PLAN, ISSUE A PRELIMINARY ADEQUACY DETERMINATION WAIVING FURTHER REVIEW, ISSUE ONE OR MORE CERTIFICATIONS OF COMPLIANCE OR PARTIAL CERTIFICATIONS OF COMPLIANCE UPON SUCCESSFUL COMPLETION OF THE ARTICLE 80 LARGE PROJECT REVIEW PROCESS, ISSUE ONE OR MORE CERTIFICATIONS OF CONSISTENCY OR PARTIAL CERTIFICATIONS OF CONSISTENCY UPON SUCCESSFUL COMPLETION OF THE PLANNED DEVELOPMENT AREA REVIEW PROCESS, APPROVE THE 115 WINTHROP SQUARE PROJECT AS A DEVELOPMENT IMPACT PROJECT; AND TO TAKE ALL RELATED ACTIONS

SUMMARY: This Memorandum requests, in connection with the public hearing on the proposed 115 Winthrop Square project, proposed by MCAF Winthrop LLC (the "Proponent") and located at 115 Federal Street in the Downtown neighborhood of Boston (as further described below, the "Proposed Project"), that the Boston Redevelopment Authority ("BRA") d/b/a Boston Planning & Development Agency ("BPDA"), acting by and through the vote of its Board of Directors (the "Board"), (1) approve the Development Plan for Planned Development Area No. 117, 115 Winthrop Square Development (the "Development Plan") pursuant to Section 80C of the Boston Zoning Code (the "Code"); (2) authorize the Director of the BPDA (the "Director") to petition the Boston Zoning Commission ("BZC") for approval of the Development Plan pursuant to Sections 3-1A.a and 80C of the Code; (3) authorize the Director to issue a Preliminary Adequacy Determination (a "PAD") waiving the requirement of further

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

review pursuant to Section 80B-5.4(c)(iv) of the Code for the Proposed Project; (4) authorize the Director of the BPDA to issue one or more Certifications of Compliance or Partial Certifications of Compliance for the Proposed Project pursuant to Section 80B-6 of the Code, upon successful completion of the Article 80 Large Project Review process; (5) authorize the Director of the BPDA to issue one or more Certifications of Consistency or Partial Certifications of Consistency for the Proposed Project pursuant to Section 80C-8 of the Code, upon successful completion of the Article 80C Planned Development Area Review process; (6) approve the Proposed Project as a Development Impact Project (a "DIP") within the meaning of Section 80B-7 of the Code; and (7) take any and all actions and execute any and all documents deemed necessary and appropriate by the Director in connection with the foregoing, including, without limitation, executing and delivering a Development Impact Project Agreement, a Cooperation Agreement, a Boston Residents Construction Employment Plan Agreement, an Off-Site IDP Unit Agreement, and Off-Site Affordable Housing Agreement or Off-Site Affordable Rental Housing Agreement and Restriction, along with any and all other agreements and documents that the Director deems appropriate and necessary in connection with the Proposed Project and the Development Plan.

PROJECT SITE

The approximately 47,874-square-foot development site is located at 115 Winthrop Square, also known as 115 Federal Street and 240 Devonshire Street in Downtown Boston. The site is bounded by 75-101 Federal Street to the north, 100 Summer Street to the south, Devonshire Street and Winthrop Square to the west, and Federal Street to the east (the "Project Site").

The Project Site, until recently, was the location of a decaying, approximately 1,125-vehicle parking garage that was closed in 2013 due to safety concerns and which has been, for generations, an impediment to a cohesive public realm in the area. The garage structure has recently been demolished.

The Project Site is in one of the few areas of Boston able to accommodate significant density. The Project Site is located toward the southwestern edge of Boston's Financial District, which includes the largest concentration of office space in the region, and is defined by commercial office towers, mid-sized commercial buildings, and an emerging residential community. The Project Site is a short distance from Downtown Crossing, the location in recent years of significant commercial and residential development and improvements to the public realm.

The Project Site is in close proximity to several Massachusetts Bay Transportation Authority ("MBTA") public transit routes and transportation hubs, with nearby South Station, Downtown Crossing, and State Street offering service to the Silver, Orange, Green, Red, and Blue lines, commuter rail service and Amtrak. In addition, numerous local MBTA bus routes serve the downtown. The area is also regionally accessible via

Interstate 93 (Exit 20), which runs below Atlantic Avenue, Purchase Street, and the Rose Kennedy Greenway within one-quarter mile of the Project Site.

The Project Site is easily accessible to open space areas such as Post Office Square, Winthrop Square (which will be substantially improved as part of the Proposed Project), the Tontine Crescent (which will be utilized by the Proponent and the City of Boston (the "City") to pilot a new model of urban open space with improvements funded by the Proponent as part of the Proposed Project) and, further away, the Rose Kennedy Greenway.

DEVELOPMENT TEAM

The Development Team for the Proposed Project consists of:

Proponent: MCAF Winthrop LLC
 c/o Millennium Partners
 Joe Larkin
 Kathleen MacNeil

Architect: Handel Architects LLP
 Blake Middleton
 Stephen Matkovits
 Libby Farley

Collaborating D/R/E/A/M Collaborative
Architect: Gregory Minott
 Tory DePeiza

Landscape Architect: Ground Inc.
 Shauna Gillies-Smith

Off-site Affordable Housing Collaborator: Asian Community Development Corporation
Angie Liou
Kyle Sullivan
Debbie Chen

Article 80 and Historic Resources Consultant: Epsilon Associates, Inc
Cindy Schlessinger
Douglas Kelleher
Holly Carlson Johnston
Fiona Vardy

Transportation and Parking Consultant: VHB
David Black
Adriana Santiago

Civil Engineer: Nitsch Engineering Inc.
Jared Gentilucci
Chris Hodney

Mechanical Electrical- Plumbing Engineer and Sustainability Consultant: WSP Group
Thomas Burroughs
Nancy Gould

Geotechnical Engineer: Haley & Aldrich, Inc.
Damian Siebert

Legal Counsel: DLA Piper LLP
John Rattigan
Brian Awe

Wind Consultant: Rowan Williams Davies & Irwin Inc.
Derek Kelly

BACKGROUND

The City has long sought redevelopment of the Project Site with a project of substantial size. To that end, the City determined that the BPDA was the appropriate entity to manage the disposition of the Project Site on behalf of the City. The background leading up to such determination by the City and a summary of related administrative actions are set forth in the Memorandum submitted to the Board on September 15, 2016 ("September 2016 Board Memorandum"), the Memorandum of Agreement by and between the City of Boston and the BPDA dated October 24, 2016 ("October 24, 2016 MOA"), and the Memorandum submitted to the Board on November 1, 2016 (the "November 2016 Board Memo"). The September 2016 Board Memorandum, the October

24, 2016 MOA, and the November 2016 Board Memorandum are each incorporated by reference.

On February 11, 2016, the Board authorized the BPDA to issue a Request for Proposals ("RFP") for the redevelopment of the Project Site on behalf of the City. In February 2016, the RFP was advertised in the *Boston Herald* and the *Central Register*. On March 9, 2016, the BPDA issued the RFP, with responses due to the BPDA on April 21, 2016. The RFP included a detailed set of requirements and criteria in the areas of urban design, transportation, financial matters, public realm and others.

On April 21, 2016, the BPDA received six (6) responses to the RFP. A twelve (12) member interagency review committee, comprised of twelve (12) senior staff from the City and BPDA representing areas of experience and expertise such as development, urban design, finance, sustainability and the environment, economic development, affordable housing, transportation and the arts (collectively, the "Review Committee"), subsequently reviewed and evaluated each such response. Between May 31 and June 2, 2016, the Review Committee met with each of the six respondents for a detailed presentation and discussion session. Each of the six responses was made available on the BPDA's website, with the public able to post their own comments and ideas. On June 13, 2016, the BPDA hosted an open house at Faneuil Hall (the "Open House") where the public was able to view each of the proposals in a variety of formats, engage in a dialogue with the principals of many of the teams, and provide written comments. More than two hundred members of the public participated in the Open House.

After the Review Committee completed its review of the development proposals, the Review Committee opened and reviewed the financial submissions submitted for each proposal under separate cover. The financial submissions included, in addition to other materials, formation documents, financial statements, and price offers for the acquisition of the Project Site. As contemplated in the RFP and as part of its evaluation of financial submissions submitted in response to the RFP, the Review Committee determined that outside financial services were required to assist in the review and analysis of financial submissions. Accordingly, on July 14, 2016, the Board authorized the Director to enter into a Memorandum of Agreement ("MOA") with the City to contract with Ernst & Young LLP ("EY") for the purpose of conducting a thorough and independent review. The Board further authorized the Director to reimburse the City for the cost of EY's financial review. On October 5, 2016, the BPDA remitted payment in the amount of \$110,000 to EY for the entirety of services performed.

On September 15, 2016, the Board voted its approval of a further amendment to the Demonstration Project Plan for 115 Winthrop Square, granting the Director authorization to: (i) acquire the Project Site on behalf of the BPDA by accepting a deed or other instrument conveying the Project Site from the City to the BPDA; and (ii) enter into an amended Memorandum of Agreement with the City concerning the disposition of the Project Site. Pursuant to the Board vote on September 15, 2016, the BPDA entered into the October 24, 2016 MOA with the City.

After completion of the review and evaluation process set forth in the RFP, the BPDA, in coordination with the City, determined the response submitted by Millennium Partners to be the most advantageous proposal for redevelopment of the Project Site. As further detailed below, Millennium Partners' proposal consists of the construction of a mixed-use project containing residential and commercial uses and a below-grade parking garage, as well as the so-called Great Hall. The terms of the proposed sale of the Project Site to Millennium Partners together with its permitted affiliates ("Millennium") were set forth in the Term Sheet for the Disposition and Redevelopment of the Winthrop Square Garage Site ("Term Sheet"); a copy of the Term Sheet is attached as Exhibit A to the October 24, 2016 MOA. To further memorialize and supersede the terms of the Term Sheet, the Proponent and the BPDA subsequently entered into a certain Sale and Construction Agreement dated as of January 30, 2017 (as amended from time to time, the "Sale Agreement").

As more fully set forth in the Sale Agreement, when the Project Site is conveyed to the Proponent, the Proponent shall pay a fixed purchase price of \$102,000,000 (the "Fixed Purchase Price") to the BPDA and will additionally pay to the BPDA project participation payments equal to \$100.00 per square foot of the Proposed Project's residential saleable floor area upon residential unit closings (the "Project Participation Purchase Price Payments"). The combined Fixed Purchase Price and Project Participation Purchase Price Payments are estimated in the Sale Agreement to be \$152,790,000.00 (the "Purchase Price"), although the Proposed Project could yield up to an additional approximately \$10,210,000 in Purchase Price based on the revised design of the Proposed Project and depending upon the final residential saleable square footage. Pursuant to the October 24, 2016 MOA, the City – not the BPDA – will receive all net proceeds from the transaction between the BPDA and the Proponent.

Over the course of the initial review of the Proposed Project, it became apparent that the Proposed Project, and indeed all of the proposals submitted in response to the RFP, would violate the shadow restrictions in place for the Boston Common and Public Garden (as established in Chapter 362 of the Acts of 1990 and Chapter 384 of the Acts of 1992) (the "Shadow Laws"). The City and BPDA collectively decided to pursue amending the Shadow Laws in order to achieve the numerous benefits that would be derived from a project of significant height and density on the Project Site. Accordingly, in connection with an extensive public outreach and comment process, a Home Rule Petition, the "Petition for a Special Law Re: An Act Protecting Sunlight and Promoting Economic Development in the City of Boston," was filed with the Boston City Council in April of 2016 to pursue these amendments.

As a condition of the Home Rule Petition, which the City Council approved on April 26, 2017, the BPDA committed to conducting a planning initiative for Downtown Boston, including but not limited to the Midtown Cultural District and the Financial District, to define a transparent and predictable future for the area. The Home Rule Petition was

later approved by the State Legislature and signed by the Governor on July 28, 2017 as House Bill 3749 (Chapter 57 of the Acts of 2017), with the same commitment. This initiative, now identified as the Downtown Planning Study (the "Study"), will be led by the BPDA with support from consultants, and conducted in partnership with the community. Broadly, the Study will examine the preservation, enhancement and growth of the Downtown in order to support a physical framework that can support a dynamic mix of uses.

DESCRIPTION AND PROGRAM

The Proposed Project is comprised of a thoughtfully assembled mixed-use building with complex and diverse functions that engages the public realm and has the power to drive significant pedestrian activity on the street through all the days of the week and through the evenings. This diversity of uses has the added benefit that the infrastructure and transportation requirements of the Proposed Project's different uses peak at different times, resulting in a significantly lower use of the area's overall infrastructure capacity than what a single-use project of the same size would have.

The Proposed Project includes a mix of complementary uses – residential, commercial office, civic space and retail/food and beverage uses as well as parking to support the Proposed Project. The residential, commercial office, and the Great Hall drive the economics of the Proposed Project, and the direct and indirect public benefits that result. With a substantial number of proposed residential units, the Proposed Project will expand the emerging critical mass of residents in the dynamic Downtown Crossing neighborhood. The commercial office space will set new standards for workplace efficiency, adaptability, environmental sustainability, and wellness and the Great Hall will provide a venue for civic space to be utilized by City residents, workers, visitors and tourists.

The central public feature of the Proposed Project is the Great Hall. Located at grade, the approximately 12,000 square foot grand space will serve as a cultural and commercial anchor for the Proposed Project, and will also create a new pedestrian path between Federal and Devonshire Streets while strengthening the connection to an enhanced Winthrop Square Park. The mission of the Great Hall is first and foremost to be a space for the public, and to provide the operational structure and architectural scaffolding to accommodate and implement a variety of programmed educational, civic, performance and cultural experiences as they may change throughout the day, with the seasons, and as they are reimagined over time. The design of the Great Hall will be distinct from other parts of the building, and encourage people to use and enjoy the public and quasi-public spaces that are located both in and above the Great Hall on multiple levels, including food and beverage space and floating flexible meeting rooms on levels two and three. The Great Hall will be a space where Bostonians can meet, work, collaborate, pass through, or just reflect in a beautiful

urban setting on a day to day basis. Larger events will take place in the early evening and on weekends, accommodating up to 350 people.

In addition to good design, the Great Hall will be accessible, active and civic in nature. Working with the City, the BPDA and other stakeholders, the Proponent will prepare a management and operating plan that identifies how the objectives of the Great Hall will be implemented and sustainable. It is expected that the programming and revenues generated by the Great Hall will increase and enhance how the public experiences it and how it will maintain its availability for civic and community organizations both in the neighborhood and from across the City. All capital, operating and programming costs for the Great Hall will be the obligation of the project at no cost to the City or the BPDA. This operating plan will be updated at regular intervals with input from the City, the BPDA and other stakeholders, and the Proponent will be required to report on the Great Hall's performance annually to the City and the BPDA. The facility will be managed by an affiliated management company and include a director of the Great Hall. The management team expects to work closely with the Downtown Boston Business Improvement District ("BID") to coordinate programming and safety. The Proposed Project will include, as part of its programming, an enhanced visual activity to bring people to this location for reasons beyond convenience or special events.

Design and programming of the Proposed Project will continue to evolve through market analyses and design review with the City, the BPDA, and the public. The Proposed Project is expected to contain up to approximately 55 stories and up to 1,650,000 square feet of gross floor area, with a building height of approximately 664 feet as defined under the Code¹. The Proposed Project is currently anticipated to include (i) approximately 760,000 square feet of gross floor area of residential space comprised of up to 500 residences, (ii) approximately 750,000 square feet of gross floor area of office space, (iii) approximately 65,000 square feet of gross floor area of residential and office amenity space (which may include, for example, common rooms, fitness facilities, pet daycare, etc.), (iv) approximately 40,000 square feet of gross floor area of publicly-accessible space and retail, restaurant and support space, (v) approximately 40,000 square feet of gross floor area of shared meeting space, and (vi) below-grade parking capacity for up to approximately 550 vehicles on up to five below grade levels that also include residential vehicle drop-off and pick-up, valet-assisted commercial/office parking, pet daycare/play areas, management and employee areas, mechanical, storage and support for the Great Hall, as well as other accessory uses for the Proposed Project.

The Proposed Project also includes numerous public realm improvements including the re-creation and expansion of the landscaped and pedestrian areas of Winthrop Square,

¹ The Proposed Project design includes an approximately 25-foot-tall mechanical penthouse, and the height to the top of the mechanical space is anticipated to be approximately 691 feet from average grade.

new and often wider sidewalks and improvements to the Tontine Crescent on Franklin Street between Arch Street and Hawley Street, street lighting, traffic improvements and signalization upgrades among others. Winthrop Square is designed as an energetic and inspiring destination at the heart of Downtown Boston that enhances the existing pedestrian network of open space in the downtown core. Located at a key crossroad of pedestrian movement and encircled by high quality buildings from a number of eras, Winthrop Square is envisioned as an urban room that expands to all of the surrounding building fronts, and links the adjacent streets and activities into one vibrant center. While the design of Winthrop Square relates to the design of the Great Hall and other abutting buildings, Winthrop Square will have a distinctive stand-alone identity that can be experienced from within Winthrop Square, and visually from the surrounding area and from multiple levels of the surrounding buildings.

The design of the open space associated with the Great Hall and with Winthrop Square is planned to enhance and enliven the pedestrian experience adjacent to the Project Site as well as play a key role as a new anchor for the Financial District, knitting together Downtown Crossing, Shoppers Park, Dewey Square, and Post Office Square. The proposed streetscape and newly designed square will facilitate movement to and from the Great Hall as well as connections to the many other buildings and surrounding streets (Devonshire, Otis, Franklin and Federal) and pedestrian ways such as Winthrop Lane.

PLANNING CONTEXT & ARTICLE 80 REVIEW PROCESS

The Proponent filed a Project Notification Form ("PNF") for the Proposed Project on November 8, 2016. Notice of the receipt by the BPDA of the PNF was published in the *Boston Herald* on the same day, initiating a thirty (30) day public comment period, which was extended until January 16, 2017. The notice and the PNF were sent to the City's public agencies pursuant to Section 80A-2 of the Code.

Pursuant to Section 80B-5.3 of the Code, a Scoping Session was held on December 16, 2016 with the City's public agencies during which the Proposed Project was reviewed and discussed.

On December 5, 2016 and January 5, 2017, the BPDA held Public Meetings to discuss the PNF. The first public meeting was held at Suffolk Law School, 120 Tremont Street in the Moot Court Room and was organized in a 'town hall' format. The second public meeting was held at 101 Federal Street and was organized in an 'open house' format. The meetings were advertised in the *Boston Guardian* and *Boston Sun*, listed on the BPDA website, and distributed to the Downtown email list.

Impact Advisory Group ("IAG") meetings were held on November 28, 2016 and December 13, 2016. The IAG meetings were listed on the BPDA website, and distributed to the Downtown email list.

On April 11, 2017, the BPDA issued a Scoping Determination to the Proponent.

On January 2, 2018 the Proponent filed a Draft Project Impact Report ("DPIR"). Notice of the receipt by the BPDA of the DPIR was published in the *Boston Herald* on the same day. The public comment period for the DPIR expired on March 19, 2018. The notice and the DPIR were sent to the City's public agencies pursuant to Section 80A-2 of the Code.

Pursuant to Section 80B-5.3 of the Code, a DPIR Scoping Session was held on January 22, 2018 with the City's public agencies during which the DPIR was reviewed and discussed.

On February 12, 2018 and March 5, 2018, the BPDA held Public Meetings to discuss the DPIR at 33 Arch Street, 29th floor. The meetings were advertised in the *Boston Guardian* and *Boston Sun*, listed on the BPDA's website, and distributed to the Downtown email list. Since the filing of the DPIR, the Proponent additionally conducted more than 25 meetings with individuals, the community and City officials.

An IAG meeting was held on February 1, 2018 in the BPDA Board Room at Boston City Hall. The IAG meeting was listed on the BPDA website, and distributed to the Downtown email list.

On February 22, 2018, the Proponent filed the associated Development Plan. The comment period for the Development Plan expires on April 9, 2018.

On March 30, 2018, the BPDA issued a Request for Supplemental Information which requested that the Proponent to provide more clarity on the Proposed Project and respond to all comments received throughout the DPIR comment period.

The Proposed Project also comes under jurisdiction of the Boston Civic Design Commission ("BCDC") pursuant to Article 28 of the Code. As a result of the active involvement and input of the BCDC at its various meetings and hearings as well as extensive community involvement and the BPDA's and Proponent's respective outreach, the Proposed Project massing and façade design have evolved significantly over the course of the Article 80 review process. The resulting Proposed Project, including proposed massing, design and public realm, received approval from the BCDC on May 1, 2018, subject to further review of Winthrop Square park and the Great Hall as the design advances.

Additionally, the Proposed Project comes under the jurisdiction of the Massachusetts Environmental Policy Act ("MEPA"). An Environmental Notification Form ("ENF") was submitted to the MEPA Office on November 15, 2016. After a public comment period, the Certificate of the Secretary of Energy and Environmental Affairs ("EEA") on the ENF was issued January 6, 2017. A combined Draft Environmental Impact Report/Project Impact Report ("Draft EIR") was submitted on January 2, 2018 to the MEPA Office (as well as to the BPDA as described above) to advance review of the Proposed Project in accordance with the MEPA Certificate on the ENF. After a public comment period, the Certificate of the Secretary of the EEA on the Draft EIR was issued on February 16, 2018. The Final Environmental Impact Report was submitted to the MEPA Office on March 15, 2018 in accordance with the MEPA Certificate on the Draft EIR and a Certificate on the Final EIR was issued on April 27, 2018 after a public comment period.

The BPDA hosted an additional IAG meeting on May 2, 2018 in the BPDA Board Room at Boston City Hall. The IAG meeting was listed on the BPDA website, and distributed to the Downtown email list.

In response to the Request for Supplemental Information the Proponent submitted a Supplemental Information report on May 4, 2018, which was posted on the BPDA website on May 4, 2018 and has been received and reviewed by the BPDA.

The Proponent continues to be committed to a comprehensive and effective community outreach and will continue to engage the community to ensure public input on the Proposed Project.

The Proponent's engineers are currently completing their second phase of geotechnical explorations in order to advance the design and construction of the building's foundation system. These additional explorations include studies to reduce the potential for damage to surrounding buildings. The exploration program and additional soil borings are scheduled to be completed in late spring of 2018; however, several extensive analyses have been performed by Haley & Aldrich, the geotechnical engineer, in order to evaluate the proposed foundation system and its impact to abutting properties. In addition, various construction techniques/requirements have been evaluated with the goal to reduce the potential for damage to abutters. These include, but are not limited to, construction methods, additional exploration and design evaluations, and instrumentation and monitoring. Such geotechnical design will continue to be further redefined through the design development and construction document phase of the Proposed Project in conjunction with the BPDA's customary design review process. The City's Inspectional Services Department will not issue a foundation permit without a Certificate of Compliance from the BPDA and a geotechnical report. In addition, the Proponent will continue to share its geotechnical information with the abutters and their engineers as the design is further developed during the BPDA's design review process.

ZONING

The Project Site is located in a B-10 General Business District under the Boston Proper / base provisions of the Code and in a Restricted Parking (Overlay) District. The Project Site is not located in a Downtown or Neighborhood District or a Groundwater Conservation Overlay District.

DEVELOPMENT IMPACT PROJECT EXACTION

The Proposed Project constitutes a DIP under Article 80, Section 80B-7 of the Code. Based upon the current plans for the Proposed Project, which calls for the construction of a building containing approximately 675,000 square feet of DIP Uses, the Proponent will provide a Neighborhood Housing Trust payment contribution of approximately \$4,795,500 and a Neighborhood Jobs Trust payment contribution of approximately \$960,250, or equivalent job and/or housing creation programs.

These estimated linkage amounts are calculated as follows:

Housing Linkage:

| | | |
|-----------------|--------------|-------------|
| DIP Uses | 675,000 | square feet |
| Exclusion | -100,000 | |
| | 575,000 | |
| X <u>\$8.34</u> | /square foot | |
| | \$4,795,500 | |

Jobs Linkage:

| | | |
|-----------|-----------------|--------------|
| DIP Uses | 675,000 | square feet |
| Exclusion | -100,000 | |
| | 575,000 | |
| | <u>X \$1.67</u> | /square foot |
| | \$960,250 | |

The DIP gross floor area for the Proposed Project is subject to final calculation based upon the final design plans and applicable provisions of the Development Impact Project Agreement to be entered into by the Proponent and the BPDA.

INCLUSIONARY DEVELOPMENT COMMITMENT

The Proposed Project will provide the number and type of off-site income-restricted rental and/or homeownership units (the "Off-Site IDP Units") necessary to satisfy requirements of the City of Boston's Inclusionary Development Policy. The Off-Site IDP Units may be created, or caused to be created by the Proponent and/or in cooperation with a third-party developer of an income-restricted housing project through the construction of new units. The initial full building permit for the Off-Site IDP Units must be issued prior to receipt of either a temporary or permanent Certificate of Occupancy for the residential portion of the Proposed Project. All Off-Site IDP Units shall be completed within one year after issuance of the temporary or permanent Certificate of Occupancy for the residential portion of the Proposed Project. Upon request, the Director may grant a written one-year extension to allow for the completion of Off-Site IDP Units.

The Off-Site IDP Units may be either rental or homeownership units. Recognizing that the Off-Site IDP Units may be of a different size and/or mix than the residential units in the Proposed Project, the total square footage of the Off-Site IDP Units shall be eighteen (18) percent of the saleable or rentable residential square footage of the development. Given that the proposed saleable residential square footage is approximately 611,000 square feet (subject to final calculation based upon the final design plans and applicable provisions of the Off-Site Agreement to be entered into by the Proponent and the BPDA), the expected off-site square footage is estimated to be approximately 109,980 square feet of saleable or rentable residential square footage. In determining the number of required Off-Site IDP Units and square footage, BPDA staff may factor in credit for units rented at lower incomes than what would have been required on-site at the Proposed Project. In no case will the Proponent be allowed to create fewer than eighteen (18) percent of the total units in the Proposed Project.

All Off-Site IDP Units must meet or exceed the City's Department of Neighborhood Development ("DND") construction guidelines for affordable housing in effect when an

application for building permit is submitted for the Off-Site IDP Units. The BPDA and the Proponent will have an Off-Site IDP Unit Agreement (the "Off-Site Agreement"), which will spell out the responsibilities of the Proponent and any third-party developer. The Off-Site IDP Units themselves will be outlined in an Affordable Rental Housing Agreement and Restriction ("ARHAR"), and/or an Affordable Housing Agreement ("AHA"), and rents, sales prices, and income limits will be adjusted according to BPDA - published maximum rents and income limits. Rental units will be made affordable to households earning not more than 70% of the Area Median Income ("AMI") as published by the BPDA and based upon data from the United States Department of Housing and Urban Development ("HUD"). For homeownership units, at least fifty percent (50%) of the units must be affordable to households making no more than 80% of AMI, and the remaining units may be affordable for households making no more than 100% of AMI.

The Off-Site Agreement must be executed along with, or prior to, the issuance of the partial or full Certification of Compliance for the residential portion of the Proposed Project. The ARHAR or AHA for newly created units must be executed prior to the issuance of the full Building Permit for the Off-Site development. The Proponent or the third-party developer must also submit an Affirmative Marketing Plan (the "Plan") to the Boston Fair Housing Commission and the BPDA. Preference will be given to applicants who meet the following criteria, weighted in the order below:

Boston resident; and

Household size (a minimum of one (1) person per bedroom).

First Time Homebuyers (where applicable).

Where a unit is built out for a specific disability (e.g., mobility or sensory), a preference also will be available to households with a person whose need matches the build out of the unit. The City of Boston Disabilities Commission may assist the BPDA in determining eligibility for such a preference.

The Off-Site IDP Units will not be marketed prior to the submission and approval of the Plan. Homeownership units may not be rented prior to sale to an eligible buyer. A deed restriction or covenant will be placed on the IDP Units to maintain affordability for a total period of fifty (50) years (this includes thirty (30) years with a BPDA option to extend for an additional period of twenty (20) years). The household income of any subsequent renter or buyer of the IDP Units during this fifty (50) year period must fall within the applicable income for each IDP Unit. The BPDA or its assigns or successors will monitor the ongoing affordability of the IDP Units.

An affiliate of the Proponent together with its development partners Asian Community Development Corporation ("ACDC"), Corcoran Jennison Company, Inc., and Tufts Shared Services, Inc. (collectively, the "Parcel 12 Development Team") on January 10,

2018 submitted a response to that certain Request for Proposals, Parcel P-12C, Boston, South Cove Urban Renewal Area dated November 2017 with respect to the redevelopment of the BPDA-owned Parcel P-12C located on Tremont Street in Boston, Massachusetts ("Parcel 12"). This location is ½ mile from the Proposed Project, and units would be provided at affordability levels that meet or exceed IDP requirements. To the extent that the Parcel 12 Development Team is selected by the BPDA to redevelop Parcel 12, the Proponent anticipates that the Off-Site IDP Units will be provided within Parcel 12. The Parcel 12 Development team's proposal, if selected, could also facilitate additional units of non-IDP affordable housing provided by ACDC in addition to satisfaction of the IDP requirement for the Proposed Project. As such, Parcel 12 is approved as a location for the Off-Site IDP Units. However, if the Proponent is not able to locate any or all of the Off-Site IDP Units at this Parcel 12, any other location(s) of any Off-Site IDP Units must be approved by the BPDA Board.

MITIGATION & PUBLIC BENEFITS

The Proposed Project will provide substantial public benefits to the City of Boston, converting an underdeveloped site in the heart of Boston's downtown into a vibrant mix of residential, retail and commercial uses and providing a significant economic stimulus. The Proposed Project will expand the emerging critical mass of residents in Boston's dynamic downtown and set new standards for workplace efficiency, adaptability, environmental sustainability and wellness. The innovative publicly-accessible grade level space, new and active retail, restaurant and commercial space, the Proposed Project's location at the City's nexus of public transportation and an improved streetscape will also improve aesthetics and provide an improved pedestrian environment in the downtown Boston neighborhood for residents, workers and visitors alike.

Among its many anticipated public benefits and mitigation commitments, the Proposed Project will:

Strengthen economic vitality and reestablish downtown Boston's preeminence as the region's commercial core by replacing the site of a deteriorated, blighted and abandoned former garage with a vital, active mixed-use Project that facilitates the expansion of retail, office, and residential uses in the neighborhood and creates an innovative state-of-the-art commercial office space in an environmentally sustainable high density environment, thereby promoting economic activity throughout the City and the region;

Create a important publicly-accessible grade-level Great Hall passing entirely through the Project Site to (i) connect Winthrop Square with the Financial District and points east and west and (ii) be used by the public as a civic space. The Great Hall is designed to provide the operational structure and architectural scaffolding to implement

and accommodate a variety of programmed educational, civic, performance, commercial, cultural and other experiences for the public;

Create up to 500 residential units in the burgeoning downtown neighborhood, helping to transform downtown Boston into a 24-hour vibrant mixed-use community;

Provide affordable housing for Boston residents in compliance with the Executive Order of Mayor Martin J. Walsh entitled *An Executive Order Relative to Inclusionary Development* dated December 9, 2015 and the associated Inclusionary Development Policy adopted by the BPDA on December 10, 2015;

Generate an estimated \$14,000,000 annually in additional property tax revenue to the City when built and fully operational;

Fund \$125,000 annually for forty (40) years to maintain and improve the Boston Common, Boston Public Garden and the Commonwealth Mall;

Pay \$250,000 to the BPDA to fund the Downtown Planning Study;

Pay \$150,000 to the City of Boston Transportation Department to fund a bus rapid transit plan;

Pay an estimated \$18 million in sales taxes for construction material to the Commonwealth of Massachusetts and an estimated \$21.5 million in state personal income taxes during construction;

Generate an estimated \$120,000 per year assessment toward the Downtown Boston Business Improvement District ("BID");

Collaborate with the BID regarding public safety and quality of life issues in the downtown neighborhood, including the payment to the BID of \$200,000 towards agreed public safety and security initiatives.

Generate approximately \$4,795,500 in housing linkage funds and \$960,250 in job linkage funds for the benefit of the City, or equivalent job and/or housing creation programs;

Protect historic resources in the vicinity of the Proposed Project and contribute to the preservation of historic resources in the City, potentially including establishing and/or making contributions to a newly-established historic preservation fund or other steps developed through the Proponent's consultation process with the Massachusetts Historic Commission;

Implement the provisions of the innovative Memorandum of Understanding Regarding Economic Opportunity and Inclusion entered into between the City and the Proponent, pursuant to which the Proponent will promote economic inclusiveness and equity and

provide participation, access and training opportunities, thereby creating an engine to change the real estate development infrastructure in the City and allow diverse construction workers, professionals, investors, employees and other residents of the City both to develop experience and qualifications and to expand potential opportunities for future work on other projects elsewhere in the City;

Enhance opportunities for WBEs and MBEs by providing at least fifteen percent (15%) of the contract value of its construction and architect contracts for WBE and MBE firms;

Directly contribute to the economy of Boston by providing approximately 2,800 construction jobs, with a goal of employing at least 51% Boston residents, 40% minorities and 12% women and offering an opportunity to partner with Suffolk Construction's Trade Partnership Series to promote Disadvantaged Business Enterprises ("DBE"), Minority Business Enterprise ("MBE") and Women Business Enterprise ("WBE") participation in the construction process;

Directly contribute to the economy of Boston by providing space for or directly creating approximately 3,500 permanent job, including work by the Proponent with a diverse and local group of third-party service providers to help train Boston residents to acquire the skills needed to be a part of this work force;

Pursue new standards in Economic Opportunity and Inclusion in the City of Boston, including leading new initiatives to promote minority business enterprises and women-owned business enterprises during and after development of the Proposed Project;

Advance the sustainability objectives of the City through the development of an energy-efficient, resilient and environmentally friendly Tower that will strive to achieve LEED Platinum certifiability and adopt the principles of "Passive House Institute" design in the office component;

Improve Winthrop Square and the surrounding sidewalks and streetscapes, making a new public realm anchor connecting Downtown Crossing, Post Office Square and Dewey Square;

Enhance the pedestrian environment and the public realm around the Project Site through new plantings, sidewalks, and outdoor seating and expansion of sidewalk widths around the Project Site to improve accessibility;

Create new and often wider sidewalks, improvements and connection to the so-called Tontine Crescent on Franklin Street between Arch Street and Hawley Street;

Upgrade street lighting, traffic improvements, traffic signal timing and signalization in areas surrounding the Project Site as agreed with the City of Boston Transportation Department;

Accommodate vehicle access and maneuverability within the Proposed Project's garage, minimizing the vehicle impositions on the public realm; and

Evaluate options to facilitate the provisions of day care facilities at Proposed Project or elsewhere in downtown Boston in response to demand.

RECOMMENDATION

Based on the foregoing, BPDA staff recommends that the Board, after due consideration of the filings, written and oral comments received and meetings held regarding the Proposed Project: (1) approve the Development Plan pursuant to Section 80C of the Code; (2) authorize the Director to petition the BZC for approval of the Development Plan pursuant to Sections 3-1A.a and 80C of the Code; (3) authorize the Director to issue a PAD waiving the requirement of further review pursuant to Section 80B-5.4(c)(iv) of the Code for the Proposed Project; (4) authorize the Director of the BPDA to issue one or more Certifications of Compliance or Partial Certifications of Compliance for the Proposed Project pursuant to Section 80B-6 of the Code, upon successful completion of the Article 80 Large Project Review process; (5) authorize the Director of the BPDA to issue one or more Certifications of Consistency or Partial Certifications of Consistency for the Proposed Project pursuant to Section 80C-8 of the Code, upon successful completion of the Article 80C Planned Development Area Review process; (6) approve the Proposed Project as a DIP within the meaning of Section 80B-7 of the Code; and (7) take any and all actions and execute any and all documents deemed necessary and appropriate by the Director in connection with the foregoing, including, without limitation, executing and delivering Development Impact Project Agreement, a Cooperation Agreement, Boston Residents Construction Employment Plan Agreement, an Off-Site IDP Unit Agreement, an Off-Site Affordable Housing Agreement and/or an Off-Site Affordable Rental Housing Agreement and Restriction, along with any and all other agreements and documents that the Director deems appropriate and necessary in connection with the Proposed Project and the Development Plan.

An appropriate vote follows:

VOTED: That, in connection with the Development Plan for Planned Development Area No. 117, 115 Winthrop Square Redevelopment ("Development Plan") and the 115 Winthrop Square Project (the "Proposed Project"), located at 115 Federal Street in the Downtown neighborhood of Boston, presented at a public hearing, duly held at the offices of the Boston Redevelopment Authority (the "BRA") on May 17, 2018, and after consideration of evidence presented at, and in connection with, the hearing on the Development Plan and the Proposed Project, the BRA finds, in accordance with Section 80C of the Boston Zoning Code (the "Code"), that: (a) such Development Plan is not for a location or Proposed Project for which Planned Development Areas are forbidden by the underlying zoning; (b) the Proposed Project in such Development Plan complies with the provisions of the underlying zoning that establish use, dimensional, design and other requirements for Proposed Projects in Planned Development Areas; (c) such Development Plan complies with any provisions of underlying zoning that establish planning and development criteria, including public benefits, for Planned Development Areas; (d) such Development Plan conforms to the plan for the district, subdistrict or similar geographic area in which the Planned Development Area is located, and to the general plan for the City of Boston as a whole; and (e) on balance, nothing in such Development Plan will be injurious to the neighborhood or otherwise detrimental to the public welfare, weighing all the benefits and burdens; and

FURTHER VOTED: That the BRA hereby approves, pursuant to Section 3-1.A.a and Section 80C of the Code, the Development Plan in substantial accord with the Development Plan presented to the BRA at its public hearing Board on May 17, 2018; and

FURTHER VOTED: That the Director be, and hereby is, authorized to petition the Boston Zoning Commission for approval of the Development Plan pursuant to Section 3-1A.a and Section 80C of the Code, in substantial accord with the same as presented to the BRA at its public hearing on May 17, 2018; and

**FURTHER
VOTED:**

That the Director be, and hereby is, authorized to issue a Preliminary Adequacy Determination under Section 80B-5.4(c)(iv) of the Code, which: (i) finds that the DPIR adequately describes the potential impacts arising from the Proposed Project, and provides sufficient mitigation measures to minimize these impacts; and (ii) waives further review of the Proposed Project under subsection 5 of Section 80B-5 of the Code, subject to continuing design review by the BRA; and

**FURTHER
VOTED:**

That the Director be, and hereby is, authorized to issue one or more Certifications of Compliance or Partial Certifications of Compliance for the Proposed Project pursuant to Section 80B-6 of the Code upon successful completion of the Article 80 Large Project Review process; and

**FURTHER
VOTED:**

That the Director be, and hereby is, authorized to issue one or more Certifications of Consistency or Partial Certifications of Consistency for the Proposed Project pursuant to Section 80C-8 of the Code, when appropriate; and

**FURTHER
VOTED:**

That the BRA approve the proposed Project as a Development Impact project within the meaning of Section 80B-7 of the Code: and

**FURTHER
VOTED:**

That the Director be, and hereby is, authorized to take any and all actions and execute any and all documents deemed necessary and appropriate by the Director in connection with the foregoing, including, without limitation, executing and delivering a Development Impact Project Agreement, a Cooperation Agreement, Boston Residents Construction Employment Plan Agreement, Off-Site Inclusionary Development Policy ("IDP") Unit Agreement, and any and all other agreements and documents that the Director deems appropriate and necessary in connection with the Proposed Project and the Development Plan, all upon terms and conditions determined to be in the best interests of the BRA.