

## MEMORANDUM

JULY 16, 2013

**TO:** BOSTON REDEVELOPMENT AUTHORITY AND  
PETER MEADE, DIRECTOR

**FROM:** HEATHER CAMPISANO, DEPUTY DIRECTOR FOR DEVELOPMENT  
REVIEW  
LAUREN WILLIAMS, PROJECT MANAGER

**SUBJECT:** PUBLIC HEARING TO CONSIDER THE DEVELOPMENT PLAN FOR  
PLANNED DEVELOPMENT AREA NO. 70, THE RESIDENCES AT 399  
CONGRESS STREET, IN SOUTH BOSTON

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**SUMMARY:** This Memorandum requests that the Boston Redevelopment Authority (the "BRA") (i) authorize the BRA Director (the "Director") to issue a Determination waiving further review in connection with a Notice of Project Change filed for the Residences at 399 Congress Street project (the "Proposed Project"), pursuant to Section 80A-6 of the Boston Zoning Code (the "Code"); (ii) authorize the Director to issue a Certification of Compliance for the Proposed Project pursuant to Section 80B-6 of the Code; (iii) approve the Development Plan for Planned Development Area No. 70, Residences at 399 Congress Street, South Boston (the "PDA Plan") and the accompanying map amendment, pursuant to Sections 3-1A.a and 80C of the Code; (iv) authorize the Director to petition the Boston Zoning Commission for approval of the PDA Plan and the accompanying map amendment, in substantial accord with the form presented to the BRA at its July 16, 2013 hearing; (v) authorize the Director to issue a Certification of Consistency for the Proposed Project pursuant to Section 80C-8 of the Code; and (vi) authorize the Director to execute and deliver a Cooperation Agreement, Boston Residents Construction Employment Plan, Affordable Rental Housing Agreement and Restrictions, and any and all other documents and agreements as may be necessary and appropriate in connection with the Proposed Project and the PDA Plan.

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### PROJECT BACKGROUND

On May 30, 2006, the Proponent, Madison Seaport Holdings, LLC (the "Proponent"), filed a Letter of Intent proposing a new-construction hotel project for 399 Congress Street (the "Initial Project"). This submission was followed by a Project Notification Form ("PNF") on August 1, 2006, and a Planned Development Area ("PDA")

Development Plan on August 4, 2006. On October 17, 2006, the Initial Project was the subject of a Record of Decision, issued by the Massachusetts Environmental Policy Act Office of the Executive Office of Environmental Affairs, waiving the requirement of an Environmental Impact Report. On March 8, 2007, the BRA voted to authorize the Director to issue a Scoping Determination waiving further review pursuant to Section 80B-5.3(d) of the Code approving the Initial Project as a 24-story, 535,000-square foot hotel containing 505 rooms and 150 on-site parking spaces.

## **THE PROPOSED PROJECT**

The Proponent spent the next four years unsuccessfully attempting to finance and develop the hotel project. On August 12, 2011, the Proponent filed a Notice of Project Change and a revised PDA Plan, proposing to change the use of the Initial Project to that of a multifamily residential apartment building, to be known as the Residences at 399 Congress Street.

After a period of initial discussions between the Proponent and BRA staff regarding the considerations involved in the proposed change of use, on January 30, 2013, the Proponent met with BRA staff to revise the program of the proposed residential project to meet certain needs of the Innovation District and the larger city. The program mix shifted in order to, among other things, incorporate additional affordable units; substitute innovation residential units for extended-stay units, and increase the number of such units; and add three-bedroom units. Specifically, the project now consists of a 22-story, approximately 414-unit apartment building containing approximately 12,000 square feet of supporting ground-floor lobby, retail, and innovation space; two levels dedicated to approximately 60 compact, highly efficient “innovation” residential units with supporting “collision” common space on both levels; approximately 12,600 square feet of shared-use building amenity space on the 21<sup>st</sup> floor, consisting of a fitness room, media room, and a game and lounge area; an anticipated mix on floors 4 through 20 of studio, 1-, 2-, and 3-bedroom units, with the balance of unit types weighted towards smaller residences consistent with the focus of the City of Boston’s Innovation District concept for the area; and parking for approximately 144 vehicles (which may include stacker spaces as well as spaces allocated to a car-sharing service, such as Zipcar) in a 3-level underground garage; and landscaping of the remaining portions of the PDA Overlay Area as defined below (the “Proposed Project”). Due to these modifications to the program, a revised Notice of Project Change for the Proposed Project was submitted to the BRA on May 16, 2013 (“NPC”). In addition, the Development Plan for Planned Development Plan Area No. 70 has been revised to include the requested changes.

The total development cost of the Proposed Project is approximately \$200,000,000.

## **APPLICABILITY OF DIP HEARING**

The March 8, 2007, BRA Board Memo concerning the Initial Project noted that “the PNF, project design changes, Additional Materials/Response to Comments, and accompanying mitigation commitments meet the criteria for the issuance of a Scoping Determination Waiving Further Review,” and “recommended that the Authority approve the Congress Street Hotel project.” The BRA’s vote conditioned the issuance of the Scoping Determination, however, on holding a Development Impact Project (“DIP”) public hearing concerning the Initial Project. Because the primary use of the Initial Project was for a hotel, it was subject to the DIP provisions of Code Section 80B-7. The primary occupancy of the Proposed Project will be for residential uses, however, and it will contain only a de minimus retail component on the ground floor (totaling substantially less than 100,000 square feet of gross floor area of DIP uses). Accordingly, the Proposed Project is not a DIP project, and the requirement of a DIP hearing is no longer applicable to the Proposed Project.

## **ARTICLE 80 REVIEW**

On May 9, 2013, a Scoping Session was held to review the Proponent’s Notice of Project Change, the PDA Plan, and the Proposed Project. A community meeting was held at the Boston Convention and Exposition Center on May 13, 2013, and two Impact Advisory Group (“IAG”) meetings were held, the first at Factory 63, located at 63 Summer Street in the Fort Point neighborhood, on May 29, 2013, and a second at Made in Fort Point, located at 30 Channel Center, on June 5, 2013. The Proponent made a presentation concerning the Proposed Project to the Boston Civic Design Commission (“BCDC”) on May 7, 2013. The Proposed Project was sent to subcommittee for a design working session that took place on May 28, 2013, at which various aspects of the Proposed Project were reviewed. On June 4, 2013, the BCDC voted to approve the Proposed Project’s revised design. The comment periods associated with Article 80B and 80C of the Code ended on May 31, 2013, and were voluntarily extended by the Proponent, at the request of the IAG, until June 6, 2013.

## **ZONING AND PLANNED DEVELOPMENT AREA**

The PDA overlay area (the “PDA Overlay Area”) is approximately 57,937 square feet (1.33 acres) in area and represents a joint initiative between the Proponent and the Massachusetts Port Authority (“Massport”) for this section of the Innovation District. The PDA Overlay Area includes two components: (i) the building site, an un-numbered, approximately 30,435 square foot parcel of vacant land located on the south side of Congress Street between its intersections with East Service Road and B Street, bounded generally by Congress Street to the north, East Service Road to the west, and an I-93 on-ramp to the east and south (the “Site”); and (ii), immediately across the adjacent I-93 on-ramp to the southeast, a triangle-shaped parcel of vacant land situated

among three highway ramps and containing 27,502 square feet, which is owned by Massport (the “Massport Parcel”). The Site will be developed as provided in the PDA Plan and the Massport Parcel will be landscaped to provide an appealing visual amenity for the surrounding area, as provided in the PDA Plan.

### **AFFORDABILITY**

The Proposed Project’s affordability component will exceed the requirements of the City’s Inclusionary Development Program established by the Mayor’s Executive Order dated February 29, 2000, as amended. It is anticipated that the Proposed Project’s affordable and rent-limited units will be allocated as follows:

<b>Unit Type</b>	<b>Number of Market Units</b>	<b>Number of Affordable or Rent Limited Units</b>	<b>Unit Total</b>
Innovation	42	13	55
Rent Limited Innovation*	n/a	5	5
Studio	72	13	85
1BR	190	31	221
2BR	34	5	39
3BR	8	1	9
Total	346	68	414

\* The rent for five (5) Innovation Units will be fixed at \$1700 per month for seven (7) years from the date of the Proposed Project’s certificate of occupancy.

### **PUBLIC BENEFITS AND MITIGATION**

The extensive design review process and the Article 80 review of the Proposed Project has yielded not only a well-designed new multifamily residential apartment building, but also the provision of a number of public benefits and mitigation measures, including but not limited to:

- Creating approximately 63 new affordable rental units for Boston residents;
- Creating 5 rent limited innovation units at \$1700 a month for 7 years;
- Supplying approximately 60 Innovation Units, representing the largest concentration of this important new housing typology within Boston;
- Adding substantially to the city's housing stock during a period of rapidly-escalating demand for rental units; supplying new apartments to serve the needs of the area's growing employer base; and contributing towards meeting the Mayor's goal of creating 30,000 new housing units in Boston by 2020;
- Creating construction and permanent full-time employment through the development of a high-quality multifamily residential tower with a mixed-use component, which will result in an anticipated 600 construction jobs as well as permanent, full-time employment positions;
- Advancing the goals of the Seaport Public Realm Plan by adding to the neighborhood's residential base, thereby supporting existing and new area retail, and enhancing the 24/7 vitality of the Innovation District;
- Collaborating in an inclusive design process to generate an appealing landscape design for the Massport Parcel, and providing a substantial monetary contribution towards its implementation and/or long-term maintenance;
- Providing a visually-attractive, architecturally-distinguished structure of a quality, scale, and massing appropriate to the Site and its general context;
- Incorporating environmentally-sustainable construction techniques and building systems into a major new residential tower;
- Locating a transit-oriented, mixed-use development in an area supported by extensive transportation and utility infrastructure, thereby minimizing effects on the environment and helping maximize the effectiveness of investments in public transportation and other infrastructure in the area;
- Generating significant increased real estate and sales tax revenues for the City of Boston; and
- Providing a total contribution of \$150,000 to the Children's Wharf Park, payable to the BRA, which contribution may take the form, at the Proponent's election, of either (a) ten (10) annual payments of \$15,000, with the first installment payable upon issuance of the Proposed Project's certificate of occupancy; or (b) in one lump sum, reduced to net present value, at a discount rate of five percent (5%) payable upon the issuance of the Proposed Project's certificate of occupancy.

## **DEVELOPMENT TEAM**

The development team consists of:

Proponent:	Madison Seaport Holdings, LLC
Architect (s):	ADD Inc. & Group One Partners, Inc.
Legal Counsel:	Brennan, Dain, Le Ray, Wiest, Torpy & Garner, P.C.
Transportation Consultant:	Vanasse Hangen Brustlin
Engineer:	Nitsch Engineering
Permitting Consultant:	Epsilon Associates, Inc.

## **RECOMMENDATIONS**

BRA staff recommends that the BRA take the following actions related to the Proposed Project and the PDA Plan: (i) authorize the Director to issue a Determination waiving further review in connection with the NPC pursuant to Section 80A-6 of the Code; (ii) authorize the Director to issue a Certification of Compliance for the Proposed Project pursuant to Section 80B-6 of the Code; (iii) approve the PDA Plan and the accompanying map amendment, pursuant to Sections 3-1A.a and 80C of the Code; (iv) authorize the Director to petition the Zoning Commission for approval of the PDA Plan and the accompanying map amendment, in substantial accordance with the form presented to the BRA at its July 16, 2013 hearing; (v) authorize the Director to issue a Certification of Consistency for the Proposed Project pursuant to Section 80C-8 of the Code; and (vi) authorize the Director to execute and deliver a Cooperation Agreement, a Boston Residents Construction Employment Plan, an Affordable Rental Housing Agreement and Restrictions, and any and all other documents and agreements as may be necessary and appropriate in connection with the Proposed Project and the PDA Plan.

Appropriate votes follow:

**VOTED:** That the Director is authorized to issue a Determination pursuant to Section 80A-6 of the Boston Zoning Code (the “Code”) waiving further review of the proposed Residences at 399 Congress Street, consisting of a 22-story, approximately 414-unit apartment building containing approximately 12,000 square feet of supporting ground-floor lobby, retail, and innovation space; two levels dedicated to approximately 60 compact, highly efficient “innovation” residential units with supporting “collision”

common space on both levels; approximately 12,600 square feet of shared-use building amenity space on the 21<sup>st</sup> floor, consisting of a fitness room, media room, and a game and lounge area; and parking for approximately 144 vehicles (which may include stacker spaces as well as spaces allocated to a car-sharing service, such as Zipcar) in a 3-level underground garage (the “Proposed Project”), which finds that the Notice of Project Change submitted to the BRA on May 16, 2013, and additional materials for the Proposed Project adequately describes any potential impacts arising from the Proposed Project and provides sufficient mitigation measures to minimize such impacts; said Determination shall also be deemed to be the Scoping Determination waiving further review as set forth in Section 80B-5.3(d) of the Code and the requirements of said Section 80B-5.3(d) of the Code shall be followed in the issuance of said Determination; and

**FURTHER**

**VOTED:** That the Director is authorized to issue a Certification of Compliance pursuant to Section 80B-6 of the Code for the Proposed Project, upon successful completion of the Article 80 Processes, subject to on-going design review by the BRA; and

**FURTHER**

**VOTED:** That, in connection with the Development Plan for Planned Development Area No. 70, Residences at 399 Congress, South Boston (the “PDA Plan”) presented at a public hearing duly held at the offices of the BRA on July 16, 2013, and after consideration of evidence presented at and in connection with the hearing on the PDA Plan, the BRA finds that: (a) the PDA Plan is not for a location or proposed project for which Planned Development Areas are forbidden by the underlying zoning; (b) the Proposed Project complies with any provisions of the underlying zoning that establish use, dimensional, design, or other requirements for proposed projects in Planned Development Areas; (c) the PDA Plan complies with any provisions of the underlying zoning that establish planning and development criteria, including public benefits, for Planned Development Areas; (d) the PDA Plan conforms to the plan for the district, sub-district, 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 the PDA Plan will be injurious to the neighborhood or otherwise detrimental to the public welfare, weighing all the benefits and burdens; and

**FURTHER**

**VOTED:** That, pursuant to Sections 3-1A.a and 80C of the Code, the BRA approves the PDA Plan and associated map amendment, and authorizes the Director to petition the Boston Zoning Commission for approval of the PDA Plan and the associated map amendment, in substantial accordance with the form presented to the BRA at its July 16, 2013, hearing; and

**FURTHER**

**VOTED:** That the Director is authorized to issue a Certification of Consistency pursuant to Section 80C-8 of the Code for the Proposed Project, when the Director finds that: (a) the Proposed Project is described adequately in the PDA Plan; (b) the Proposed Project is consistent with the PDA Plan, and (c) the PDA Plan has been approved by the BRA and the Boston Zoning Commission in accordance with the applicable provisions of Section 3-1A.a and Section 80C of the Code; and

**FURTHER**

**VOTED:** That the Director is authorized to execute all documents and agreements deemed necessary and appropriate by the Director in connection with the approval of the Proposed Project and the PDA Plan, including but not limited to a Cooperation Agreement, a Boston Residents Construction Employment Plan, and an Affordable Rental Housing Agreement and Restrictions, subject to such terms and conditions as the Director deems to be in the best interest of the BRA, and to take such other actions deemed necessary and appropriate by the Director in connection with the foregoing.