

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

**FROM:** HEATHER CAMPISANO, DEPUTY DIRECTOR FOR DEVELOPMENT  
REVIEW

**SUBJECT:** MILLENNIUM TOWER AND BURNHAM BUILDING  
REDEVELOPMENT (f/k/a THE ONE FRANKLIN/FILENE'S  
REDEVELOPMENT) PROJECT, LOCATED IN THE MIDTOWN  
CULTURAL DISTRICT

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**SUMMARY:** This Memorandum requests that the Boston Redevelopment Authority ("BRA") take the following actions related to the Millennium Tower and Burnham Building Redevelopment (f/k/a The One Franklin/Filene's Redevelopment) Project (the "Project") located at 426 Washington Street in the Midtown Cultural District: (1) adopt certain findings relating to a Demonstration Project ; (2) adopt a Demonstration Project Plan under Massachusetts General Laws Chapter 121B, Section 46(f) for the Project; (3) adopt an Order of Taking for a certain property interests within the Project Site, relating to the Project; (4) authorize the Director to enter into Payment in Lieu of Taxes ("PILOT") Agreements for the Project with the City of Boston; and (5) authorize the Director to enter into any and all other agreements and documents that the Director deems appropriate and necessary.

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### **PROJECT SITE**

The Proposed Project will be located at 426 Washington Street at the site of the former Filene's Department Store in the block surrounded by Washington, Franklin, Hawley and Summer Streets in the Downtown Crossing area of downtown Boston (the "Project Site"). The Project Site is located in the Midtown Cultural District and the Restricted Parking District and consists of approximately 63,569 square feet of privately-owned land area, as well as adjacent sidewalks and certain public space commonly known as Shopper's Park.

## **PROJECT BACKGROUND**

On November 16, 2006 the BRA approved a Development Plan for the One Franklin/Filene's Redevelopment Planned Development Area No. 72 (the "Original Development Plan") proposed by 426 Washington Street Owner LLC, a joint venture of Vornado Realty Trust and Gale International, LLC ("Vornado") concerning the proposed development of the Project Site. The Original Development Plan was approved by the Boston Zoning Commission on December 6, 2006. A Project Notification Form ("2006 PNF") was filed by Vornado with the Authority on November 14, 2006 for the One Franklin/Filene's Redevelopment Project (the "Original Project"). A Draft Project Impact Report ("DPIR") was filed with the Authority on April 27, 2007. On August 14, 2007, the Authority Board approved an Amended and Restated Development Plan for the One Franklin/Filene's Redevelopment, Planned Development Area No. 72 (the "First Amended Development Plan") and the Boston Zoning Commission approved the First Amended Development Plan on October 31, 2007.

Demolition and excavation of a portion of the Project Site began in late 2007 and ended in 2008, leaving the Burnham Building and a portion of a 1905 Building on site.

On November 17, 2010, the Director of the BRA sent, pursuant to Article 80A-6 of the Boston Zoning Code ("Code"), a letter determination stating the delay in construction of the Original Project significantly increased the impacts of the Original Project and that the BRA would require additional filings and submissions under Article 80 of the Code for a project on this site.

## **CURRENTLY PROPOSED PROJECT**

On July 27, 2012, MP Franklin, LLC (the "Proponent") filed the Second Amended Development Plan for the Millennium Tower and Burnham Building Redevelopment (f/k/a One Franklin/Filene's Redevelopment), Planned Development Area No. 72 (the "Second Amended Development Plan") and on August 6, 2012, the Proponent filed a Notice of Project Change ("2012 NPC") describing the improvements to be made on the Project Site.

The Proponent is proposing an approximately 1,185,000 square-foot mixed-use project containing residential uses, office uses, retail, restaurant, entertainment and services uses, recreational, community and health club/spa uses, hotel uses, underground parking and accessory uses. As currently envisioned, the project will contain approximately 784,000 to 800,000 square feet of residential space, approximately 122,000 to 231,000 square feet of retail space, approximately 125,000 to 218,000 square feet of office space, approximately 35,000 square feet of health club/spa space, approximately

10,000 square feet of restaurant space and a below-grade parking garage with parking for up to 550 vehicles (the “Proposed Project”).

The Proposed Project includes the preservation of, and renovations to, the Burnham Building and the development of a new mixed use residential building with a zoning height of up to 625 feet. A new, five-story podium containing residential, fitness, and retail functions is located along the property lines on Washington, Franklin, and Hawley Streets. Above the podium, the massing of the Tower is set close to the Franklin Street/Shopper’s Park side of the Project Site to create maximum separation from the Burnham Building. The Burnham Building will contain approximately 100,000 square feet of retail space on the ground floor and first basement level, and at least one upper floor. Above the retail floors will be approximately 185,000 square feet of office space. Retail entryways, coupled with display windows, will be located along at least three sides of the entire block: on Summer and Washington Streets in the Burnham Building, and in the new Tower podium along Washington Street and facing Shopper’s Park on Franklin Street. The office lobby will be on Summer Street. The residential lobbies will be located on Franklin Street. Access to service entrances and vehicular access to below grade parking will be from Hawley Street. The parking garage will extend below the entire Project Site, including the use of two existing basement floors beneath the Burnham Building. The Tower will contain approximately 600 residential units. It is shaped roughly as a tapered “wedge” to (1) present a slender profile to the west, (2) emphasize the distinct and historic character of the restored Burnham Building, (3) increase daylight opportunities for Washington Street, and (4) maximize daylight to the office space in the Burnham Building and lower floors of the Tower.

The Burnham Building will undergo a full façade restoration, including removing the current canopy and replacing it with replications of the historic canopies of the original 1912 design. A new glass curtain wall will enclose the north façade of the Burnham Building, with masonry returns at each corner facing Washington and Hawley Streets.

The Tower façades will have a mixture of opaque and transparent materials, with aluminum and glass as the primary material of the Tower portion. The glazing will use a mixture of clear, translucent, and opaque spandrel glass. The podium will contain lighting and signage commensurate with the retail activities inside. Portions of the retail floors may open to the skylights above and/or to the lower retail level in the Burnham Building.

## **ARTICLE 80 PROCESS**

The Proponent filed a Letter of Intent to file a Notice of Project Change on July 2, 2012. Members of the Impact Advisory Group (“IAG”) from the previously approved Vornado project were notified and new members were added to reflect changes in community groups and to replace members who have moved from the neighborhood.

The 2012 NPC, received by the BRA on August 6, 2012, was subsequently distributed to the IAG, BRA staff, and other city agencies.

An IAG meeting was held on August 13, 2012 in the Authority Board Room in City Hall and a duly advertised community meeting was held on August 15, 2012 in the Authority Board Room in City Hall. At both meetings, the Proponent presented the Proposed Project and answered questions from members of the IAG and the community. In addition to the IAG meeting and a community meeting, the Proponent held twenty-three meetings with abutters, community groups, and other interested parties to discuss the Proposed Project.

The Proposed Project received Conceptual Design Approval with Provisos for continuing design review for the Boston Landmarks Commission on September 7, 2012 and received a conditioned recommendation for approval from the Boston Civic Design Commission (“BCDC”) on September 4, 2012.

On September 13, 2012 the Authority authorized the issuance of a Determination waiving further review pursuant to Section 80A-6.2 of the Code in connection with the 2012 NPC and authorized the Director to petition the Boston Zoning Commission for the approval of the Second Amended and Restated Development Plan for Planned Development Area No. 72. The Second Amended and Restated Development Plan for Planned Development Area No. 72 was approved by the Boston Zoning Commission on October 10, 2012, effective October 14, 2012. On March 8, 2013 the BRA issued Determination pursuant to Section 80A-6.2 of the Code for the Project.

### **DEVELOPMENT TEAM**

MP Franklin, LLC c/o Millennium Partners – Proponent, Anthony Pangaro, Joseph Larkin, Kathleen MacNeil  
Handel Architects LLP, Blake Middleton, Stephen Matkovits  
Howard/Stein-Hudson Associates – Transportation Consultants, Guy Busa  
DLA Piper LLP – Legal Counsel, John Rattigan, Brian Awe  
Epsilon Associates, Inc. – Permitting, Cindy Schlessinger, Geoff Starsiak

### **REQUEST BY DEVELOPER**

The Proponent is proposing the significant redevelopment of the Project Site, including the rehabilitation of the Burnham Building (former Filene’s) and the creation of public amenities that will improve access and accommodations to the Project Site, and the improvement of significant open space, each contributing costs to the redevelopment. In order to effectuate the redevelopment of this historic building, and create jobs both during the construction period and in the longer term, the Proponent is requesting that the City of Boston provide real estate tax relief for the Project and in connection

therewith that the BRA adopt a Demonstration Project Plan pursuant to M.G.L. Chapter 121B, section 46(f), as amended, which will allow the BRA to acquire a property interest in the Project Site from Proponent by eminent domain.

### **DEMONSTRATION PROJECT PLAN**

In an effort to effectuate the development of the Proposed Project and improve the public realm, the BRA may adopt under Massachusetts General Laws Chapter 121B, Section 46(f), a demonstration project plan, which grants authorization for the BRA to acquire by eminent domain a certain property interest (defined below) from the Proponent within a portion of the Project Site. Once the demonstration project plan is established, the BRA may proceed with a Massachusetts General Laws Chapter 79 eminent domain taking.

### **ORDER OF TAKING AND PILOT AGREEMENTS**

The Project qualifies for tax relief through the adoption of a demonstration project plan pursuant to M.G.L. c. 121B, Section 46(f), so long as the BRA holds a real estate interest in the Project Site. Under the Demonstration Project Plan being adopted, the BRA may record a temporary taking of a property interest in the Project pursuant to its eminent domain powers under M.G.L. c. 121B, Section 11, to allow the BRA and the Proponent to enter into a Payment In Lieu Of Taxes under M.G.L. C. 59. The parties have been negotiating PILOT Agreements with the City, which are close to being finalized. The BRA is acquiring a property interest in a portion of the Project Site specifically a certain parcel of air rights (the "Air Rights") with the improvements contained therein (the "Improvements") (the Air Rights and the Improvements and any air space contained therein or improvements to be constructed thereon being collectively referred to as the "Taking") situated \_\_\_\_\_, in the City of Boston, in the County of Suffolk, Commonwealth of Massachusetts, being a portion of the property known and numbered 426 Washington Street and One Franklin Street shown and described as "Vertical Taking Area" on a plan entitled "Boston Redevelopment Authority Taking Plan Vertical, \_\_\_\_\_ Washington Street, Boston Proper", dated \_\_\_\_\_, 2013", **Scale 1" = 10'**, prepared by \_\_\_\_\_.

### **RECOMMENDATION**

BRA staff have been working with the City and have reviewed the Application for Adoption of a Demonstration Project, and the request by MP Franklin Burnham, LLC and MP Franklin Tower, LLC (together, the "Proponent") and recommend that the BRA take the following actions related to the Millennium Tower and Burnham Building Redevelopment Project (the "Proposed Project") located at 426 Washington Street and One Franklin Street in the Midtown Cultural District ("Project Site"): (1) adopt certain findings relating to the Demonstration Project in connection with the Project; (2) adopt

a Demonstration Project Plan under Massachusetts General Laws Chapter 121B, Section 46(f) for the Project; (3) adopt an Order of Taking for a certain property interests within the Project site; (4) authorize the Director to enter into Payment in Lieu of Taxes (“PILOT”) Agreements for the Project with the City of Boston; and (5) authorize the Director to enter into and execute an any and all other agreements and documents that the Director deems appropriate and necessary.

Appropriate votes follow:

**VOTED:** That the Boston Redevelopment Authority (the “Authority”), in connection with a certain property interests owned by the Proponent, in order to effectuate the development of the Millennium Tower and Burnham Building Redevelopment (the “Project”), improve public infrastructure, attract and retain jobs, and improve the public realm in the City of Boston, hereby finds and determines as follows:

- (a) In order to eliminate urban blight and effectuate private and public development by the undertaking of the Project, it is in the public interest for the Authority to acquire by eminent domain certain property interests owned by the Proponent in the Project site (the “Taking Area”);
- (b) That, in accordance with the Massachusetts General Laws Chapter 30, Section 61, a finding and/or determination is hereby made that the Project will not result in significant damage to the environment and further, with the implementation of mitigation measures, that all practicable and feasible means and measures will or have been taken to avoid or minimize potential damage to the environment;
- (b) The undertaking of the Project requires the assistance of the Authority; and
- (c) Based on (a), (b) and (c) above, the Project and the acquisition of the Taking Area constitutes a “demonstration project” under General Laws Chapter 121B, Section 46(f), as amended; and

**FURTHER**

**VOTED:** That the application presented at the August 15, 2013 meeting of the Authority entitled, “Millennium Tower and Burnham Building Redevelopment Project: Application for Adoption of a Demonstration Project Under G.L. c.121B, §46(f)” be, and hereby is, accepted as a Demonstration Project Plan pursuant to Massachusetts General Laws

Chapter 121B, section 46(f) for the Project and adopted by the Authority;  
and

**FURTHER**

**VOTED:** That the Authority adopt a Resolution entitled, "BE IT RESOLVED by the Boston Redevelopment Authority that an ORDER OF TAKING dated August 15, 2013, relating to a certain parcel is located \_\_\_\_\_, Boston, Suffolk County, Commonwealth of Massachusetts, . . ." be executed and made a permanent part of these proceedings, a copy of which the Secretary shall cause to be recorded in the Office of the Registry of Deeds for the County of Suffolk; and

**FURTHER**

**VOTED:** That the Director be, and hereby is, authorized to enter into Payment in Lieu of Taxes ("PILOT") Agreements in connection with the Project in the Midtown Cultural District subject to such terms and conditions as the Director deems to be appropriate and necessary and in the best interest of the BRA; and

**FURTHER**

**VOTED:** That the Director be, and hereby is, authorized to execute any and all related instruments, agreements and documents which the Director, in his sole discretion deems appropriate and necessary, and upon terms and conditions determined to be in the best interest of the BRA, in connection with the Demonstration Project Plan and Order of Taking for the Taking, and the PILOT Agreement, including but not limited to an indemnification agreement.