

MEMORANDUM

AUGUST 15, 2013

TO: BOSTON REDEVELOPMENT AUTHORITY AND
PETER M. MEADE, DIRECTOR

FROM: ROBERT LUISI, DIRECTOR OF ADMINISTRATION & FINANCE
DANA WHITESIDE, DEPUTY DIRECTOR COMMUNITY ECONOMIC
DEVELOPMENT

SUBJECT: APPLICATIONS FOR THE COMMONWEALTH OF MASSACHUSETTS
MASSDEVELOPMENT BROWNFIELDS DEVELOPMENT FUND

SUMMARY: This Memorandum seeks authorization for the Boston Redevelopment Authority and the Director to (i) submit an application to the Commonwealth agency MassDevelopment ; (ii) enter into a Grant Agreement with Melnea Partners, LLC for the use of funds from the Brownfields Development Fund in connection with the Melnea Hotel and Residences Project; and (iii) execute any other documents and agreements deemed necessary and appropriate in connection with the application process and the administration of the Brownfields Development Fund with the Commonwealth of Massachusetts, MassDevelopment and City of Boston.

BACKGROUND

The Brownfields Redevelopment Fund (Fund) was established by the Massachusetts State Legislature in 1998 to encourage economic development in economically distressed areas of the commonwealth by providing loans and grants to finance environmental site assessments and environmental cleanup actions. The Fund was initially capitalized in 1999 with \$30 million and recapitalized in 2006 with an additional \$30 million. Thanks to the Legislature's foresight followed by the efforts of MassDevelopment and the Brownfields Advisory Group, the Fund has made a significant impact on Brownfield sites throughout Massachusetts. In fact, ninety percent of the Fund has been deployed to address environmental issues at sites that have then been redeveloped or returned to productive use.

MassDevelopment administers the Brownfields Site Assessment Program by providing funding of up to \$100,000 for environmental assessments and of up to \$500,000 (and, in limited cases, up to \$2 million) for environmental clean-up costs.

MELNEA HOTEL AND RESIDENCES

Melnea Partners, LLC has proposed a combined-use building for Parcel 9 including a one hundred forty-five (145) room hotel, ground floor commercial, restaurant and community space, fifty (50) units of mixed income rental housing, and underground parking for one hundred twenty-two (122) cars. The uses and gross square footage are as follows:

78,000 SF 145 room hotel
8,000 SF retail space
12,600 SF of shared and building core
41,600 SF of 50 residential rental units
45,100 SF of below garage with 122 spaces

REGULATORY REVIEW AND TENTATIVE DESIGNATION OF URBANICA PARTNERS

The following milestones represent key activity undertaken by the development team to work with staff from BRA and the Commonwealth of Massachusetts Department of Transportation ("MassDOT") as well as area stakeholders and residents including the Roxbury Strategic Master Plan Oversight Committee ("RSMPOC")

- May 15, 2012 Tentative Designation granted to Urbanica/Melnea Partners LLC as redeveloper of Parcel 9;
- May 16, 2013 Extension to the Tentative Designation granted to Urbanica/Melnea Partners LLC;
- July 16, 2013 Article 80 Approval for the proposed Melnea Hotel and Residences Project

Urbanica Partners has undertaken initial environmental review of the Parcel 9 Site and have made the determination that further review and likely moderate remediation activity will be necessary to support the proposed development.

RECOMMENDATION

In order to advance the project, BRA staff have coordinated with staff from MassDevelopment to determine the feasibility of an application for the Brownfields Redevelopment Fund as administered by that agency.

Appropriate votes follow:

VOTED: That the Director be, and hereby is authorized to submit an application to the Commonwealth of Massachusetts MassDevelopment for funds from its Brownfields Redevelopment Program in support of the Melnea Hotel and Residences Project as proposed for Parcel 9; and

FURTHER

VOTED: That the Director of the BRA be, and hereby is, authorized to enter into an agreement with Melnea Partners, LLC for the use of funds from the Brownfields Redevelopment Fund for the Melnea Hotel and Residences Project; and

FURTHER

VOTED: That the Director of the BRA be, and hereby is, authorized to execute any other documents and agreements deemed necessary and appropriate in connection with the application process and the administration of the Brownfields Redevelopment Fund Grant with the Commonwealth of Massachusetts MassDevelopment and City of Boston in connection with the Melnea Hotel and Residences Project.