

MEMORANDUM

SEPTEMBER 12, 2013

TO: BOSTON REDEVELOPMENT AUTHORITY AND
PETER MEADE, DIRECTOR

FROM: HEATHER CAMPISANO, DEPUTY DIRECTOR FOR DEVELOPMENT
REVIEW
TYLER NOROD, SENIOR PROJECT MANAGER

SUBJECT: CHAIN FORGE BUILDING, ALSO KNOWN AS BUILDING 105 IN THE
CHARLESTOWN URBAN RENEWAL AREA, PROJECT NO. MASS.
R-55; TENTATIVE DESIGNATION

SUMMARY: This Memorandum requests the adoption of a Resolution re: Tentative Designation of Kavanagh Advisory Group, LLC as Redeveloper of the Chain Forge Building, also known as Building 105, in the Charlestown Navy Yard, Charlestown Urban Renewal Area Project No. Mass. R-55.

BACKGROUND

Building 105, also known as the Chain Forge Building, was transferred to the Boston Redevelopment Authority (“BRA”) when the BRA purchased the Charlestown Navy Yard (“CNY”) from the United States in 1975. The building, constructed in the early 1900s, served as the U.S. Navy’s sole source of chain for decades. While the BRA retains ownership of the building, the National Park Service (“NPS”) owns the equipment and machinery inside. The building has been vacant for over 30 years and is currently being maintained by the BRA.

The Chain Forge Building has undergone environmental decontamination for asbestos, PCB, oil disposal, lead paint, and removal of contaminated piping and soil. The building was placed on the National Register of Historic Places by both the United States Department of the Interior and the Massachusetts Historical Commission and is within the Historic Monument Area of the Charlestown Navy Yard.

The Chain Forge Building is bordered on the south by First Avenue, on the east by 13th Street and the Basilica (Building 106), on the north by the Second Avenue pedestrian way and view corridor and Building 149, and on the west by 9th Street and Parcel 39A (the “Project Site”).

On June 3, 2008, the BRA authorized the Director to issue a Request for Interest (“RFI”) for the Chain Forge Building. The RFI was issued in September 2008 and responses were due on October 27, 2008.

On August 13, 2009, the BRA designated Kavanagh Advisory Group, LLC (“Kavanagh”) as the Interim Developer of the Chain Forge Building (the “Interim Developer Designation”).

The Interim Developer Designation was extended previously by the BRA on July 20, 2010, October 20, 2011 and August 9, 2012. The Interim Developer Designation granted Kavanagh 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.

Kavanagh is currently in negotiations with several hotel owner/operators with the goal of signing a formal Letter of Intent by the fall of 2013. A proposed feasibility study has been vetted with the National Park Service in Philadelphia, the Boston Landmarks Commission, the Massachusetts Historical Commission and BRA staff receiving strong support for their progress so far. In addition, Kavanagh is in discussions with the National Park Service in Boston to conduct an equipment study of the existing building with a goal of having work begin in 2013. Upon completion of the equipment study, the signing of a formal Letter of Intent with the BRA and a future tenant and satisfaction of the requirements of this Tentative Designation, Kavanagh will submit a Project Notification Form and formally begin the Article 80 review process. This schedule would allow for an estimated construction start date in December of 2014 and project completion by December of 2016.

DEVELOPMENT TEAM

The development team consists of John E. Kavanagh, President and CEO of Kavanagh Advisory Group, LLC as the developer; Richard Bertman of CBT Architects as the Architect; Terence McDermott of McDermott, Quilty, and Miller as the attorney; Don Wiest of BDLWT&G as zoning attorney; Joe Salvia of McNamara/Salvia as structural engineer; and Epsilon Associates Inc., as the historic and zoning consultants.

RECOMMENDATION

BRA staff has determined that Kavanagh has satisfied the requirements of the Interim Developer Designation and should be granted Tentative Designation as Redeveloper of the Chain Forge Building. It is therefore recommended that Kavanagh be tentatively designated as the redeveloper of the Chain Forge Building for the purposes of developing a hotel.

Appropriate votes follow:

VOTED: That the Boston Redevelopment Authority (“BRA”) hereby adopt a resolution entitled “Resolution of the Boston Redevelopment Authority re: Tentative Designation of Kavanagh Advisory Group, LLC as Redeveloper of the Chain Forge Building, also known as Building 105, in the Charlestown Urban Renewal Area Project No. Mass. R-55”; and

FURTHER

VOTED: That this Tentative Designation of Kavanagh Advisory Group, LLC as Redeveloper of the Chain Forge Building, also known as Building 105, be automatically rescinded without prejudice and without further action by the BRA Board, if Final Designation has not been granted within 270 days from the date of this Tentative Designation or by June 9, 2014.

RESOLUTION OF THE BOSTON REDEVELOPMENT AUTHORITY RE: TENTATIVE DESIGNATION OF KAVANAGH ADVISORY GROUP, LLC OF THE CHAIN FORGE BUILDING, ALSO KNOWN AS BUILDING 105, IN THE CHARLESTOWN URBAN RENEWAL AREA PROJECT NO. 55 MASS. R-55

WHEREAS, the Urban Renewal Plan for the Charlestown Urban Renewal Area, Project No. Mass. R-55 (hereinafter referred to as the “Project Area”), has been duly reviewed and approved in full compliance with local, state and federal law; and

WHEREAS, the Authority is cognizant of the conditions that are imposed in the undertaking and carrying out of urban renewal projects with federal assistance under said Title I, including those prohibiting discrimination because of race, color, sex, religion, or national origin; and

WHEREAS, the Authority is cognizant of Chapter 30, Sections 61 through 62H of the Massachusetts General Laws, as amended, and its implementing regulations (collectively, “MEPA”) with respect to minimizing and preventing damage to the environment; and

WHEREAS, Kavanagh Advisory Group, LLC has expressed an interest and submitted a satisfactory proposal for the development of the Chain Forge Building, also known as Building 105, in the Charlestown Urban Renewal Area; and

NOW, THEREFORE, BE IT RESOLVED BY THE BOSTON REDEVELOPMENT AUTHORITY:

1. That Kavanagh Advisory Group, LLC be, and hereby is, tentatively designated as Redeveloper of the Chain Forge Building, also known as Building 105, in the Charlestown Navy Yard, Charlestown Urban Renewal Area Project No. Mass. R-55, subject to:
 - a. Submission, within two hundred and seventy (270) days, in a form satisfactory to the Authority of:
 - i. Evidence of the availability of the necessary equity funds; and
 - ii. Evidence of firm financial commitments from banks or other lending institutions; and
 - iii. Final working drawings and specifications; and
 - iv. Proposed development and construction schedule.

2. That disposal of said parcel by negotiation is the appropriate method of making the land available for redevelopment.
3. That it is hereby found and determined that the proposed development will not result in significant damage to the environment and further, that all practicable feasible means and measures have been taken to avoid or minimize damage to the environment.
4. That the developer be, and hereby is, authorized to petition the Board of Appeal for any zoning changes that may be necessary to complete the proposed development.
5. That the Director is hereby authorized to execute and deliver a License Agreement with Kavanagh Advisory Group, LLC for early entry to the Chain Forge Building, also known as Building 105, for the purpose of test borings and other related site preparation work. Furthermore, said License shall include the provision that the Authority shall be named as additional insured, as well as incorporate the Authority's usual requirements.
6. That by accepting this tentative designation the Redeveloper is specifically acknowledging that the Redeveloper shall be solely responsible for any and all costs of whatever kind or nature, incurred prior to the date of this Resolution or hereafter, in connection with the planning and development of the Chain Forge Building, also known as Building 105, and the Authority shall not be responsible or liable for any of such costs or be required to reimburse the Redeveloper for such costs in any respect or to any extent.
7. That the Secretary is hereby authorized and directed to publish notice of the proposed disposal transaction in accordance with Section 105(E) of the Housing Act of 1949, as amended, including information with respect to the "Redevelopers Statement for Public Disclosure" (Federal Form H-6004).
8. That this Tentative Designation is automatically rescinded without prejudice and without further authorization or approvals by the Authority's Board if the requirements of this Tentative Designation are not met within 270 days of the date of this Tentative Designation or by June 9, 2014.