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Construction Starts On \$230M Mixed-Use Project

Massachusetts Gov. Charlie Baker and Boston Mayor Martin Walsh were among the dignitaries on hand for Thursday's groundbreaking ceremonies for Related Beal's mixed-use affordable housing project at Parcel 1B in the Bullfinch Triangle section of the city.

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The \$230-million project calls for the construction of a 14-story mixed-use building that will feature 239 affordable and workforce housing units. In addition a 220-room Courtyard Marriott hotel will be built at the project site. Turnberry Associates is a partner with Related Beal on the hotel project and will develop and operate the hotel property that will also include 2,500 square feet of meeting space. The residential building will total approximately 484,000-square-feet and will also include 10,000 square feet of street level retail and a 220-above grade parking garage.

Related Beal officials state that the project will be delivered in the first quarter of 2018. The Boston Redevelopment Authority approved the project in August of last year. The architect of the mixed-use project

that is being designed to qualify as LEED Silver is CBT Architects.

Related Beal, a division of Related Cos., reported in December it had closed on the financing for the project and entered into a 99-year land lease with the Commonwealth of Massachusetts for Parcel 1B. The project site also includes Parcel 1C, which Related Beal acquired from an affiliate of Boston Development Group at the end of 2014. Parcel 1C is currently used as a surface parking lot. Parcels 1B and 1C were part of the Big Dig and sit above two Central Artery tunnels. Parcel 1B is located across the street from Related Beal's Lovejoy Wharf where the developer redeveloped 160 North Washington St. for Converse's new headquarters and 131 Beverly Street.

The project is the first large scale mixed use development with a 100% income restricted residential rental community to be built under Boston Mayor Walsh's "Changing City: Boston 2030," plan that calls for the

creation of 53,000 new residential units by 2030, 44,000 of which are to be earmarked for workforce units. The Related Beal development's housing units will have rent restrictions ranging from 30% to up to 165% of Area Median Income.

"The construction of affordable housing is a key driver of economic development, both in Boston and throughout the Commonwealth," says Gov. Baker. "This development, which showcases the power of mixed-income housing to transform vacant state-owned land, demonstrates our administration's ongoing commitment to building stronger communities across the Commonwealth."

Mayor Walsh adds, "Not only is this project a great achievement for the company, but it is a win for the people of Boston, with 239 units of affordable housing being added to the North Station area. This project serves as a great example of the types of transit-oriented, affordable housing opportunities we are looking to unlock for all of our families across the city."

The developer notes that the project is moving forward due in part to the collaboration it has undertaken with more than 25 city and state agencies including the City of Boston, Boston Redevelopment Authority, a host of state agencies and the Federal Highway Administration to name a few.

The project's financing includes 4% federal/state low income housing tax credits; \$3 million from the Affordable Housing Trust Fund; \$158 million in debt financing provided by Wells Fargo, including \$85 million in bonds (\$52 million of which is tax-exempt) from MassDevelopment; 121A tax stabilization designation by the City of Boston; \$10.675 million from a partnership between Boston Properties and Delaware North as part of their affordable housing commitments for their joint project in the vicinity and \$7 million in voluntary payments from other Related Beal projects in the neighborhood for the creation of affordable housing in the immediate area.

The project is expected to create approximately 500 construction jobs and between 105-120 permanent jobs when fully completed. The development is anticipated to generate \$1.5 million in annual property taxes as well as significant hotel occupancy tax revenues for the City of Boston.

Among a host of contributions to be made to a number of city and neighborhood organizations for streetscape and other neighborhood improvements, the development will also contribute \$500,000 to the BRA that will be earmarked for the design and construction of an open park on Parcel 2 across the street from the Parcel B site. The project will also make contributions of \$465,000 and \$56,000 respectively to the Neighborhood Housing Trust and the Neighborhood Jobs Trust.