



NORTH END/WATERFRONT RESIDENTS' ASSOCIATION

P.O. Box 130319
Boston, MA 02113
www.newra.org

Zoning, Licensing and Construction Committee Report **April 8, 2010**

Scheduled City Hearings

93 Charter Street, Charter Boston Properties LLC seeks zoning relief to increase floor area ratio (FAR) and to expand a rooftop head house associated with renovation of the 3-story residential building. Change use from 4 apartments to 3 apartments, including a 3-bedroom duplex on the 2nd and 3rd floors and expansion of two 1st floor units into the basement. Plans include rooftop garden and expanded head house for exclusive use of upper duplex. The project also needs approval from the Boston Parks Commission due to its proximity to Olmstead Terrace (Spy Park) and Copp's Hill Burying Ground. At its meeting on January 14, 2010, NEWRA voted to support zoning relief for the project. *The Board of Appeal hearing will be held on Tuesday, April 13, 2010, at City Hall.*

221-227 Commercial Street, Kevin Curry has applied for a variance from the Boston Zoning Code to include an existing ATM machine in the description of allowed uses on the property. At a scheduled hearing on February 24, 2010, the Board of Appeal decided to defer the hearing to May 25, 2010, and directed the applicant to seek community review and input. *The application has been placed on the agenda of the ZLC Committee's April 27, 2010, meeting and tentatively on the agenda of NEWRA's May 13, 2010 regular monthly meeting.*

64-66 Cross Street, Caffe Graffiti, Inc. has applied to the Boston Licensing Board to amend its 7-day beer and wine with liqueurs license to add an outdoor seasonal patio for 36 patrons at tables and chairs that will be placed on the Cross Street sidewalk plaza adjacent to Salem Street. The hearing is scheduled for Wednesday, April 14, 2010, 10:00AM, in City Hall, Room 809A. The ZLC Committee expects the Licensing Board will hold and close the hearing at that time, but defer its decision until after it receives community input from NEWRA and the North End/Waterfront Neighborhood Council. *The application has been placed on the agenda of the ZLC Committee's April 27, 2010, meeting and tentatively on the agenda of NEWRA's May 13, 2010, regular monthly meeting.*

Update on Live Entertainment License

Live Entertainment License at 415 Hanover Street, Ristorante Lucia. Notwithstanding the testimony by several North End residents and NEWRA's December 10 vote in opposition, the Boston Zoning Board of Appeal voted unanimously at its hearing on January 12, 2010, to approve a variance to the zoning code that allows live entertainment in the basement of Ristorante Lucia. The ZLC Committee expects the restaurant owner will soon file an application for the live entertainment license with the Mayor's Office of Consumer Affairs and Licensing. NEWRA's ZLC

Committee and Executive Committee intend to review the application before making a decision whether to submit comments to Consumer Affairs and Licensing on the license application. At the January 12 hearing, the Mayor's Office and Councilor Salvatore LaMattina's office testified in support of the zoning variance and live entertainment license. *As of April 8, 2010, the Mayor's Office of Consumer Affairs and Licensing has not received the application for Ristorante Lucia.*

Development Updates

Government Center Garage Redevelopment

There has been no news or movement on the redevelopment plans for the Government Center Garage site for several months, aside from draft recommendations from the Boston Redevelopment Authority's (BRA) Greenway District Planning Study for height limitations (see related discussion below). See attached copies of recent articles in the *Boston Business Journal* and on www.northendwaterfront.com regarding financial troubles at the existing parking garage.

Greenway District Planning Study and Harbor Garage Development

At its last Greenway District Planning Study public meeting, on March 25, 2010, the BRA presented some of the draft development guidelines, primarily height restrictions, along the Greenway Corridor. The draft guidelines would include a height restriction of 200 feet at the Harbor Garage parcel, which is hundreds of feet lower than the Harbor Garage redevelopment project proposed by the Chiofaro Company, which has commissioned a public relations program to oppose the BRA's proposed height restriction. Read a full summary of the draft guidelines presented so far by the BRA in the attached copy of an article on www.northendwaterfront.com. *The BRA will hold its 7th public meeting on its Green District Planning Study on Thursday, April 29, 2010, at 6:00 PM, in the BRA Board Room, 9th Floor, City Hall.*

Next ZLC Committee Meeting

Tuesday, April 27, 2010, 7:00 PM, The Pilot House, 2 Atlantic Avenue.

Tentative Agenda:

- 221-227 Commercial Street, Kevin Curry has applied for a variance from the Boston Zoning Code to include an existing ATM machine in the description of allowed uses on the property.
- 64-66 Cross Street, Caffè Graffiti, Inc. has applied to the Boston Licensing Board to amend its 7-day beer and wine with liqueurs license to add an outdoor seasonal patio
- 115 Salem Street, Saponi di Napoli Café, Giovanni Grimaldi, has applied to add liqueurs to the existing beer and wine license.
- Greenway District Planning Study Draft Design Guidelines will be reviewed and discussed by the Committee in anticipation of the BRA formally issuing the draft guidelines in May 2010 for public review and comment.

For more information about these items or other ZLC Committee activities, contact David Kubiak, ZLC Committee co-chair, at 617-833-9564 or zlc@newra.org.

Congress Street complex hurting for cash **Boston Business Journal - by Tim McLaughlin**

The 1.2 million square-foot parking and office complex at One Congress Street is hurting for cash.

The borrower on the so-called Government Center Garage recently asked to tap a reserve fund to meet monthly shortfalls, according to documents provided by loan servicers.

The site has been the subject of ambitious plans undone by the recession and a recent change in ownership. About a year ago, Ted Raymond's **Raymond Property Co.** proposed razing the garage to build a pair of office towers replete with condos, restaurants, a hotel and other retail space.

But earlier this year, Raymond stepped aside for Thomas O'Brien, a former redevelopment chief for the city. O'Brien's **HYM Investment Group** LLC has been working to get tenants to fill space vacated by the **Environmental Protection Agency**.

One Congress Street, meanwhile, carries a mortgage of nearly \$209 million that is split into two loans, \$190 million and \$18.5 million, respectively, according to U.S. regulatory filings. The **National Electrical Benefit Fund**, a multibillion dollar pension fund in Washington D.C., is the guarantor on the debt.

Fitch Ratings, in a report this month, labeled the \$190 million loan on One Congress as a "loan of concern," citing the property's crimped cash flow.

Fitch said two prospective tenants are considering a total of 170,000 square feet of space at rents slightly below the former EPA lease that was done through the **Government Services Administration**.

"The borrower has requested draws from the debt service reserve to fund monthly shortfalls," Fitch said in its report.

The \$190 million loan for One Congress Street is one of the largest inside a \$7.9 billion commercial mortgage-backed securities deal that was put together in 2007 by **Wachovia Bank** and Wall Street firms. The lender on the loan is **Artesia Mortgage Capital Corp.**

But as a buffer, at least three separate reserves were set up at the time the loan was originated.

Those reserves included \$4.5 million for meeting debt service payments; \$4.5 million for hitting lease targets; and \$2.4 million for capital expenditures, according to filings connected to the CMBS deal.

In February, the \$190 million loan was evaluated by Boston-based **DebtX**, which estimated it was worth about 80 cents on the dollar.

One Congress Street needs to generate enough cash to make interest payments on the loan, which doesn't mature until 2014. Monthly payments on the loan, which comes with an annual interest rate of 6.07 percent, range from about \$900,000 to about \$994,000, according to **Bloomberg** data.

Given the increase in vacancy rates and falling property values in Boston, Fitch has determined the property is heavily leveraged. The rating agency pegs the loan-to-value ratio at nearly 130 percent.