

# UPTON + PARTNERS

November 13, 2012

Mr. William Tuttle, Deputy Director  
Massachusetts Department of Transportation  
Office of Real Estate and Asset Development  
State Transportation Building  
10 Park Plaza, Suite 4160  
Boston, Massachusetts 02116

Dear Bill:

After more than two years of effort to secure the developer designation for Parcel 9 in downtown Boston, Upton + Partners has been notified by you as a representative of the Massachusetts Department of Transportation that we will not be invited to participate in the "best and final" round of bidding for the designation. We are disappointed with this decision, particularly in light of the substantial public support expressed for our proposal over the past months. Nonetheless, we feel that we have been treated fairly and, as such, feel compelled to offer our observations as a result of having been involved in the public and community planning process conducted over the two-year period.

We are prepared to support the Cresset/DeNormandie proposal for the following reasons:

- We have confidence in Cresset/DeNormandie's ability to agree to and finance a competitive financial offering to MDOT, a key consideration of the designation.
- The Cresset/DeNormandie proposal is more consistent in program and scale with the objectives and proposed historic authenticity of a new Market District as proposed by the BRA pursuant to the recommended strategies by Project for Public Places, a consultant to the BRA. The Cresset/DeNormandie proponent better understands and is committed to the concept of the larger Market District of which Parcel 9 is an essential component.
- The Cresset/DeNormandie proposal is also consistent with the current zoning designation reflected in Article 49 of the Boston Zoning Code which resulted from neighborhood support of the *Boston 2000 Plan* negotiated during the era of the implementation of the Central Artery/Tunnel project. Residential zoning was established at that time for reasons that remain crucial to the local neighborhood constituencies.
- We believe that the Cresset/DeNormandie proposal is viewed more favorably with public commentary from a variety of constituencies during the post-submission period than the remaining competitive proposal.
- We believe – and have from the start - that a mixed-use development concept for the site which combines food-related and residential development is appropriate. Support for a particular combination of residential and retail development has been publicly supported by the Parcel 7

and 9 Advisory Committee, the North End Waterfront/Residents Association, the Downtown North Association and other parties to the public review process.

- Based upon our observation and dialogue during the RFP period, this is a site that should integrate itself into the local neighborhoods such as the North End, the Bulfinch Triangle, the West End and Beacon Hill with vested interests emanating from permanent residency rather than from an itinerant population.
- It is important to have a designated developer that has a proven track record of its ability to perform under difficult social, civic and design and construction-related complexity. This is not a development for the weak-of-heart or for those without established local neighborhood relationships.
- Active collaborative participation at the state/city/neighbor levels from the start by proponents during the two years of public process must be a consideration for designation.
- The designated developer must have not only a prior relationship with the HPA, but also a detailed plan execution based upon the presence of experience to accommodate their needs. The Cresset/DeNormandie group has a long-standing and successful working relationship with the HPA vendors who are the foundation upon which the Market District is to be built.
- The development program must be supported by local political interests at the state and city levels. In our meetings individuals such as State Representative Aaron Michlewitz and State Senator Anthony Petrucci, it would appear that, in our opinion, the Cresset/DeNormandie proposal is by far the more acceptable proposal of the two remaining.
- With certain inevitable design and programmatic modifications, Cresset/DeNormandie will be best suited to navigate the City of Boston Article 80 review process by avoiding the weaknesses of the remaining competitive proposal. Perhaps one consideration during this process should be the ability to execute Level 1 retail concepts compatible with Parcel 7 merchandizing of the Boston Public Market.
- We believe that is important to recognize the relevance and importance of the other Blackstone Street properties as a future integral part of the new Market District. While possibly not relevant to the MDOT at this time, they are of critical importance to others interested in the success of the Market District as a whole in the future

It is clear to me that the proper designation of a developer in the particular case of Parcel 9 goes well beyond a fair and balanced financial proposal. We all know that financial proposals of this nature can be misleading, over-inflated at the outset and/or speculative at best when addressing future benefits to the MDOT over the longer term. Knowing that Cresset has executed similar arrangements with MassPort on the Liberty Wharf project in the past – no easy task - gives me confidence that they will be successful with a resolution of a competitive lease negotiation with MDOT in the near term.

It is for the above reasons that Upton + Partners is prepared to endorse the Cresset/DeNormandie proposal over the current alternative. Be advised that I am well aware of the complexities and challenges of Parcel 9 development that lie ahead. In the end, success is as much dependent upon the

ability to execute under the difficult circumstances that surround Parcel 9 as it is about a written proposal and promises of a financial arrangement.

I wish you well in the selection of the designated developer of Parcel 9.

Very truly yours,



Walter C. Upton, CEO

CC: State Representative Aaron Michlewitz  
State Senator Anthony Petruccelli  
Kairos Shen, Chief City Planner, Boston Redevelopment Authority  
Parcel 7 & 9 Advisory Committee  
Gus Serra, Haymarket Pushcart Association  
Ed Nardi, Cresset Development Company  
Phil DeNormandie, DeNormandie Development Company