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## CITY OF CAMBRIDGE

Community Development Department

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To: Robert W. Healy, City Manager

From: Brian P. Murphy, Assistant City Manager for Community Development 

Date: March 9, 2011

Subject: Council Order O-6, dated February 28, 2011, regarding details of the purchase agreement for NorthPoint.

On March 3, 2011 Mass. Department of Transportation (MassDOT) announced that a land exchange agreement has been approved to facilitate extending the Green Line north of Lechmere Station to Somerville and Medford, while also advancing the NorthPoint mixed-use development project. The agreement between the MBTA and Pan Am Railways, approved by the MassDOT Board of Directors, allows for construction of a new Lechmere Station on the east side of O'Brien Highway in East Cambridge across from the current station location. The project will allow the long-stalled plan for this area to move forward.

The MBTA is also obtaining track and property rights necessary for MassDOT and the MBTA to build and operate the Green Line Extension, among other projects. In exchange for granting those rights to the MBTA, Pan Am is acquiring the property on which the existing Lechmere Station is located.

According to MassDOT, Pan Am and development partners HYM Investment Group are moving forward with the adjacent NorthPoint project, a mixed-use development of 2,800 residential units, more than two million square feet of office space, and 150,000 square feet of retail. HYM and Canyon-Johnson Urban Funds joined with Atlas Capital Group last year to develop the 44-acre property, the largest remaining parcel of open land in Cambridge. The former Pan Am rail yard is located across the Charles River from Massachusetts General Hospital and within walking distance of Kendall Square.

Among the key elements of the newly-approved agreement, the MBTA and MassDOT will receive:

- All of the trackage and property rights necessary to build and operate the Green Line Extension, which have a combined value of \$12.5 million. In addition to this real value, these rights provide a \$5.5 million savings for MassDOT and the MBTA, which had expected to pay \$18 million for these rights.

- Trackage rights off the Worcester Main Line to allow potential future passenger service from Worcester to Ayer. This will provide a connection between the Worcester and Fitchburg Commuter Rail Lines, and a potential future connection to North Station.
- Trackage rights to provide future passenger service to New Hampshire. This would allow for the extension of MBTA Commuter Rail service from Lowell to Concord, NH through Nashua and Manchester. That project would ultimately be sponsored and funded by the State of New Hampshire, similar to current Commuter Rail service to Rhode Island.
- While not part of the Land Exchange Agreement, Pan Am has agreed to assume costs associated with the required street and sidewalk improvements in the Lechmere area. The Green Line Extension project and the Commonwealth were planning to absorb this \$9 million expense, which may now be deducted from the project's total cost.

The trackage rights have a combined value of \$30.7 million. As consideration for receiving these rights from Pan Am, MassDOT and the MBTA will convey the site of the existing Lechmere Station to Pan Am, following the completion of the new Lechmere Station.

The Community Development Department has reached out to the HYM Investment Group to get an update of their plans for developing NorthPoint.