

City of Revere Request Wonderland Station

December 2016



What is the Issue?

- In 2008 the MBTA executed a lease with the City of Revere for Parcel H at Wonderland Station
 - Consists of lots 5 & 6, which were combined in 1977 Special Legislation
 - 3.3 acres
- In 2016 Legislation authorized the potential sale of the MBTA property in lieu of the lease



Request

The City of Revere has requested the conversion of its ground lease of Parcel H at Wonderland Station to a sale, consistent with the below legislation (Ch. 145 of the Acts of 2016).

SENATE No. 2056

The Commonwealth of Massachusetts

**In the One Hundred and Eighty-Ninth General Court
(2015-2016)**

An Act concerning the conveyance of certain parcels of land in the City of Revere.

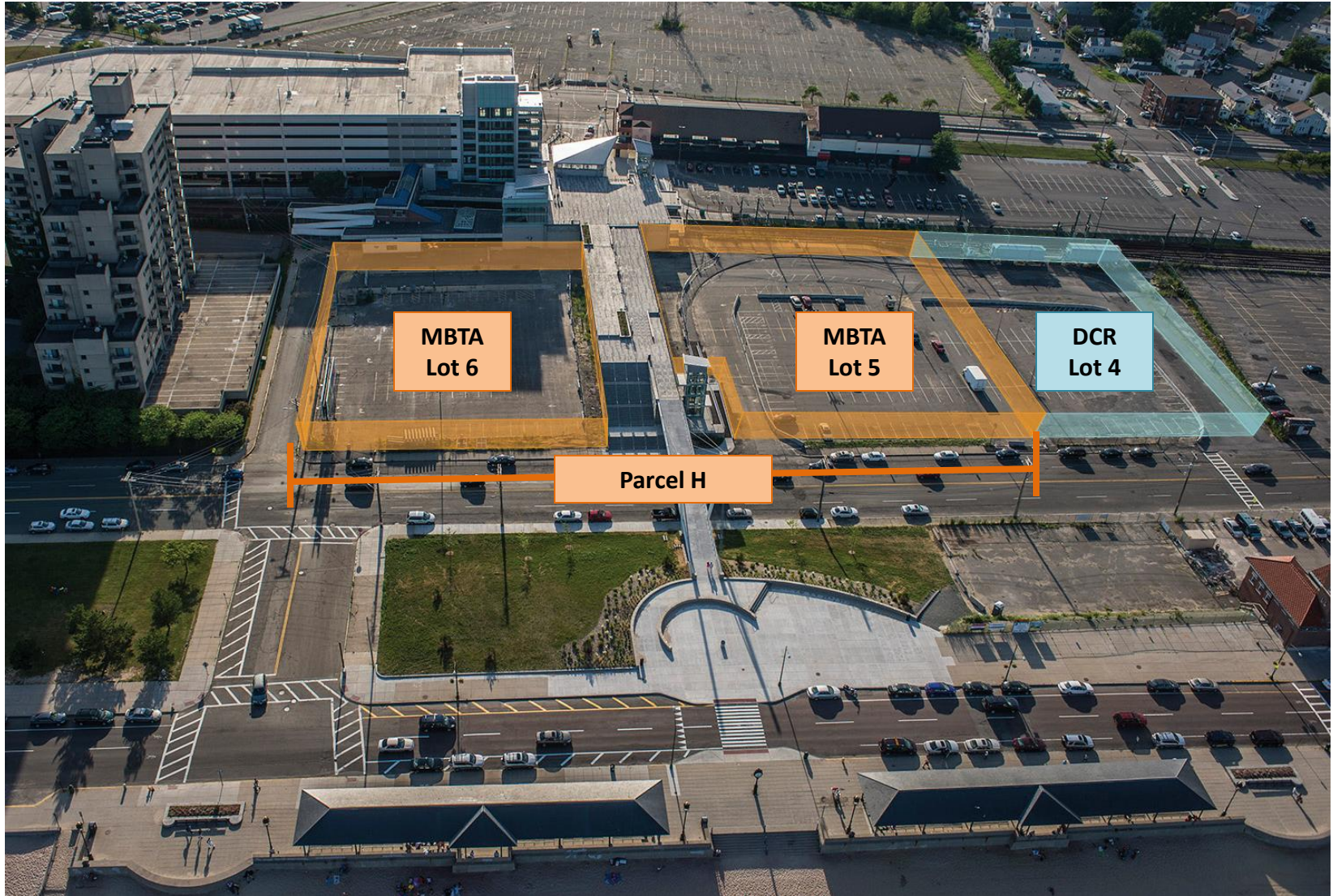
Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

1 SECTION 1. Chapter 877 of the acts of 1977 is hereby amended by adding a new section
2 3 as follows:

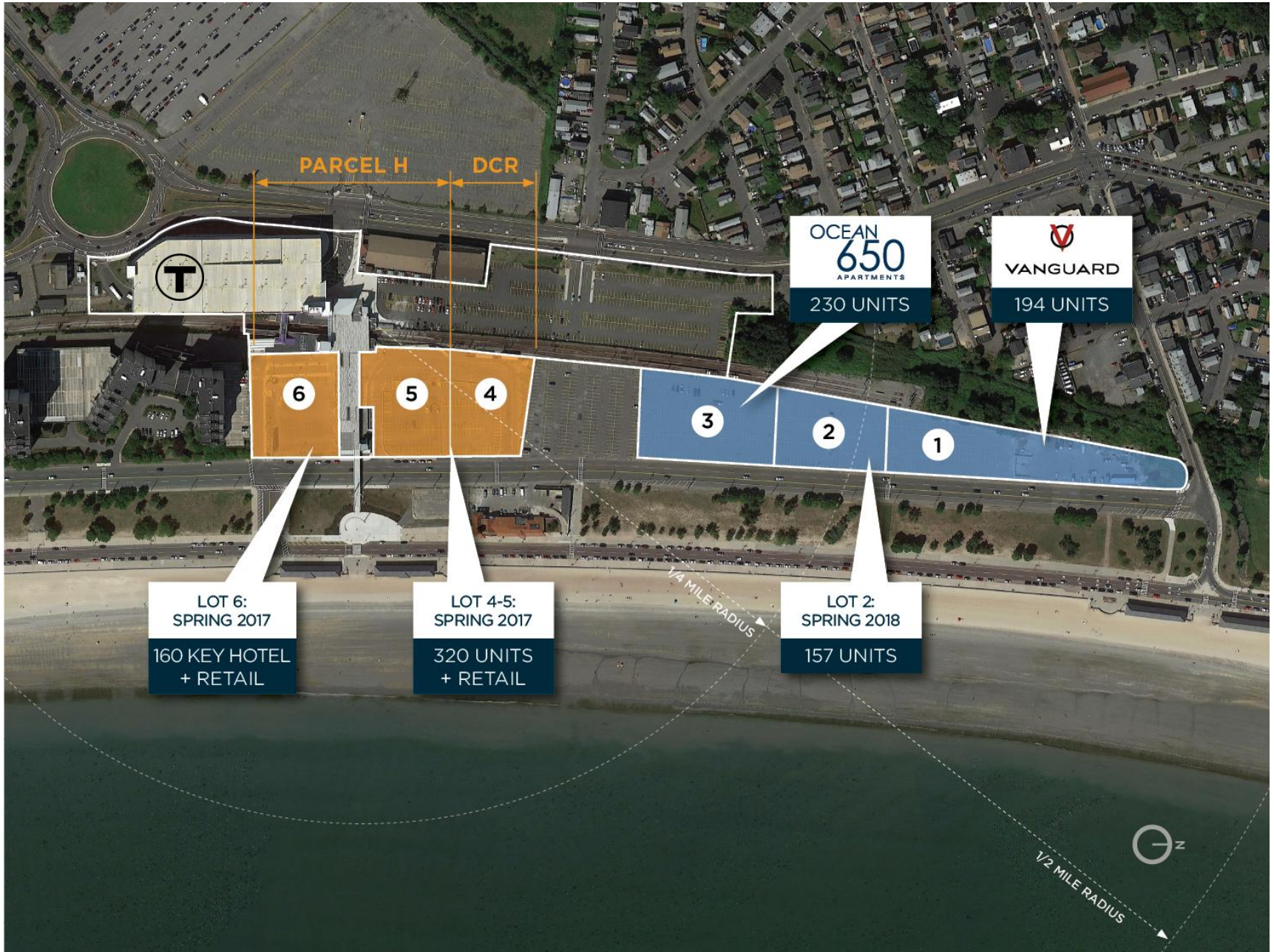
3 “Section 3. Notwithstanding the provisions of sections 1 or 2 of this act, the Authority is
4 hereby authorized to convey said parcel in fee to the city of Revere (including the Authority’s
5 interest in the lease entered into with the city of Revere pursuant to section 2 of this act). The
6 city of Revere shall have the right to convey the parcel, or portion thereof, to a redeveloper, for
7 redevelopment consistent with this act.”

8 SECTION 2. This act shall take effect upon its passage.

MBTA Parcel H (lots 5 & 6) at Wonderland Station



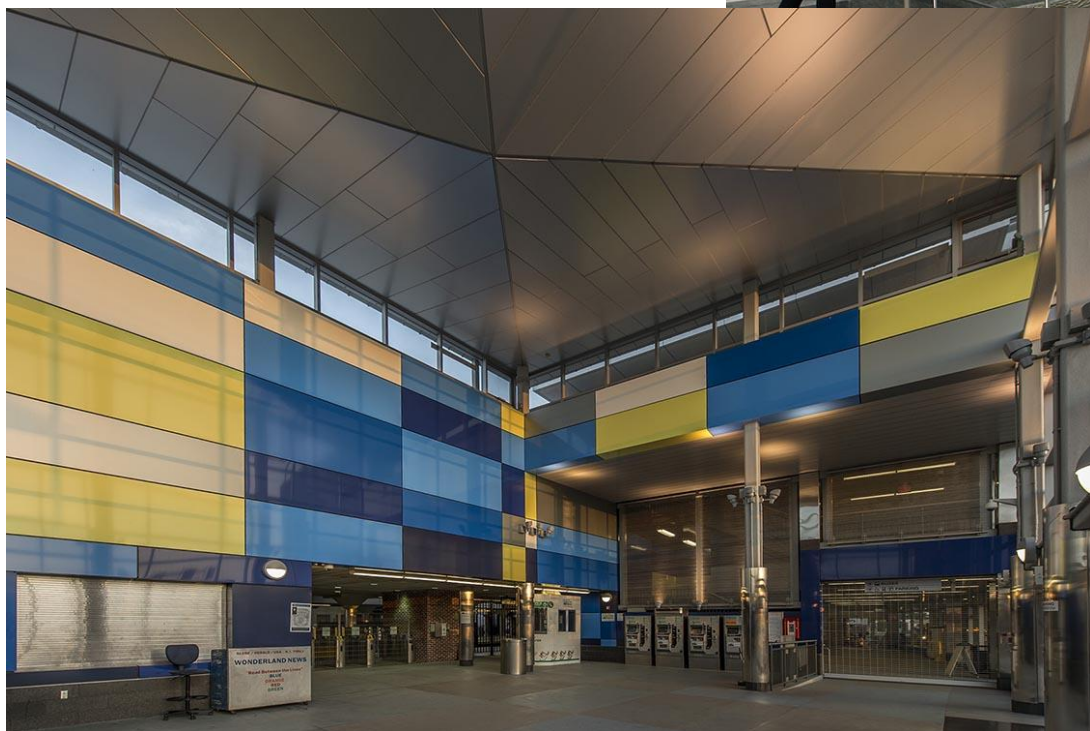
Wonderland Station TOD Initiative



View of Station and New 1,465 Car Garage



Markey Memorial Footbridge



Wonderland MBTA Station



The Deal: Transaction Comparison

	Existing Lease	Proposed Property Sale
Lease/Lease	99 Year Lease	Fee ownership
Lease Payment To The MBTA	\$245,000 25% increase every 10 years	NA
Payment Options	\$4,243,000 <i>Lease allows fixed onetime payment</i>	\$4,900,000 (\$657,000 increase vs lease option) (2 separate appraisals dated August 2015 and June 2016 confirmed this number) <ul style="list-style-type: none"> <u>Residential Allocation:</u> <ul style="list-style-type: none"> \$2.4 million Spring 2017 Closing <u>Hotel/Retail Allocation:</u> <ul style="list-style-type: none"> \$2.5 million Spring 2017 Closing
Continued Participation in Future Transactions	None	<ul style="list-style-type: none"> <u>Residential Participation:</u> <ul style="list-style-type: none"> \$50,000 each sale transaction <u>Hotel/Retail Participation:</u> <ul style="list-style-type: none"> \$50,000 each sale transaction
Initial Value Capture (Anti-Embarrassment)	None	To the extent Lot 5 or Lot 6 is resold prior to a Permanent Certificate of Occupancy being granted on Lot 5 or Lot 6, the MBTA will receive 50% of the amount by which the resale price exceeds the Allocated Sale Price.



The Deal: Other Revenues

<p>Increased Ridership</p>	<p>Lot 1: 194 Housing Units Lot 2: 158 Housing Units Lot 3: 230 Housing Units Lots 4+5: 320 Housing Units <u>Lot 6: 160 Hotel Rooms</u> 1,062 Total Units</p> <p>Daily Ridership*: 1,699 (1.6 trips per unit)</p> <p>Yearly Income: \$1,395,468 (1,699 x \$2.25 per ride, per day)</p> <p>* Based on MassDOT Office of Transportation Planning projections</p>
<p>Net New Parking Revenue Associated with Garage</p>	<p>Gross Revenue: \$1,354,350 <u>Operational Costs: (\$477,618)</u> NET REVENUE**: \$876,733</p> <p>** Based on MBTA parking data</p>



The Proposed Sale

- The City of Revere has proposed to convert the ground lease to a sale for a total value of \$4.9 million
- Staff recommends accepting the City's proposal



Recommended Vote

That the [***Chief Administrator*** and ***Acting General Manger***] be, and hereby are, authorized in the name of and on behalf of the Massachusetts Bay Transportation Authority, and in a form approved by the General Counsel, execute the City of Revere's request to convert its ground lease of Parcel H at Wonderland Station to a sale for a total value of \$4,900,000.

