Healthcare as a Catalyst for Development
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• Case Study #1: CitySquare, Worcester, MA

• Case Study #2: Boston Medical Center, Boston, MA
CitySquare, Worcester, MA

- CitySquare is a 2 million SF mixed use development project set on 20 acres of downtown Worcester, 2nd largest city in Massachusetts

- Former Worcester Galleria Mall that bisected the city

- Project objective, demolish a defunct mall constructed in 1971, re-establish a public street network, transform the property into a vibrant mixed-use area that would draw pedestrians, support local business, and provide high-end housing for the community
CitySquare
CitySquare

1939

Union Station

City Hall

Early 1960’s

Late 1960’s

2004

2015 ULI Spring Meeting
CitySquare

➤ CLIENT/ OWNER: Private / Public partnership between Opus Investment Management a subsidiary of Hanover Insurance & the City of Worcester

➤ STAKE HOLDERS:
  ➤ The City of Worcester
  ➤ The State of Massachusetts
  ➤ Federal Government DOT
  ➤ Hanover Insurance
  ➤ Berkley Investments
  ➤ Archdioceses of Worcester
  ➤ UNUM Insurance
  ➤ St. Vincent Hospital
  ➤ Leggat McCall Properties

➤ STRATEGY/ CITY IMPACT:
  ➤ Demolish defunct mall
  ➤ Stabilize / reactivate Downtown Worcester
  ➤ Re-establish the City’s street grid and reconnect the City to the train station
  ➤ Increase Worcester’s commercial tax base with a vibrant downtown

➤ STATISTICS
  ➤ $450+M
  ➤ 440 residential units, 166 hotel rooms, 400K sf office, 66K sf medical, 40K sf retail
  ➤ 1,900 parking spaces
CITYSQUARE – DEMOLITION PROGRESS
CitySquare

➢ Two projects were instrumental in being able to unlock public funds necessary to establish roadways and enable further development of the site

➢ Unum Insurance Group – 200,000sf Office
➢ St. Vincent Hospital Cancer Center – 66,000sf Medical
CitySquare

CITYSQUARE – Potential Full Build-out
Case Study #2: Boston Medical Center
Boston Medical Center History:

- Boston Medical Center (BMC) formed in July 1996 through the merger of Boston City Hospital (BCH) and Boston University Medical Center Hospital (BUMCH)

- BMC is Boston’s “Safety Net” Hospital serving largely a lower income population
Boston Medical Center

- CONTEXT: BMC desired to expand/renovate its former Boston City Hospital while closing down the former Boston University Medical Center

- TRANSACTION: BMC sold in December 2014 nearly 2 full city blocks of land and buildings in a series of transactions involving deferred purchase agreements, sale/leasebacks and outright sales
Boston Medical Center

- **BUYER**: Leggat McCall Properties “LMP” and the Multi-Employer Property Trust (MEPT) advised by Bentall Kennedy

- **STRATEGY**: Capitalize on emerging neighborhood and BMC/ BU demand in redeveloping acquired parcels

- **STATISTICS**
  - Acquired / committed to acquire 5+ buildings with development potential of 900,000+ SF
  - Purchase consideration of greater than $150M

- **REDEVELOPMENT POTENTIAL**
  - 600+ residential units @ $300M+
  - Redevelopment and expansion of existing buildings @ $150M+

- **CITY IMPACT**
  - Formerly tax exempt property to generate greater than $5.5M annually within 7 years
Boston Medical Center

- Harrison/Albany Block Redevelopment

Andrews to Harrison “Parcel A” Area Calcs
Total Area: 39,884 sf

Albany to Andrews “Parcel B” Area Calcs
Total Area: 95,277 sf
+ 1/2 Vacated Alley, 870 sf: 96,156 sf

Parcel A + Parcel B Area: 135,161 sf
+ 1/2 Alley: 136,040 sf

Allowable sf @ 4.0 FAR: 544,160 sf

Allowable sf @ 6.5 FAR: 884,260 sf
Boston Medical Center

- Harrison Albany Block Redevelopment

- Statistics
  - 591 Units
  - 4.92 FAR
  - 668,697 Square Feet
  - $250-300M

- Opportunity
  - Capitalize on “Emerging” neighborhood and service the needs of BMC/BU users
  - Partially fulfill city goals of creating >50,000 new housing units by 2030
  - Acknowledge migration of younger workers back to the city
Boston Medical Center

➢ Potential unanticipated enhancement to value