



Healthcare as a Catalyst for Development



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- Case Study #1: CitySquare, Worcester, MA

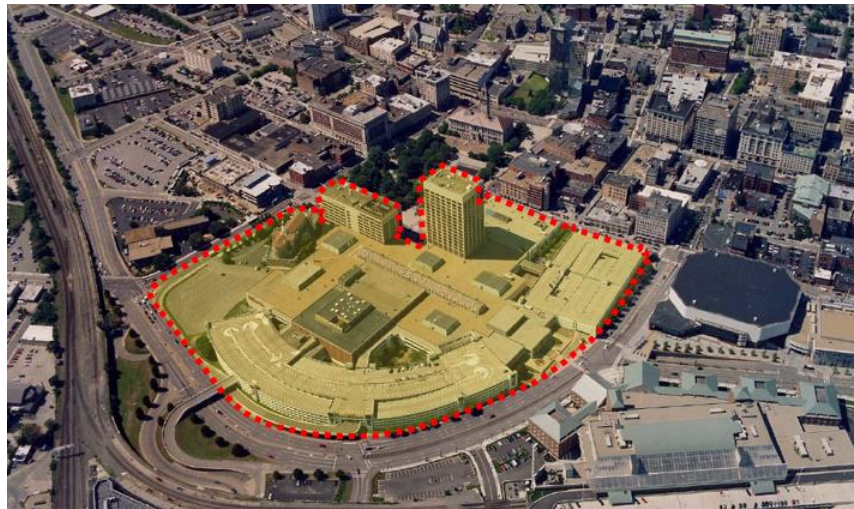


- Case Study #2: Boston Medical Center, Boston, MA

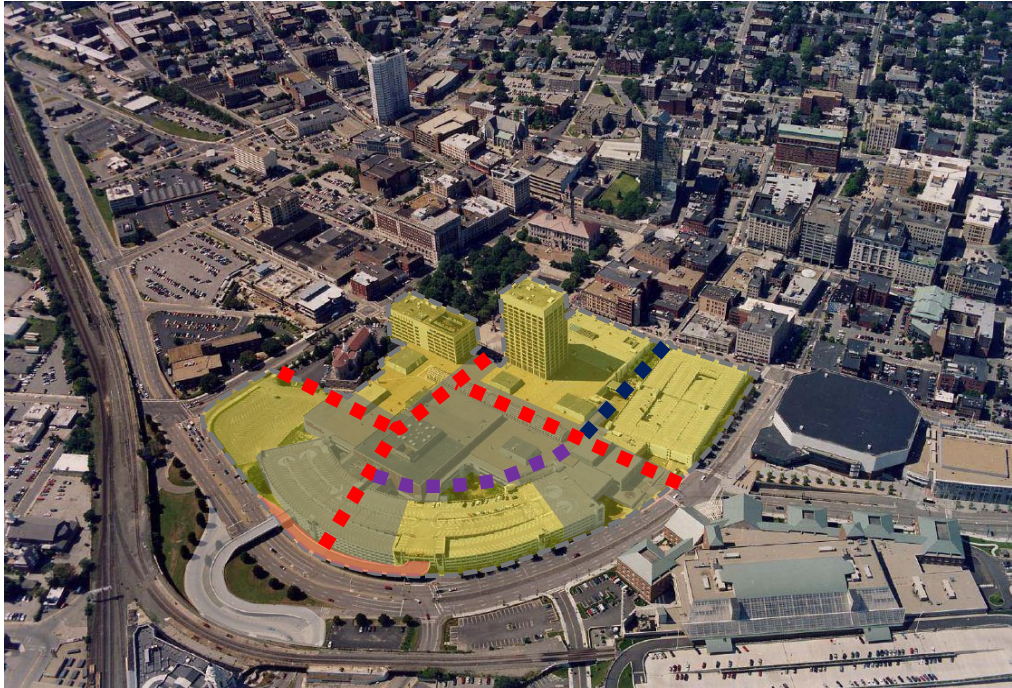


CitySquare, Worcester, MA

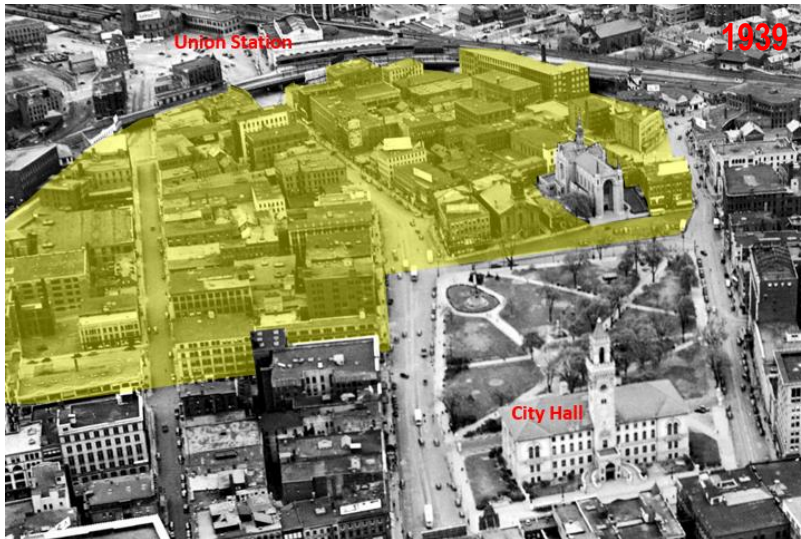
- CitySquare is a 2 million SF mixed use development project set on 20 acres of downtown Worcester, 2nd largest city in Massachusetts
- Former Worcester Galleria Mall that bisected the city
- Project objective, demolish a defunct mall constructed in 1971, re-establish a public street network, transform 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



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 | ➤ Hanover Insurance | ➤ UNUM Insurance |
| ➤ The State of Massachusetts | ➤ Berkley Investments | ➤ St. Vincent Hospital |
| ➤ Federal Government DOT | ➤ Archdioceses of Worcester | ➤ 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

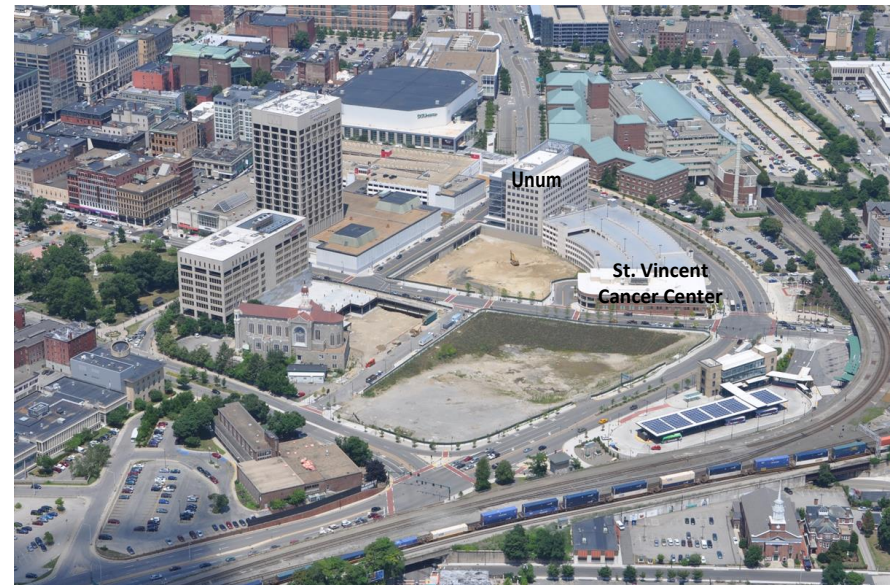
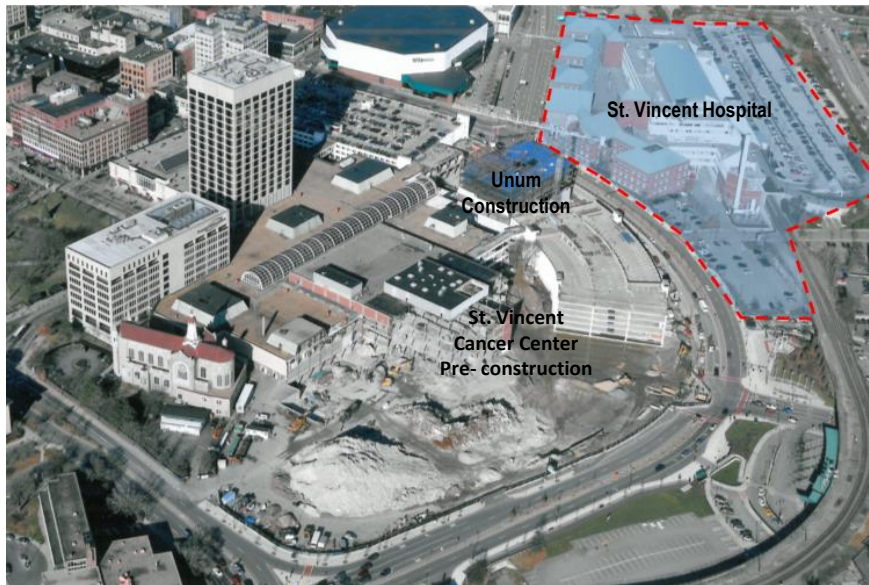
- \$450+M
- 440 residential units, 166 hotel rooms, 400K sf office, 66K sf medical, 40K sf retail
- 1,900 parking spaces



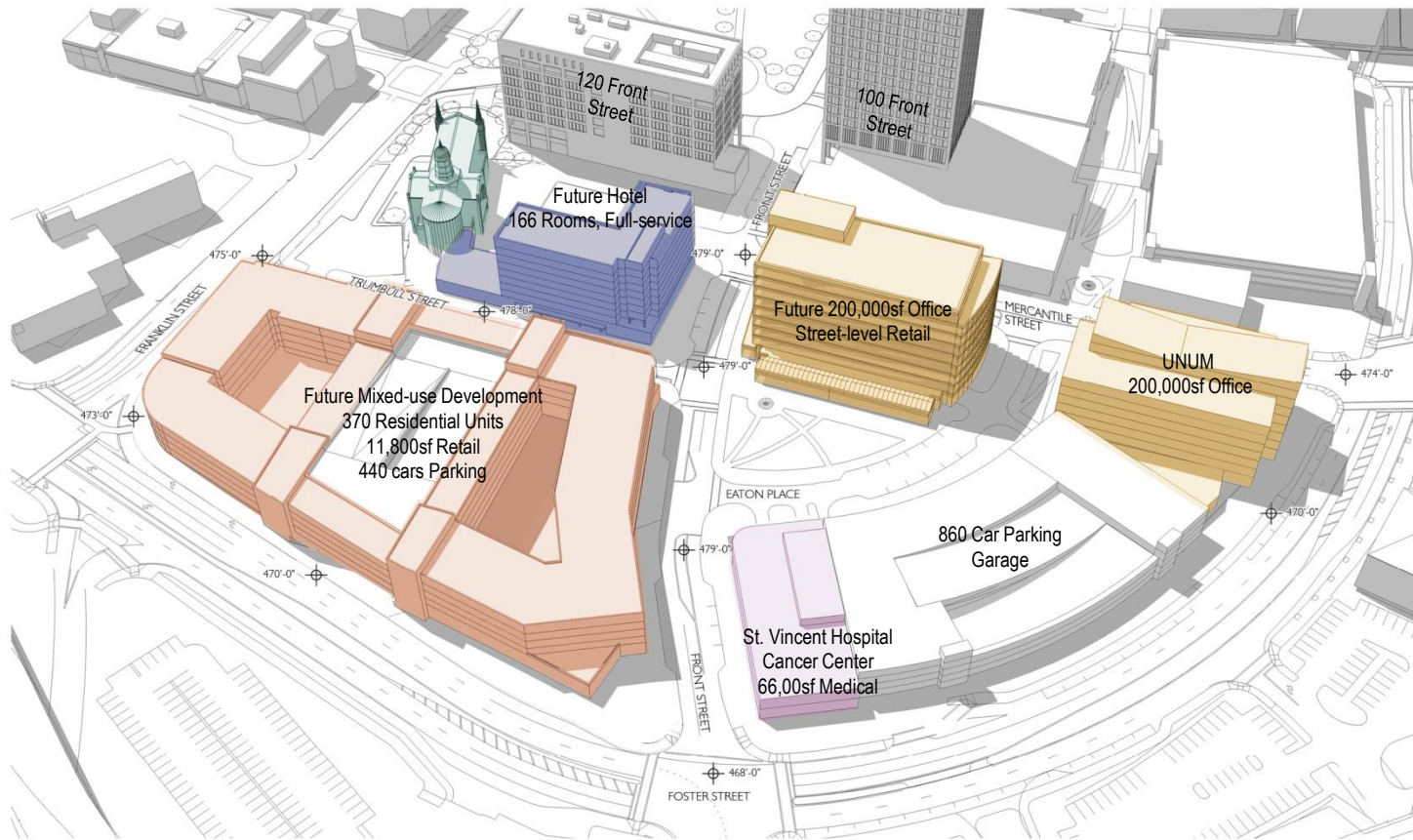
CITY SQUARE – DEMOLITION PROGRESS

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

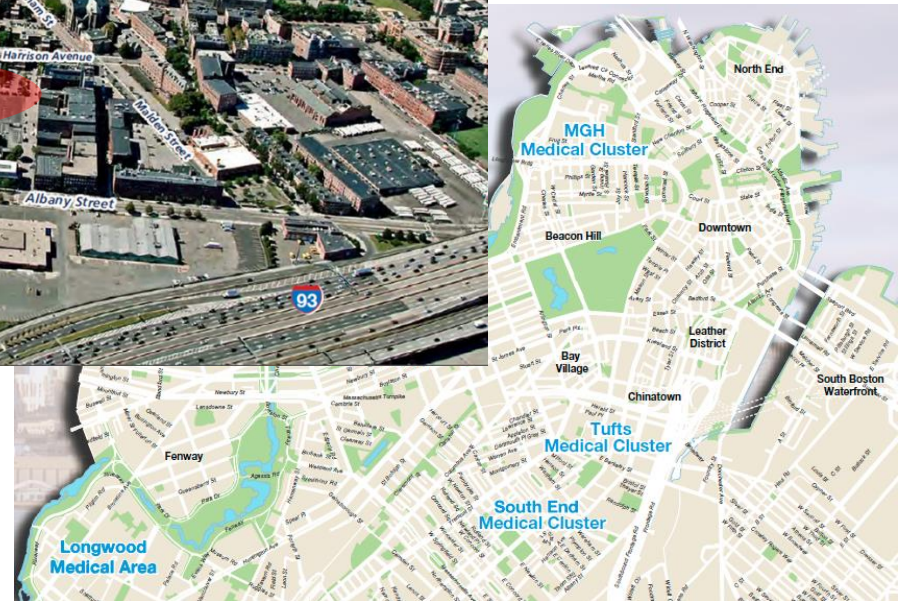


CitySquare



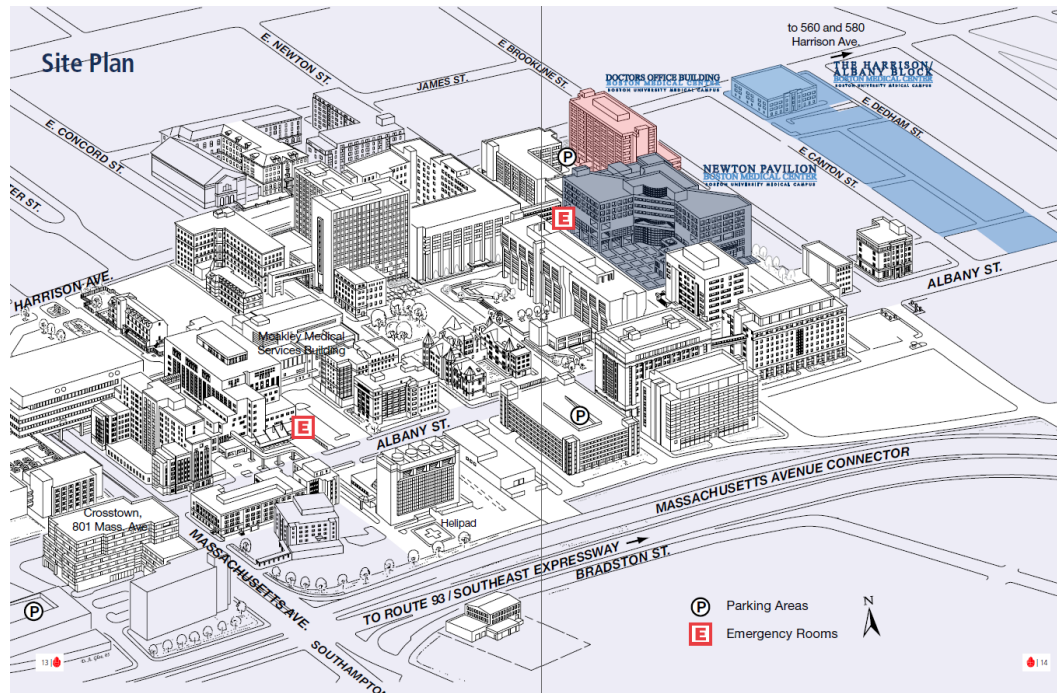
CITY SQUARE – Potential Full Build-out

Case Study #2: Boston Medical Center



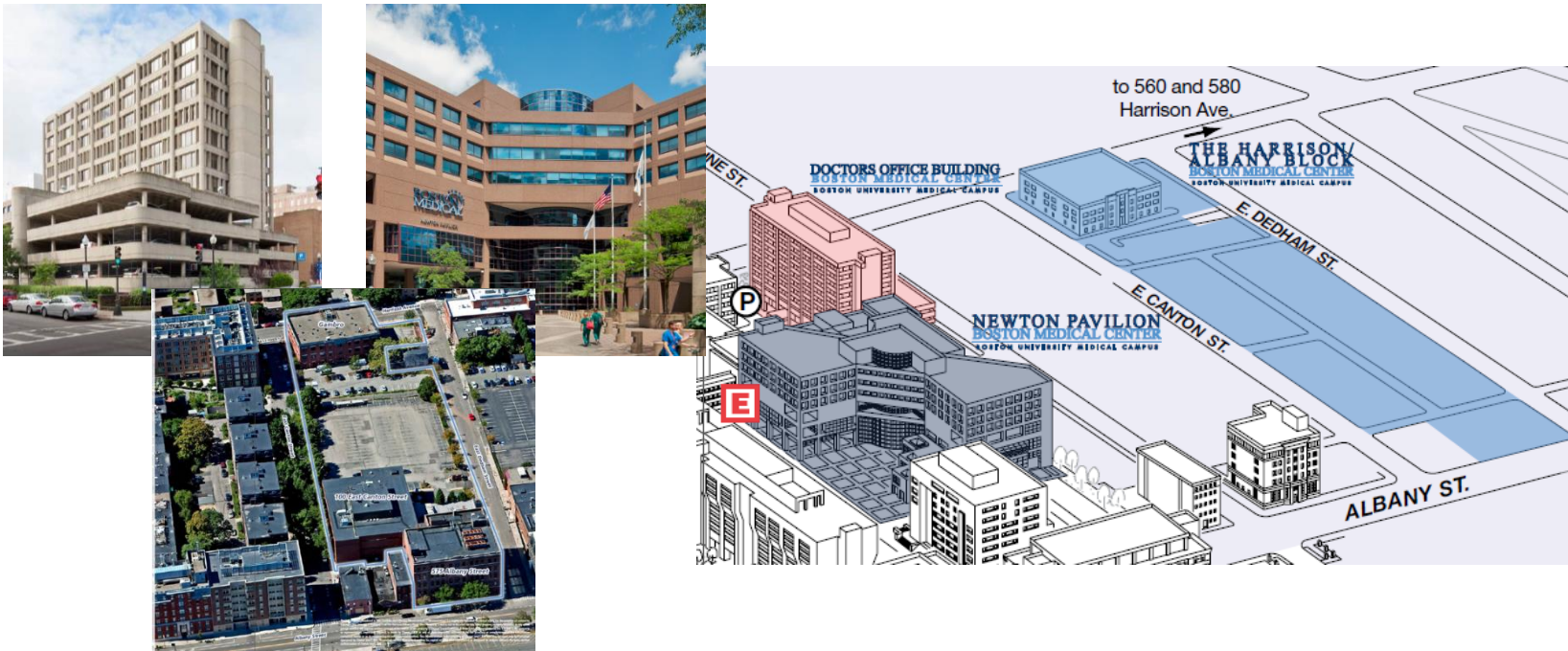
Boston Medical Center History:

- 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

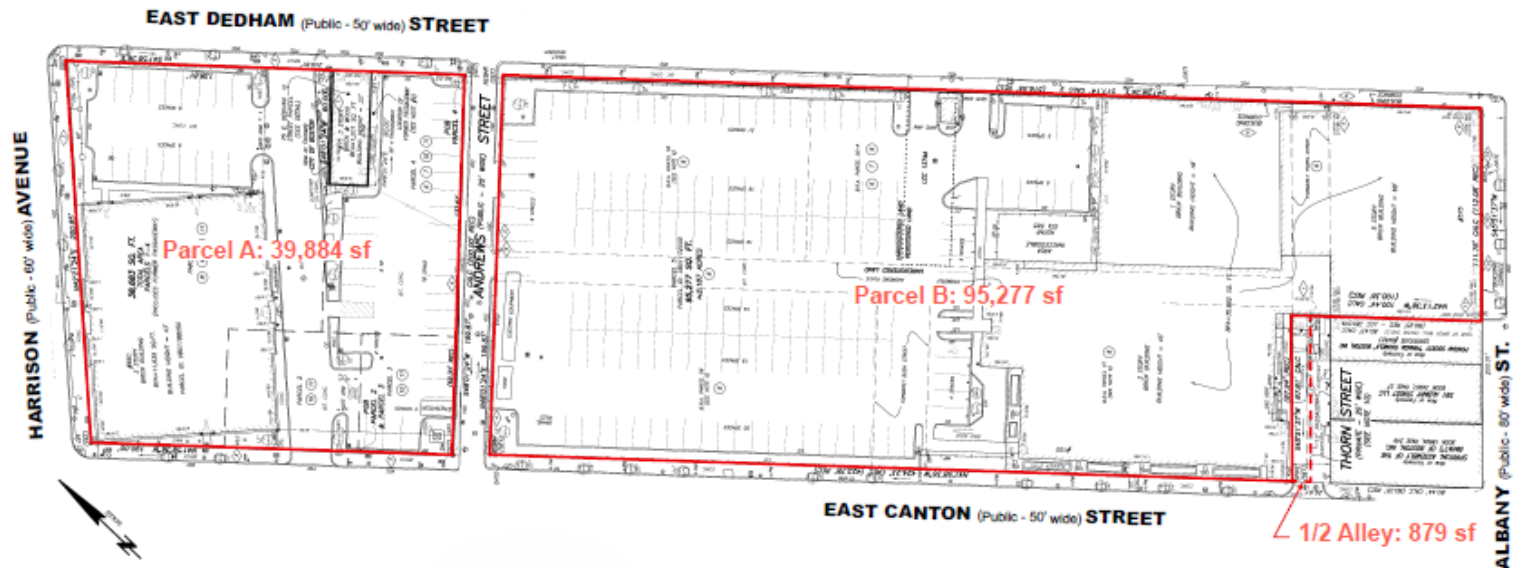
+ 1/2 Vacated Alley, 879 sf 96,156 sf

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

BOSTON
MEDICAL

