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MassDOT Board Approves Agreement to Build New Lechmere Station, Crucial to Green Line Extension

Land Exchange with Pan Am Railways Advances NorthPoint Project

Thursday, March 3, 2011- The Massachusetts Department of Transportation (MassDOT) today 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 lead to new jobs and economic development for the area.

"This landmark agreement represents an important next step in the Green Line Extension project that will help create jobs in both the short- and long-term," said MassDOT Secretary Jeffrey Mullan. "At the same time, we have secured the use of important rights of way that are critical to our longer-term rail vision and are important for the Commonwealth's transportation and economic future."

The MBTA is also obtaining crucial 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.

"The successful relocation of Lechmere Station is key to the extension of the Green Line and to the long-term growth of the Lechmere Square area, and we look forward to working with the developers of the NorthPoint project to make the station and the surrounding area attractive, vibrant, and convenient for our customers, both current and future," said MassDOT Rail and Transit Division Administrator and MBTA General Manager Richard Davey.

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“We are happy to have worked with the state and concluded a forward-looking agreement that recognizes the changing needs of the MBTA and its riders, and for our part making it possible for us to move soon on NorthPoint, a vibrant new East Cambridge neighborhood,” said Thomas N. O’Brien, managing director of The HYM Investment Group, LLC.

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 185,000 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.

“This is a welcome step towards the completion of the Green Line project,” said Rep. Carl M. Sciortino, Jr. “Continued development around Lechmere Station opens new opportunities for growth and will help to facilitate more extensive, accessible transportation options.”

“I applaud the efforts made to move forward on the Green Line Extension without further delay,” said Rep. Denise Provost.

“The new Lechmere Station will benefit Cambridge residents by increasing the public transportation options available to them and enable the city of Cambridge to redevelop an important land parcel that will improve the overall vitality of the neighborhood,” said Cambridge Mayor David Maher. “We are encouraged by the MBTA’s investment in East Cambridge by moving forward with Lechmere Station. This is an important step in completing the NorthPoint area so it can meet its full potential as a place to live and to work.”

“These are exciting times for those of us who have been eagerly awaiting the Green Line Extension,” said Somerville Mayor Joseph Curtatone. “In just the past month, the MBTA has approved this land exchange agreement for the new Lechmere Station, awarded the Preliminary Engineering contract for the Extension itself, and put out an RFP for new trains to operate along that Extension in the future. Governor Patrick and Secretary Mullan once again are demonstrating their commitment to using mass transit as an economic driver for this entire region while also enhancing the quality of life for the residents of cities like Somerville.”

The Board's action comes in the form of an amendment to a previously-approved Development and Land Exchange Agreement between the MBTA and Pan Am. Due to changing economic and real estate market conditions, the NorthPoint project was initially delayed, but now the development and the Green Line Extension are both ready to move forward.

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. In 2006, at the height of the real estate market, the Lechmere parcels had an appraised value of \$32 million. While the value has undoubtedly dropped since the appraisal, Pan Am has agreed to contribute that amount for the property.

For more information on the Green Line Extension project, visit the website at www.mass.gov/greenlineextension.

MassDOT is the unified transportation organization created in 2009 under the historic reform legislation passed by the Legislature and signed into law by Governor Patrick. MassDOT's four divisions are focused on delivering safe and efficient transportation services across the Commonwealth.

For transportation news and updates, visit the MassDOT website at www.mass.gov/massdot, the MassDOT blog at www.mass.gov/blog/transportation or follow MassDOT on twitter at www.twitter.com/massdot.

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