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PAGE 15

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Rosenthal Seeks Partner with \$s

by Scott Van Voorhis

The developer pushing plans for a \$450 million air-rights project near Fenway Park is on the hunt for a deep-pocketed, national partner to team up with as he looks to secure financing and start construction.

Newton-based housing developer John Rosenthal has spent years crafting plans for Fenway Center, a sprawling residential, retail and parking complex that would span the Turnpike near the ballpark. Now, as he looks to turn his paper plans into concrete reality, Rosenthal confirmed he has begun exploring options with major residential builders, with hopes of rolling out an agreement in a few months.

The Fenway Center developer has constructed affordable housing projects over the years, but, much like failed air-rights project Columbus Center's developer Arthur Winn, has never built a major urban high-rise complex.

While pointing out his firm

Meredith Management has built more than 2,000 housing units, Rosenthal acknowledged his company has never undertaken a high-rise development project in Boston. A well-known development partner would bring major project expertise and deep pockets to the deal, Rosenthal said.

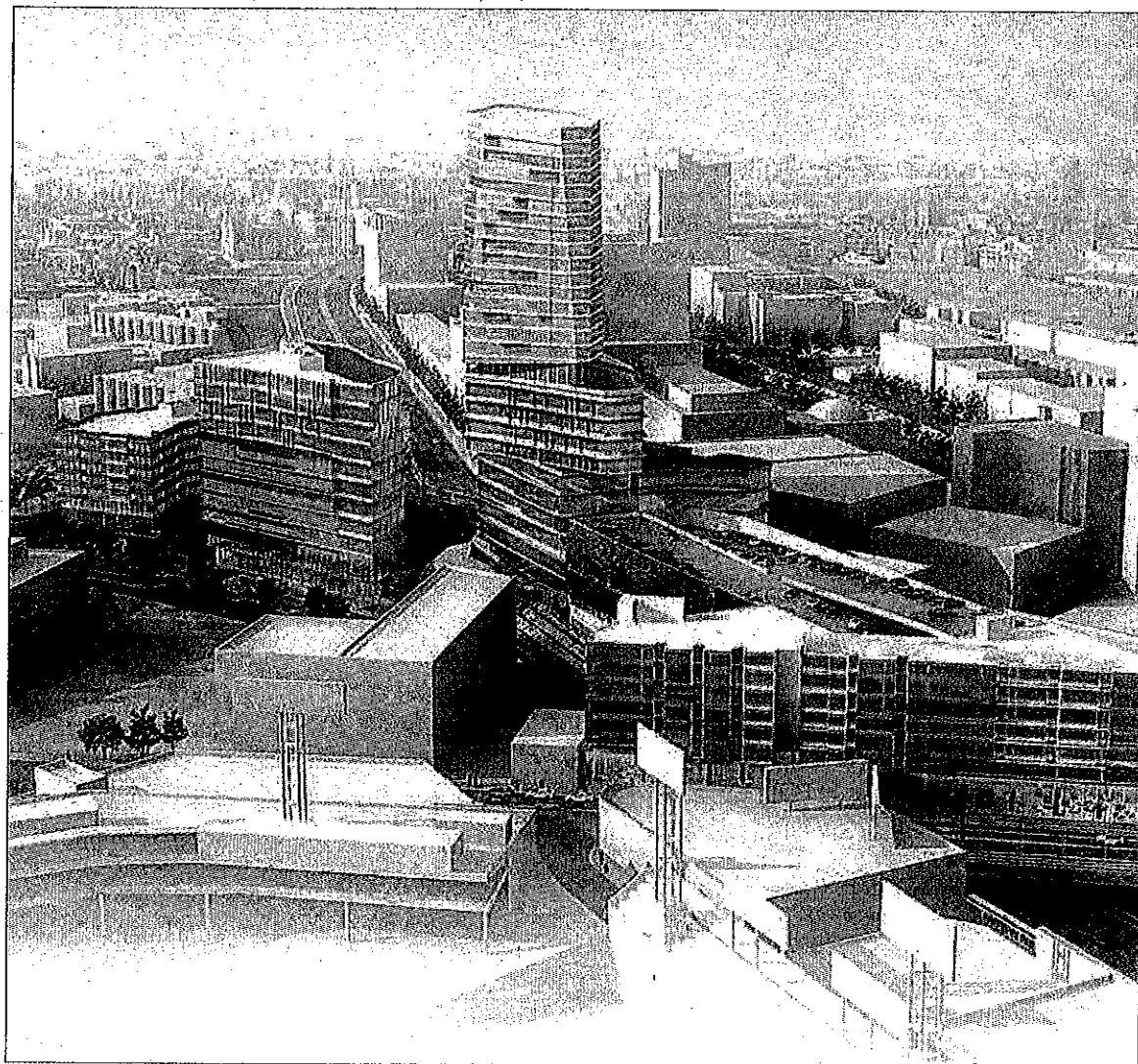
"We have a very healthy competition going right now among very large developers and equity partners," he said. "We are very close. The pieces are falling together."

"These are household names we are talking to and negotiating with," he added.

Rosenthal declined to name any of the developers he is having discussions with.

"Boston's fundamentals are fabulous for rentals," said Lisa Campoli, investment sales chief for Colliers International in Boston. "Every national apartment REIT that does development would like to own more apartments in Boston."

Continued on page 13



Rendering of Fenway Center

Rosenthal

continued from page 1

National players circling the Boston market, according to Campoli, include: Lincoln Property Co., Trammel Crow, Avalon Bay, Equity Residential, Archstone and Forest City.

Frank Petz, executive vice president at Richards Barry Joyce & Partners and head of RBJ Capital, commends Rosenthal for his dogged pursuit of Fenway Center. A deal with a national developer — presumably with experience building major urban developments — could further strengthen the project.

“A developer partnership is about a strategic partnership where you are bringing expertise to the table,” he said.

Still, Rosenthal faces additional challenges as he pushes to move his long-awaited project over its last few hurdles.

State highway officials set December 31 as a deadline for Rosenthal to iron out a lease deal to build in the air rights over the Turnpike. It is unlikely that Rosenthal and the state would be able to ink a deal without financing in place given it would require the developer to begin making lease payments. But a spokesperson for the state’s highway department suggested that an extension would likely be forthcoming if it was needed.

“The official date is December 31, with a MassDOT option to extend indefinitely as long as the developer is pursuing the proj-

ect,” wrote Richard Nangle, a spokesperson for the agency, in an e-mail. “We are optimistic about this project and anxious for it to move ahead.”

Meanwhile, Rosenthal is waging an aggressive effort to quickly defeat a lawsuit by a nearby landowner that, in previous interviews, he has blamed for holding up his financing efforts.

The firm owns an office building next door to the long-planned Yawkey Station and the Turnpike air-rights site where the larger Fenway Center mixed-used development, of which the station is just one part, are slated to take shape.

CommonWealth has challenged the Boston Zoning Commission’s decision to give Fenway Center a green light, contending it never signed off on the deal.

Rosenthal has argued the case is a nuisance suit designed to extract concessions and has pushed for a summary judgment to get CommonWealth’s challenge dismissed.

In a potential move in that direction, the Massachusetts Land Court judge overseeing the case has agreed to consider a summary ruling that would avoid a trial and recently walked the disputed site, Rosenthal noted.

While he previously has blamed the case for slowing financing efforts, Rosenthal contends that prospective development partners, having taken a look at the facts, are not concerned and says he may even be able to strike a deal before a decision is made in his ongoing court battle with a Newton-based CommonWealth REIT.