

Turnpike Redevelopment, LLC and Haleys Redevelopment, LLC

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February 1, 2024

Rick Taintor, Chairperson
Newburyport Planning Board
City of Newburyport
60 Pleasant Street
Newburyport, MA 01950

RE: 166 Route 1 and 168 Route 1 – Request to extend special permit

Attention: Andrew Port, Planning Director

Dear Mr. Taintor:

We respectfully request that the Planning Board extend the 166-168 Route 1 Smart Growth Plan Approval for a period of two years until March 3, 2026.

This extension request is necessary because of circumstances beyond our control. As you are aware, it was our intent to have completed construction and full occupancy of both One Boston Way and Three Boston Way at an earlier date. Three Boston Way had delays related to significant supply chain issues associated with the Covid pandemic. During this delay, construction costs hit an all-time high, and to make matters worse, interest rates were increased by the Federal Reserve eleven times between 2022 and 2023, dramatically increasing the cost of borrowing.

However, construction pricing has moderated and expectations regarding the supply of materials appear to be manageable. Interest rates have come down, and there are additional interest rate cuts expected. We feel optimistic that we will be moving ahead with 166-168 Route 1 during 2024 and plan to apply for a demolition permit prior to March 1, 2024, beginning the construction process.

In 2023, Massachusetts had a dramatic decrease in housing construction starts. According to the U.S. Census Bureau, in 2022, 17,692 building permits were issued and in 2023, although the final statistic is not available, some forecasters are projecting nearly a 50% reduction. However, we feel confident that this project will be moving forward. We have been able to solve our supply-side issues and have been working closely with our local contractors and vendors. Due to their positive experience in the construction of One and Three Boston Way, are eager to collaborate to build 166-168 Route 1.

Thank you for your consideration of this request. We are excited to begin the third phase of Newburyport Crossing.

Sincerely,

Turnpike Redevelopment, LLC and

Haleys Redevelopment, LLC

Andover Real Property Management, Inc., Manager



Louis P. Minicucci, Jr., its President

LPM/kp