

Chelsea Site of 590-Unit Project Set for Auction

By [James Sanna](#) | Banker & Tradesman Staff | Sep 28, 2022 | [Reprints](#) | [Unlock Link](#) | [Print](#)



Image courtesy of YIHE Forbes.

The site of a 590-unit mixed-use waterfront development in Chelsea is headed for the auction block after its developers failed to launch the project.

Shanghai Commercial Bank Limited is foreclosing in a \$6.25 million loan it made to a Chinese development company, Yihe Forbes LLC, in 2016, after Yihe bought the former site of the Forbes Lithiograph Co. at 1 Forbes St. for \$11.55 million in 2014. [Sullivan & Sullivan is hosting the auction](#) at the entrance to the Forbes site on Oct. 7. The [Boston Business Journal first reported](#) the auction.

Yihe secured [permission from the city of Chelsea in 2019](#) to demolish the existing former factory buildings from the 1880s and 1900, plus a defunct wind turbine on the site, and replace them with 590 units of housing and 20,000 square feet of retail despite community concerns about site access via a single side street leading to the city's least-dense residential neighborhood.

Those permits lapse on Dec. 22, city Planning Director John DePriest told Banker & Tradesman, likely requiring the land's buyer to go through a new permitting process before a Zoning Board of Appeals whose membership has substantially changed since 2019.

Chelsea officials have since secured the site's removal from the city's designated port area and changed some of the city zoning laws to remove the tidal portions of the 17.7-acre Forbes lot from consideration for maximum allowable density calculations. DePriest said the new rules mean the property could only hold around 300 units, and would be subject to the city's new demolition delay bylaw, as is any structure 75 years or older.

Any buyer would face additional obstacles, including environmental contamination, wetlands that have grown up across the site, the "deplorable condition" of the site's existing buildings and the need to secure MBTA approval for new bridges over the

Newburyport-Rockport commuter rail tracks that form the property's north-west boundary, DePriest said. The tracks are currently crossed by temporary bridges that would need to be replaced as part of any development.

Underscoring the site's challenges, Yihe was the third developer [to try and fail to turn the site into something new](#). However, Chelsea's waterfront continues to attract developer interest. A warehouse-distribution facility near the Forbes site, at 295 Eastern Ave., is currently in the midst of a permitting process, and the city's new municipal harbor plan allows waterfront sites to be developed with heights up to 80 feet on some parcels. [City officials say they hope to attract](#) a range of light industrial uses that can pay for coastal resiliency measures and new parks.