

MEMORANDUM

JANAURY 17, 2013

**TO:** BOSTON REDEVELOPMENT AUTHORITY AND  
PETER MEADE, DIRECTOR

**FROM:** HEATHER CAMPISANO, DEPUTY DIRECTOR FOR DEVELOPMENT  
REVIEW  
GEOFFREY LEWIS, SENIOR PROJECT MANAGER

**SUBJECT:** THE INNOVATION CENTER ON PARCEL F OF THE SEAPORT  
SQUARE PROJECT LOCATED IN SOUTH BOSTON, MASSACHUSETTS

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**SUMMARY:** This Memorandum requests that the Boston Redevelopment Authority (“BRA”) take the following actions related to the Boston Innovation Center (“BIC”) located on Parcel F of the Seaport Square Project in the Innovation District in South Boston: (1) adopt an Order of Taking for a certain property interests located on Block F, Northern Avenue relating to the BIC (the “Taking”); and (2) authorize the Director to take related actions regarding the BIC which the Director in his sole discretion deems appropriate and necessary, and upon terms and conditions determined to be in the best interest of the BRA.

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**PROJECT BACKGROUND**

The Seaport Square Project is located on a site that consists of approximately 1,023,608 square feet, bounded generally by Old Sleeper Street, Sleeper Street, Stillings Street, and Boston Wharf Road to the west; Northern Avenue and Seaport Boulevard to the north, East Service Road and B Street to the east, and Summer Street and property of various owners to the South (the “Seaport Square Site”). MS Boston Seaport, L.L.C (the “Developer”) is developing the Project Site by constructing up to 22 new buildings with up to 6,335,200 square feet of residential, retail, office, hotel, innovation, civic and cultural uses, as well as approximately 6,375 below-grade parking spaces. Most buildings will include retail, restaurant, entertainment, innovation space, or other active uses at the street level (collectively, the “Seaport Square Project”). The Developer is dividing the Square Seaport Square Site into twenty lettered parcels (each a “Block”), and the Seaport Square Project, as approved by the BRA, will be developed in phases.

Under the Development Plan for Planned Development Area No. 78 for the Seaport Square Project (the “Original Development Plan”), the Developer is required to provide

certain public benefits (the “Early Action Public Benefits”), which shall include the construction of the BIC on Block F, to be leased for the operation of an Innovation Center for a term of five (5) years with an option to extend such lease term for an additional 5 years provided that certain criteria be met. The Developer will enter into a lease for the BIC with Boston Innovation Center, LLC (the “Tenant”).

On November 15, 2012 the BRA approved the disbursement of up to \$500,000 for the BIC and authorized the Director to enter into a grant agreement and a loan agreement for such funds. On December 13, 2012, the BRA approved an Order of Taking for certain property interests in the project site of the BIC in order for BIC to qualify for real estate tax relief under a Payment in Lieu of Taxes (“PILOT”) Agreement. This Order of Taking must be recorded with the Registry of Deeds within 30 days. Due to continuing negotiations of this complex project, the Order of Taking was not recorded within the 30 days, so it is necessary to approve another Order of Taking.

Under the previously-approved \$500,000 disbursement, up to \$450,000 was to go to fund initial fit-out costs; and up to \$50,000 would fund a maintenance and repair reserve to be drawn down by the Tenant to cover unanticipated repair and maintenance costs during the term of the Lease. This is now contemplated to be \$490,000 for the fit-out of the innovation space and \$10,000 to establish the maintenance and repair reserve fund for the BIC Center. These funds are to be disbursed from the Neighborhood Development Fund (“NDF”).

## **RECOMMENDATION**

Based on the foregoing, BRA staff recommends that the BRA: (1) adopt an Order of Taking for a certain property interests located on Block F, Northern Avenue relating to the BIC (the “Taking”); and (2) authorize the Director to enter into and execute any and all related agreements and documents in connection with the Taking and financial assistance which the Director in his sole discretion deems appropriate and necessary, and upon terms and conditions determined to be in the best interest of the BRA.

Appropriate votes follow:

**VOTED:** That the Boston Redevelopment Authority (“BRA”) adopt a Resolution entitled, “BE IT RESOLVED by the Boston Redevelopment Authority that an ORDER OF TAKING dated January 17, 2013, relating to certain rights and interests in a parcel located on a portion of Block F of the Seaport Square Project on Northern Avenue, Boston, Suffolk County, Commonwealth of Massachusetts, . . .” be executed and made a permanent part of these proceedings, a copy of which the Secretary shall cause to be recorded in the Office of the Registry of Deeds for the County of Suffolk; and

**FURTHER**

**VOTED:** That the Director be, and hereby is, authorized to execute any and all related agreements and documents in connection with the Taking and any and all other documents relating to financial assistance relating to the Innovation Center in the Seaport Square Project, which the Director, in his sole discretion deems appropriate and necessary, and upon terms and conditions determined to be in the best interest of the BRA.

Exhibit A  
Site Plan