

**MEMORANDUM**

**MARCH 14, 2013**

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

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

**SUBJECT:** BUILDING 31, ALSO KNOWN AS THE MUSTER HOUSE, LOCATED AT  
31 FIFTH STREET IN THE CHARLESTOWN NAVY YARD

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**SUMMARY:** This Memorandum requests that the Boston Redevelopment Authority (“BRA”) authorize the Director to execute a First Amendment to the Ground Lease, and any and all other agreements and documents that the Director deems appropriate and necessary, with respect to the leasehold interest in Building 31 in the Charlestown Navy Yard.

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**BACKGROUND**

Velji Realty, LLC (the “Proponent”) has entered into an agreement to purchase the leasehold interest for Building 31 in the Charlestown Navy Yard, also known as the Muster House, located at 31 Fifth Street in Charlestown, Massachusetts (the “Muster House”). A Ground Lease by and between the Boston Redevelopment Authority (“BRA”) and Michael J. Colarusso, trustee of MJC Realty Trust was dated April 7, 1997 (the “Lease”). Werner and Patience Bundschuh as Trustees of Royalston Trust (“Royalston”) acquired the interest in the Lease on July 28, 1999 and have operated the Muster House as an office since that time.

The Proponent intends to acquire the Lease from Royalston and make interior improvements to the Muster House. The Proponent intends to utilize the Muster House as an office for a business owned and operated by the Proponent with an intended construction completion and occupancy date of May 1, 2013

The Proponent wishes to extend the term of the Lease. The BRA and the Proponent have entered into a termsheet dated March 1, 2013 (“Termsheet”) whereby the Proponent will have, among other provisions, an option for an extension of 40 years. This option can be exercised at any time prior to the fifty-fifth year of the existing Lease term. Additionally, the rent has been adjusted upwards to \$2.00 per square foot.

## RECOMMENDATION

In order to maintain the historic nature of the Charlestown Navy Yard and preserve the BRA's assets, staff recommends that the BRA approve the provisions of the Term Sheet, authorize the Director to execute a First Amendment to the Ground Lease including, but not limited to, all of the provisions contained in the Termsheet and any and all other agreements and documents that the Director deems appropriate and necessary with respect to the leasehold interest in Building 31 in the Charlestown Navy Yard.

Appropriate votes follow:

**VOTED:** That the Term Sheet is authorized and approved, and the Director be and hereby is, authorized to execute a First Amendment to the Ground Lease including, but not limited to, all of the provisions contained in the Termsheet and any and all other agreements and documents, including a Landlord's Consent and Estoppel Certificate, that the Director deems appropriate and necessary with respect to Building 31 in the Charlestown Navy Yard.