

**MEMORANDUM**

**NOVEMBER 14, 2013**

**TO:** ECONOMIC DEVELOPMENT AND INDUSTRIAL CORPORATION OF BOSTON AND PETER MEADE, DIRECTOR

**FROM:** LARRY MAMMOLI, DIRECTOR OF ENGINEERING AND FACILITIES MANAGEMENT  
DENNIS DAVIS, DEPUTY DIRECTOR, INDUSTRIAL DEVELOPMENT AND COMMERCIAL LEASING

**SUBJECT:** REQUEST AUTHORIZATION TO AMEND THE LEASE BETWEEN THE ECONOMIC DEVELOPMENT AND INDUSTRIAL CORPORATION OF BOSTON AND WHARF 8, LLC TO TEMPORARILY DEFER RENT INCREASE.

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**SUMMARY:** This Memorandum requests that the Director be authorized to enter into a Lease Amendment with Wharf 8, LLC located at 300 Northern Avenue in the Marine Industrial Park to temporarily defer a scheduled rent increase until October 2014 with no net loss of revenue to the Economic Development and Industrial Corporation of Boston.

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**BACKGROUND**

Wharf 8, LLC (“Yankee Lobster”) has been a tenant at 300 Northern Avenue since October, 2001. 300 Northern Avenue is a two story building consisting of 5,000 square feet per floor. Yankee operates a wholesale seafood distribution, market, and prepared food business on the first floor. The second floor currently has no elevator access and is used primarily for dead storage.

The rent for the premises was scheduled to increase by 70% in October 2011. Yankee Lobster had requested that Economic Development and Industrial Corporation of Boston (“EDIC”) temporarily defer the increase in recognition of the current functional obsolescence of the second floor. EDIC agreed to negotiate a rent deferment so long as Yankee continued to pay the current rent obligation.

**RECOMMENDATION**

Staff is requesting that the scheduled rent increase continue to be deferred until October 2014 at which time Yankee Lobster will 1) pay the scheduled rent increase with no

further deferment, and 2) repay the deferred principle with interest between October 2014 and October 2017.

### **FISCAL CONSIDERATION**

Until October 2014, Yankee Lobster will continue to pay \$51,994 annually to EDIC.

The annual rent commencing October 2015 will increase to \$88,565 plus an additional \$40,458 in deferred rent payment. Yankee will continue to pay the additional \$40,458 annually until October 2017 at which time the deferred rent debt will have been satisfied to net present value.

An appropriate vote follows:

**VOTED:** That the Director be, and hereby is, authorized to enter into a Lease Amendment with Wharf 8, LLC located at 300 Northern Avenue in the Marine Industrial Park to temporarily defer a scheduled rent increase until October 2014 with no net loss of revenue to Economic Development and Industrial Corporation of Boston ("EDIC") on terms and conditions substantially consistent with the Board Memorandum submitted at the Board meeting held November 14, 2013.