



Innovation Space Operations Plan

July 27, 2018

Revised: August 3, 2018

Introduction

The following Innovation Space operations plan is submitted as a constituent part of filings required under the MXD Infill Development Concept Plan (IDCP) by the Cambridge Redevelopment Authority (CRA), and the Planning Board through the granting of Special Permit PB315 for the MXD Concept plan, authorizing the development of new commercial and residential uses within the broader scope of the Kendall Square Urban Renewal Plan (KSURP). As a component of the KSURP administered by the CRA—and pursuant to the zoning ordinance—the delivery of Innovation Space emerged as a condition of approval for Commercial Building A (145 Broadway), part of Phase 1 of the previously approved IDCP Development Program, as well as Commercial Building B, component of Phase 2. This Innovation Space is intended to help ensure a dynamic, diverse, and lively environment that contributes to the continued vitality of the Kendall Square innovation ecosystem within both the Kendall Square Urban Renewal Plan Area (KSURPA) and the City of Cambridge more broadly.

The specific purpose of this document is to present how the intended uses and operators of proposed Innovation Space at 255 Main Street (also known as One Cambridge Center) fulfill conditions presented by the MXD IDCP process and the granting of the special permit. The operations plan is divided into two parts: (1) The Market Rate Innovation Space and (2) The Below Market Innovation Space. Both the Market Rate and Below Market Rate components will be located at 255 Main Street. Market Rate space will be operated by Cambridge Innovation Center (CIC) a local, well-established operator of innovative co-working environments. They will offer market rate innovation space compliant with the dimensions and standards defined within Article 14.

The Below Market Rate Innovation Space will be operated by a combination of Boston Properties and a contract operator with experience in the management of non-profit co-working spaces. The Below Market Rate Innovation Space will be administered by a board of stakeholders and tasked with creating a co-working space for non-profits who offer placement, workforce development, and technology education programs. By staging non-profit tech education space within a permeable, high-tech innovation setting, we hope to catalyze dynamic interaction among training providers, job seekers, and emerging tech businesses that strengthens connections between the Kendall Square innovation economy and underrepresented residents of Cambridge and the larger Boston area.

Innovation Space Phasing Plan

The enclosed phasing diagram delineates the delivery of both Market Rate and Below Market Rate Innovation Space within the KSURPA as a condition of approval for Commercial Building A and Commercial Building B as part of the MXD IDCP (nested within Phases I and II, respectively). It is important to note that current plans for Market Rate and Below Market Rate Innovation Space in 2019 place us ahead of mandated schedule for both Innovation Space components.

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I. Market Rate Operations Plan



CIC Innovation Space Plan

CIC develops innovation ecosystems that enable exceptional entrepreneurs to create new products and companies better and faster. We do this by creating world-class infrastructure and programming for innovators, including high quality, flexible office space; shared wet-lab facilities; public, civic innovation spaces; and targeted initiatives to help entrepreneurs grow their companies.

CIC client companies come from all industries, primarily startups, innovation companies as well as the innovation arms of larger corporations. Globally, CIC houses over 1,750 client companies in over 650,000 SF of premium office and co-working space.

CIC Innovation Space

CIC will occupy floors 2, 3, 4, 11 and 12 of 255 Main Street, Cambridge. Of these 5 floors, 83,473 RSF will be qualify as innovation space.

Fulfillment of Innovation Space Plan

Innovation Space: A Concept Plan proposing more than one hundred thousand (100,000) square feet of GFA for Office and Biotechnology Manufacturing Uses shall include a plan for Innovation Space meeting the requirements below. Innovation Space within the District must occupy GFA equal to, or in excess of, ten percent (10%) of nonresidential Infill GFA. Existing GFA within the District may be converted to meet this requirement. The Innovation Space requirement shall be met through the provision of office spaces of at least ten thousand (10,000) square feet or [ten percent (10%) of the newly constructed non-residential GFA, if less] within a single building and may be satisfied by means of a lease to a single user who will operate and manage a facility meeting the requirements hereof:

<u>Description of Requirement</u>	<u>How CIC fulfills this requirement</u>
Durations of lease agreements (or other similar occupancy agreements) with individual office tenants shall be for periods of approximately one (1) month.	CIC service agreements are for a 30-day period as indicated in our standard form contract.
No single business entity may occupy more than two thousand (2,000) square feet or ten percent (10%) of the entire Innovation Space provided in the District, whichever is greater.	Based on data on CIC’s average client occupied square footage across all CIC sites, CIC will fulfill this requirement. Since 255 Main Street hasn’t opened, we can’t report on specific 255 Main client data yet.
The average size of separately contracted private office suites may not exceed two hundred (200) square feet of GFA.	Based on a review of offices in the defined innovation space, the average size of separately contracted private offices will be less than 200 square feet.
Innovation Space shall include shared resources (i.e., co-working areas, conference space, classroom space, office equipment, showroom, shop or lab equipment, storage, circulation, supplies and kitchens) available to all tenants and must occupy at least fifty percent (50%) of the Innovation Space.	More than 50% of CIC’s space will qualify as innovation space based on these requirements.



<p>Individual entities occupying Innovation Space may include small businesses, incubators, small research laboratories, office space for investors and entrepreneurs, facilities for teaching and for theoretical, basic and applied research, product development and testing and prototype fabrication or production of experimental products.</p>	<p>CIC services a range of clients, and our clients will fall into one or more of these categories. Currently, our client companies are in life sciences, technology, health, and/or other business to business services.</p>
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Appendix A;

CIC Services

As a baseline, our clients can enjoy:

- The ability to choose between 25 different “products” ranging from private offices with locked doors, to a dedicated desk in a shared space, to flexible workstations in a coworking community
- **Flexible 30-day leases, and the ability to add or subtract workspaces at any time**
- Top-of-the-line office furniture including Aeron chairs
- 24/7 access to offices and facilities
- Concierge service
- Unmetered usage of conference rooms equipped with conference phones, including spaces providing state-of-the-art video conferencing
- Unlimited high-speed internet and phone service (including domestic and international calls)
- Unmetered usage of printers, copiers, fax machines and scanners
- Fully stocked kitchens with all-you-can-eat gourmet coffee, fresh fruit, snacks and beverages
- Dedicated CIC staff assigned to each community
- Lockers and shower rooms
- Mail and package services
- Tech support and dedicated IT staff
- Security and cleaning services
- Wellness and fitness programs and on-site massage therapy services
- Access to CIC clubs and events, including Venture Café’s weekly networking event
- Discounts and special access to local services and amenities, bespoke to each location

II. Market Rate Zoning Compliance Presentation



**CIC Innovation Space
Proposal**
255 Main Street

...
cic

July 2018



What we believe

We believe innovation is the key to fix the world

Innovation is largely driven by entrepreneurs

Concentrating impactful entrepreneurs in one place leads to impressive outcomes

We create innovation communities that support impactful entrepreneurs to fix the world

What we've accomplished

We built the world's largest science/tech focused innovation hub, in Cambridge, MA

We have built hubs in 5 cities, and have 6 more under development

We are creating the first global network of such hubs, initially covering 50 major cities



Requirement #1

Description of Requirement

Durations of lease agreements (or other similar occupancy agreements) with individual office tenants shall be for periods of approximately one (1) month.



SERVICE AGREEMENT

The licensee(s) identified on the signature block of this agreement (the “Licensee”) and CIC hereby agree to the following (the “Agreement” or “Service Agreement”).

Please note that “Client”, “you” and “your” refer to the aforementioned Licensee, and “CIC”, “we” and “our” refer to the CIC agent identified in the signature block of this Agreement (the “Agent”) for the Licensor(s) identified on Exhibit A for the locations that you use.

1. License: On behalf of the Licensors identified in Exhibit A, CIC hereby grants you, and you hereby accept from CIC, a license and privilege to operate a workspace and use the facilities designated by CIC (and as set forth in our monthly invoice to you) at one or more of the premises indicated in Exhibit A (individually and collectively the “Premises” or “CIC Premises”). This license does not convey title to any land or buildings and does not create a possessory interest or tenancy of any kind.

Either party may terminate this Agreement and license for any reason or no reason with 30 days’ written notice (the Termination Notice as defined below).

notice if your needs change. CIC requests that you provide as much informal notice as possible of any planned decrease in your use of our services. Giving us an idea of your future plans will not prejudice your access to current services, and may allow us to introduce you to alternative options.

Over and above any informal conversations you may have with us, you agree to provide CIC at least 30 days’ advance formal definitive written notice of termination of this Agreement (the “Termination Notice”) as well as of any material reduction of your use of space or services under this agreement. This means 30 days’ Termination Notice is required if you plan to leave, but also if you plan to drop a part of your space at any of CIC’s facilities. Please keep in mind that once you give us formal Termination Notice, CIC will release that space for reservation by others following the date you told us you will no longer require it, and it may not be possible for you to later reverse your decision.

If you choose to vacate your space in fewer than 30 days from the time you provide us with Termination Notice, you will still be responsible for full payment of your fees through the date that is 30 days after Termination Notice is given, regardless of whether we reuse your space for others after you vacate.



Requirement #2

Description of Requirement

No single business entity may occupy more than two thousand (2,000) square feet or ten percent (10%) of the entire Innovation Space provided in the District, whichever is greater.

How CIC Fulfills this Requirement

Based on data on CIC's average client occupied square footage across all CIC sites, CIC will fulfill this requirement. Since 255 Main Street hasn't opened, we can't report on specific 255 Main client data yet.

Requirement #3

Description of Requirement

The average size of separately contracted private office suites may not exceed two hundred (200) square feet of GFA.

How CIC Fulfills this Requirement

Based on a review of offices in the defined innovation space, the average size of separately contracted private offices will be less than 200 square feet.

Requirement #4

Description of Requirement

Innovation Space shall include shared resources (i.e., co-working areas, conference space, classroom space, office equipment, showroom, shop or lab equipment, storage, circulation, supplies and kitchens) available to all tenants and must occupy at least fifty percent (50%) of the Innovation Space.

How CIC Fulfills this Requirement

More than 50% of CIC's space will qualify as innovation space based on these requirements.

Requirement #5

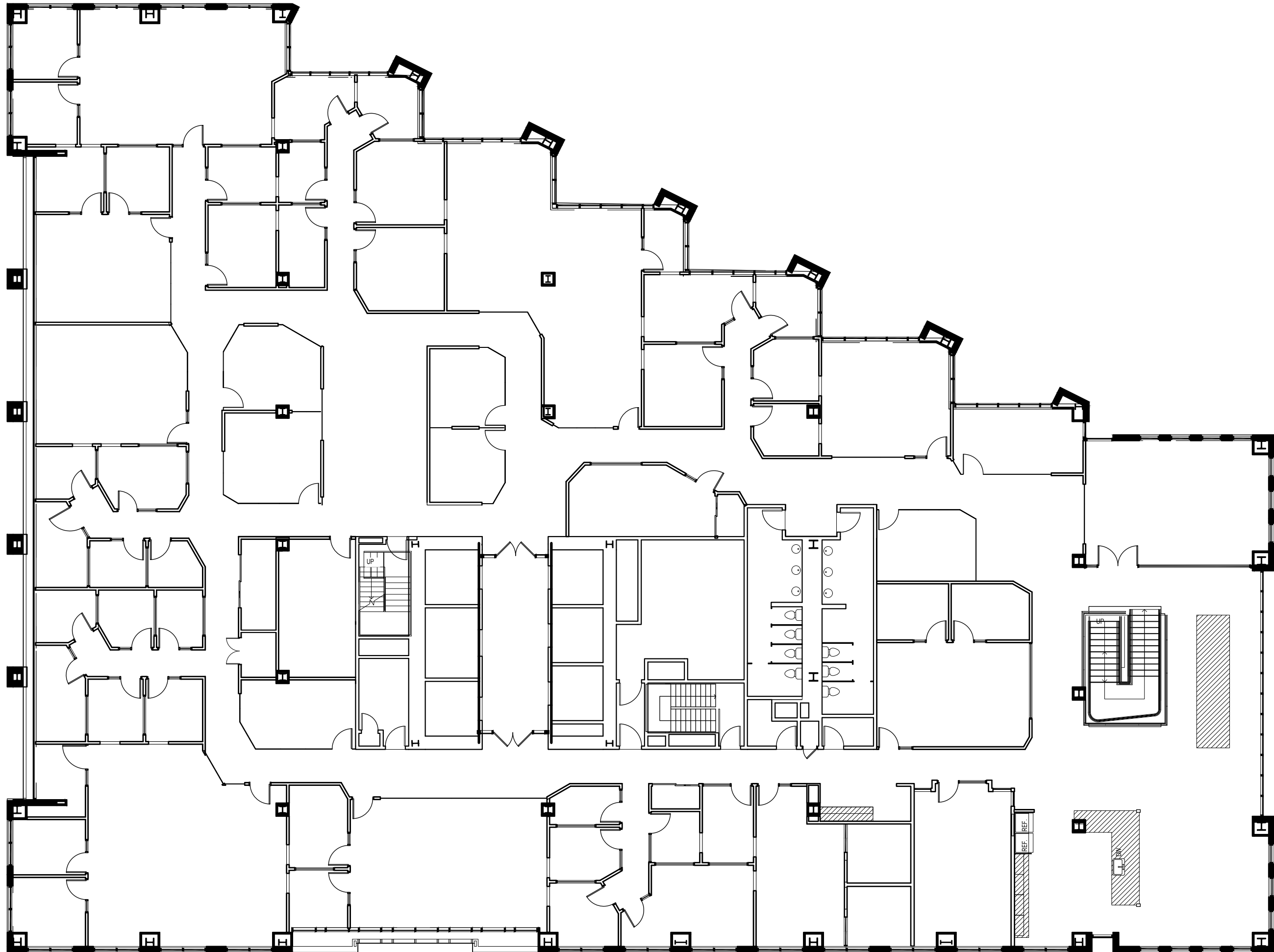
Description of Requirement

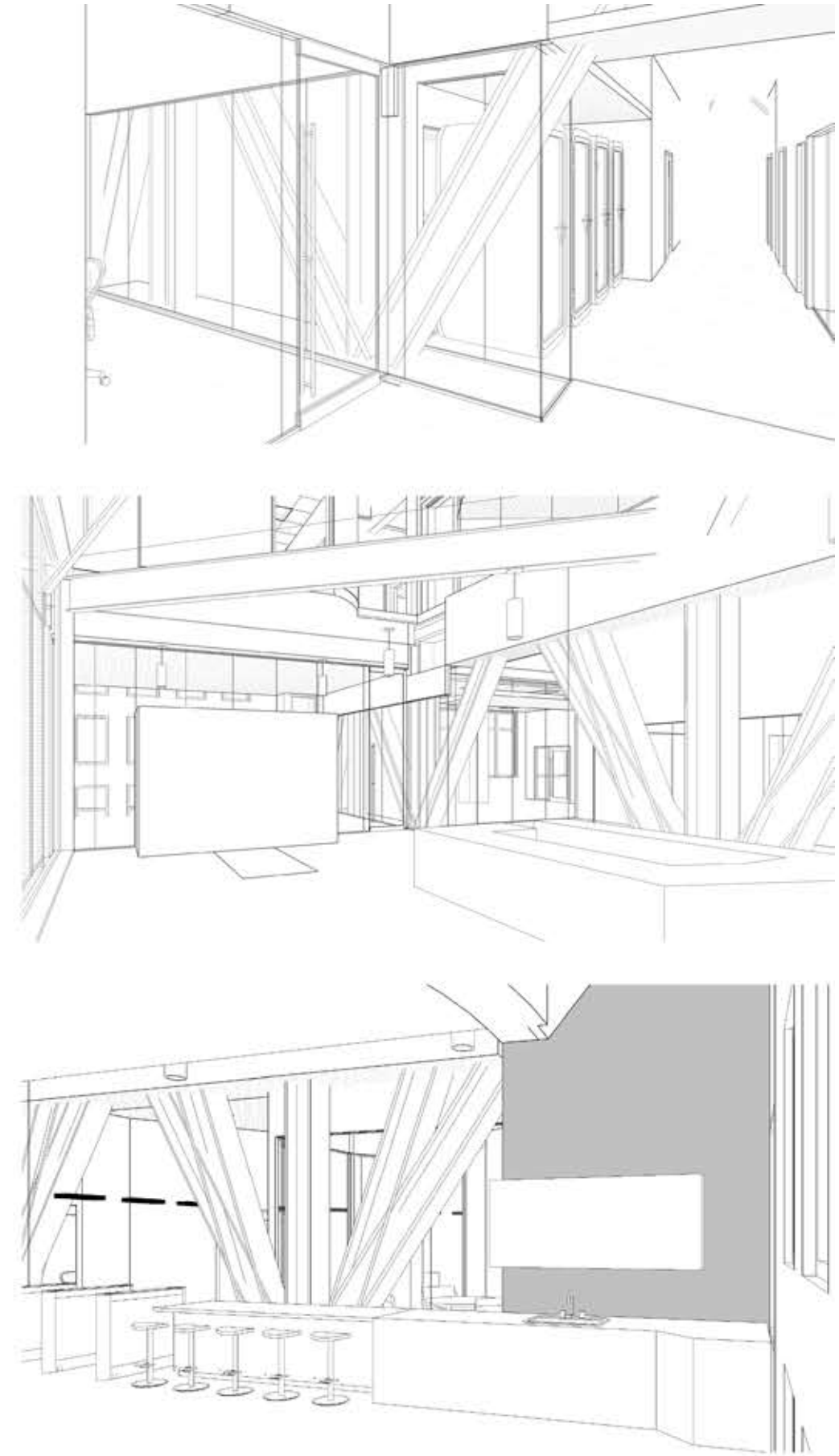
Individual entities occupying Innovation Space may include small businesses, incubators, small research laboratories, office space for investors and entrepreneurs, facilities for teaching and for theoretical, basic and applied research, product development and testing and prototype fabrication or production of experimental products.

How CIC Fulfills this Requirement

CIC services a range of clients, and our clients will fall into one or more of these categories. Currently, our client companies are in life sciences, technology, health, and/or other business to business services.

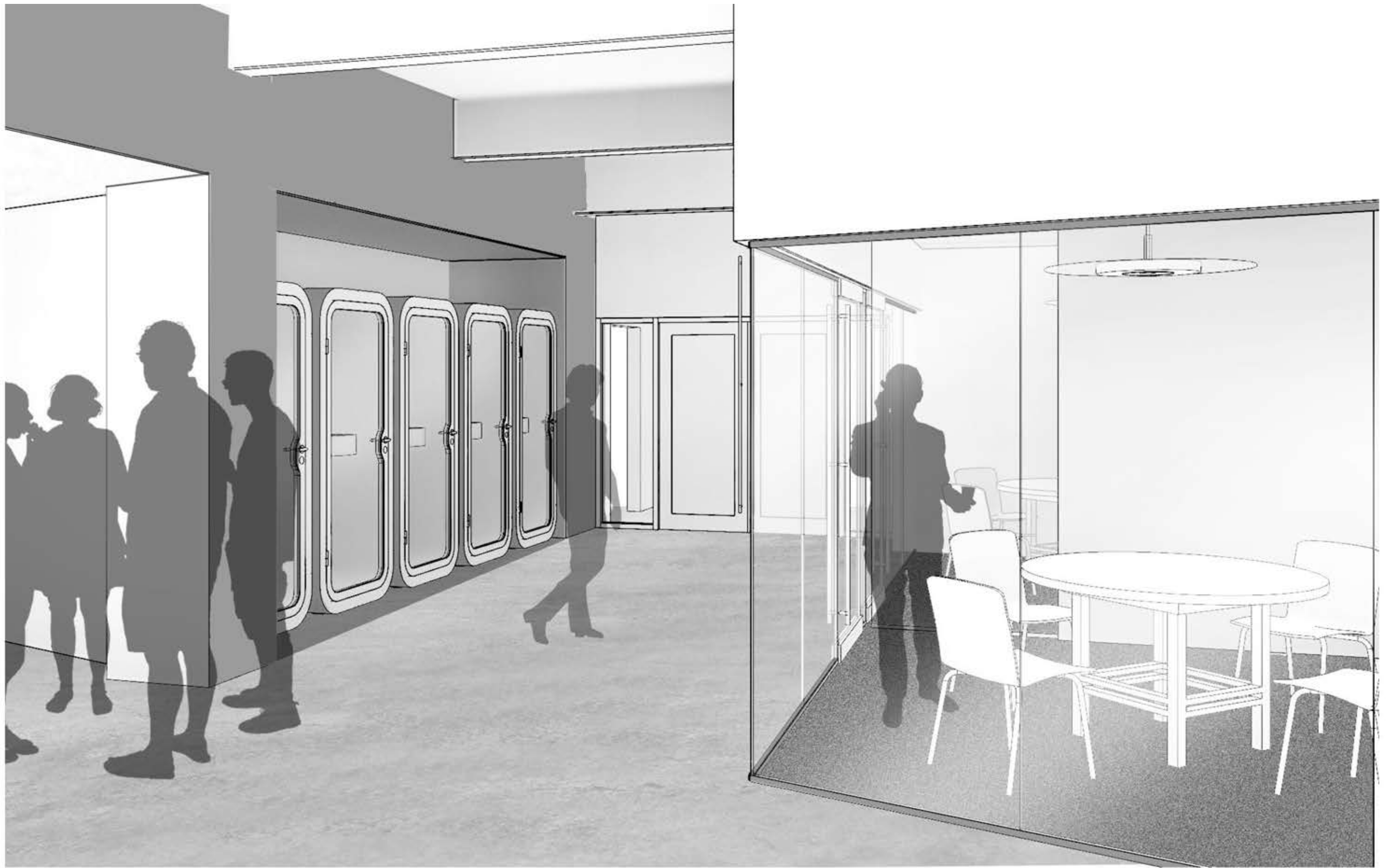
CIC 255 Main St.
Twelfth Floor











III. Below Market Rate Operations Plan

Below Market Innovation Space Operations Plan

Below Market Innovation Space Plan – BXP & Licensee

Boston Properties will retain lease control of the 8th floor of 255 Main Street and work with an experienced licensee operator to operate the Innovation Space located therein. The prospective operator (licensee) shall have experience managing spaces in which nonprofits can collaborate, create, and connect. The licensee will achieve this by managing a unified platform of traditional office space, shared co-working space, and meeting/conference/classroom space targeted at placement, workforce development, and job-training non-profits (with a focus on the tech sector) who will be selected and qualified by the stakeholder board. For-profit participants will also be accommodated in the space in order to foster permeability and collaboration between the center's non-profit tenants and for-profit, high-tech firms with the capacity to mentor, train, and hire the clientele of non-profit tenants on the 8th floor.

While design of the space remains at a conceptual stage, Boston Properties and the licensee seek to select an initial design that simultaneously generates the capacity required to fulfill the floor's anticipated needs, but is also maximally flexible. As this concept is without operational precedent, only the observation of patterns of use/utilization within the space over a sustained period of operations can definitively define the space needs of the Below Market Innovation Space. As a consequence, any additional flexibility that the CRA board can provide with respect to the dimensional requirements of Article 14 would be of great assistance in the elaboration of this concept over time. Discussions with CIC regarding fostering connection between 8th floor Below Market Innovation Space and CIC's Market Rate Innovation Space are ongoing.

Enclosed are three conceptual floorplans (subject to change) under active consideration that meet the parameters enumerated above, as well as comply with the dimensional and use requirements of Article 14 and the MXD IDCP Phasing Plan referenced on page one. For reference, see floor plans at the end of this section.

As discussed previously, the licensee will seek non-profit "anchor" tenants who provide education for underrepresented populations in the tech sector in addition to complementary for-profit operators as more specifically defined by the Board of Stakeholders. In-house services afforded to members/tenants on the 8th floor of 255 Main Street will include:

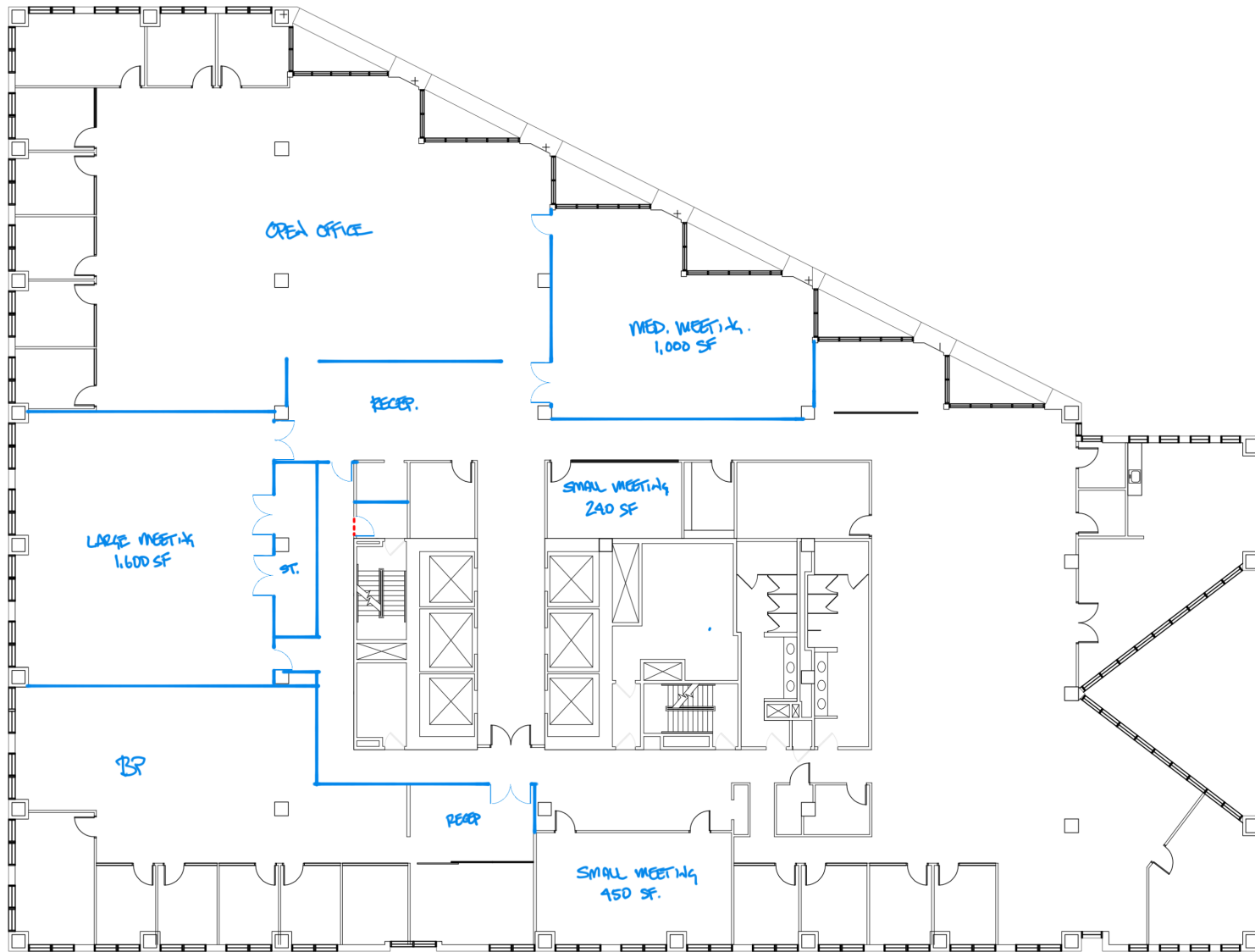
- High speed internet
- Networked printer/copier/scanner
- Access to conference space
- Cleaning, security, engineering services
- Stocked kitchen
- Community/educational events and programming

Fulfillment of Innovation Space Plan – Compliance Matrix

As currently conceived, the Below Market Rate Innovation Space on the 8th floor of 255 Main Street is anticipated to comply fully with the requirements of Article 14, as well as the prescribed mission for Innovation Space under the KSURP as described by the narrative above. A zoning compliance matrix is included for reference.

<u>Description of Requirement</u>	<u>How Licensee fulfills this requirement</u>
Durations of lease agreements (or other similar occupancy agreements) with individual office tenants shall be for periods of approximately one (1) month.	Licensee’s business plan incorporates agreements for private and shared office, as well as co-working space at 255 Main St. strictly for 30-day increments at a maximum.
No single business entity may occupy more than two thousand (2,000) square feet or ten percent (10%) of the entire Innovation Space provided in the District, whichever is greater.	Average clients of the licensee occupy 1,976 SF of space, and floorplans under consideration for the 8 th floor of 255 Main do not include single-tenant space larger than 2000 square feet in size.
The average size of separately contracted private office suites may not exceed two hundred (200) square feet of GFA.	Licensee’s planned buildout includes maximum of 150 SF per private office on average based on current floor plans.
Innovation Space shall include shared resources (i.e., co-working areas, conference space, classroom space, office equipment, showroom, shop or lab equipment, storage, circulation, supplies and kitchens) available to all tenants and must occupy at least fifty percent (50%) of the Innovation Space.	Approximately 53% of currently planned licensee space qualifies as co-working, shared kitchen, storage and/or circulation space available to all tenants, with the remaining 47% of planned licensee space allocated to shared, conference and meeting facilities available both to non-profit and for-profit organizations.
Individual entities occupying Innovation Space may include small businesses, incubators, small research laboratories, office space for investors and entrepreneurs, facilities for teaching and for theoretical, basic and applied research, produce development and testing and prototype fabrication or production of experimental products.	The licensee services a range of non-profit organizations currently, and tenants at 255 Main St. are expected to fall into one or more of the enumerated categories.

BXP 255 MAIN STREET
8TH FL

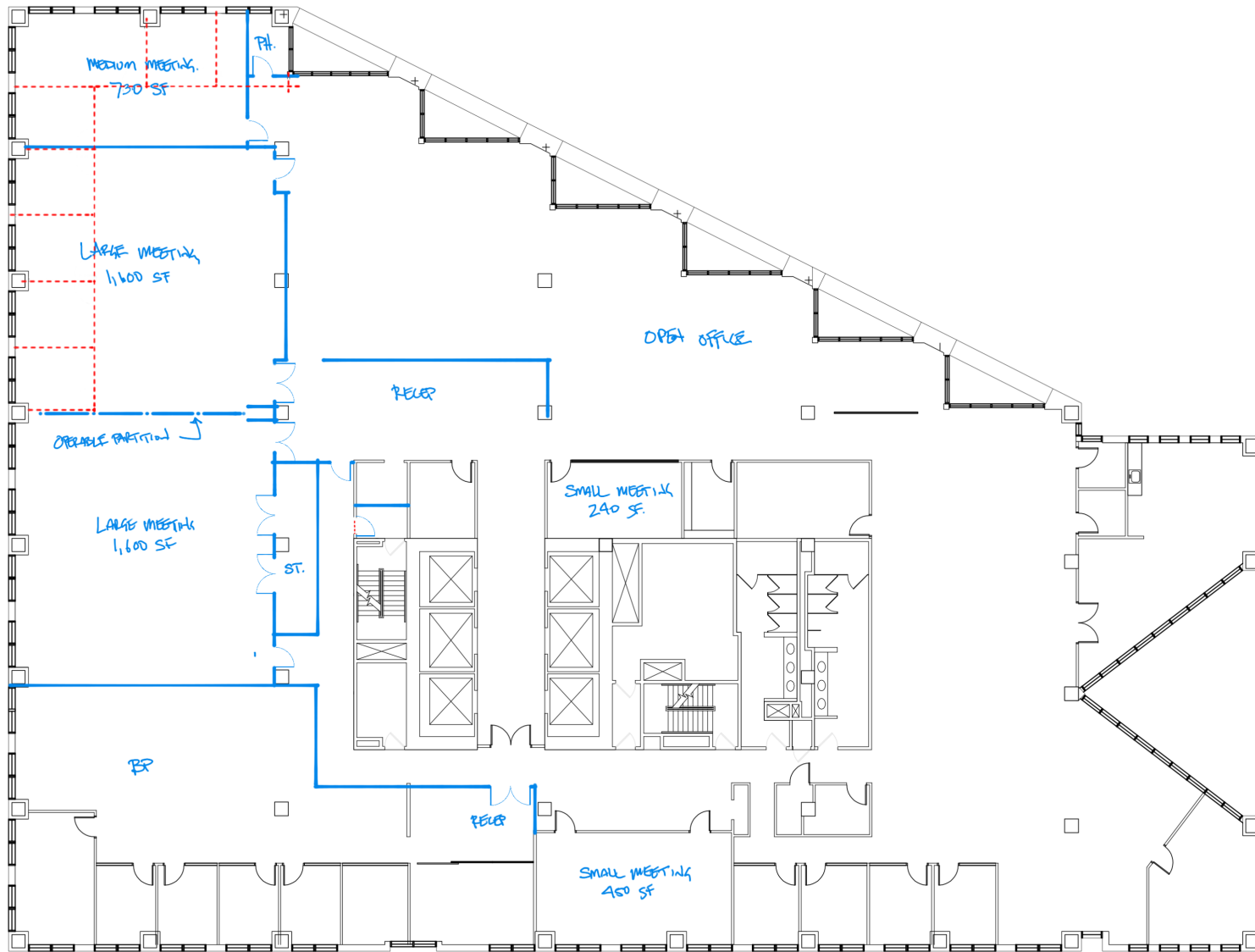


OPTION 1
7.31.2018



SASAKI

BXP 255 MAIN STREET
8TH FL

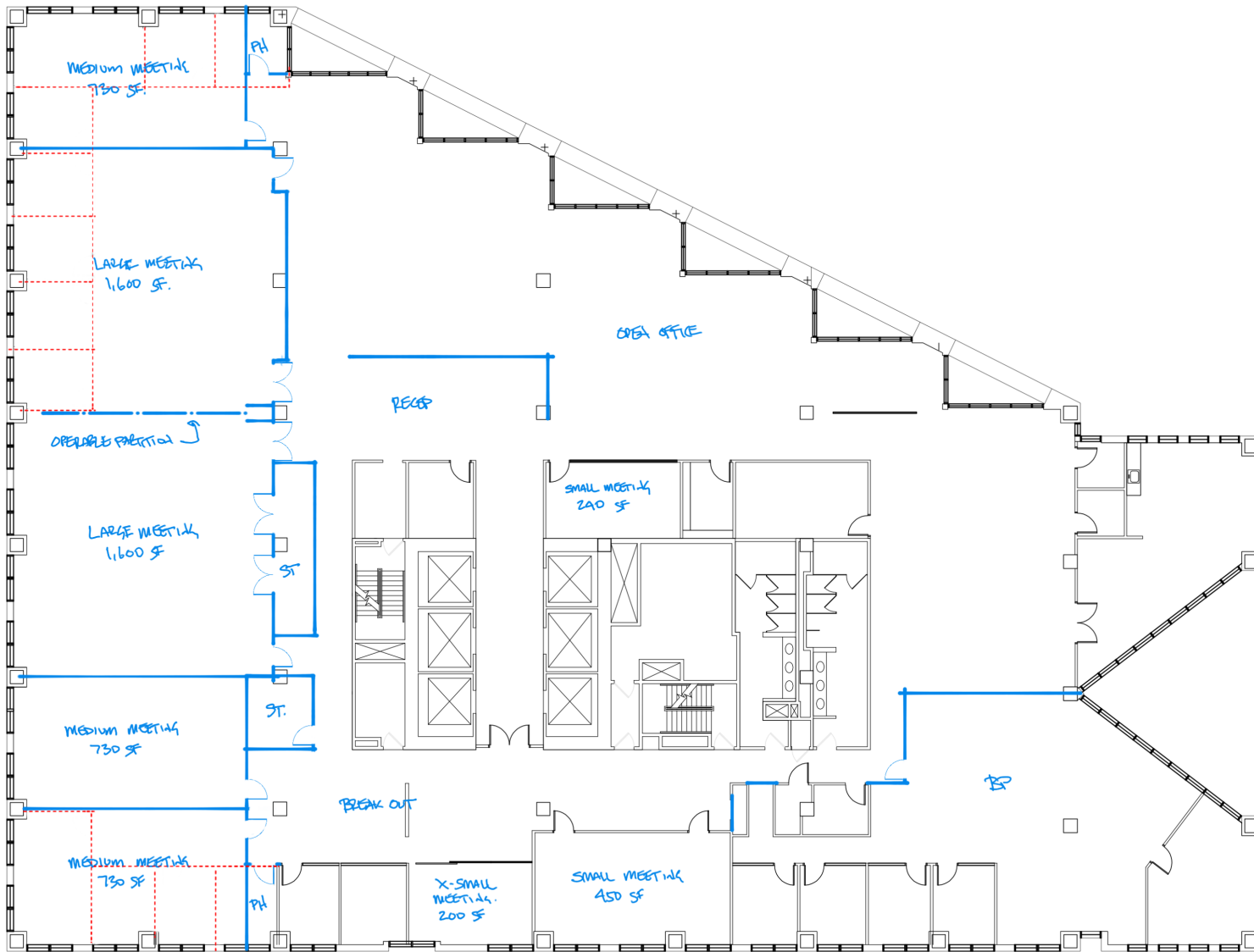


option 2
7-31-2018



SASAKI

BXP 255 MAIN STREET
8TH FL



OPTION 3
7.31.2018



SASAKI

IV. Below Market Rate Zoning Compliance Presentation

BELOW MARKET INNOVATION SPACE OPERATIONS PLAN PRESENTATION

CONTEXT AND LAST MEETING

BxP has a zoning obligation for 105,200 SF of Innovation Space composed of:

- 78,900 SF of Market Innovation Space to be fulfilled by the CIC
- 26,300 SF of Below Market Innovation Space to be fulfilled by Boston Properties

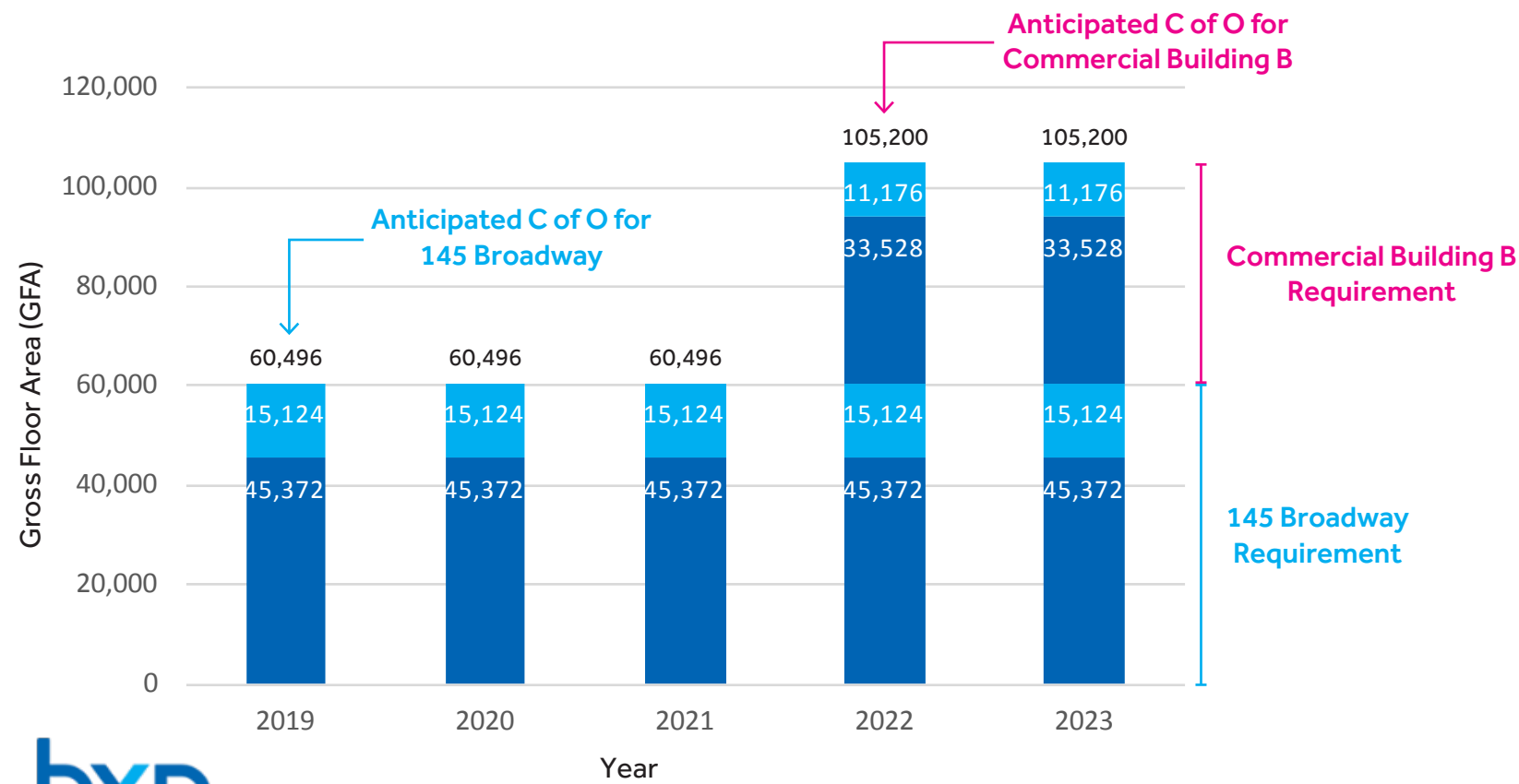
At last CRA Board update we presented concept of Below Market Innovation Space being composed of tech education non profits.

At that time, we were exploring operational models and have arrived at a solution for both market and affordable innovation space

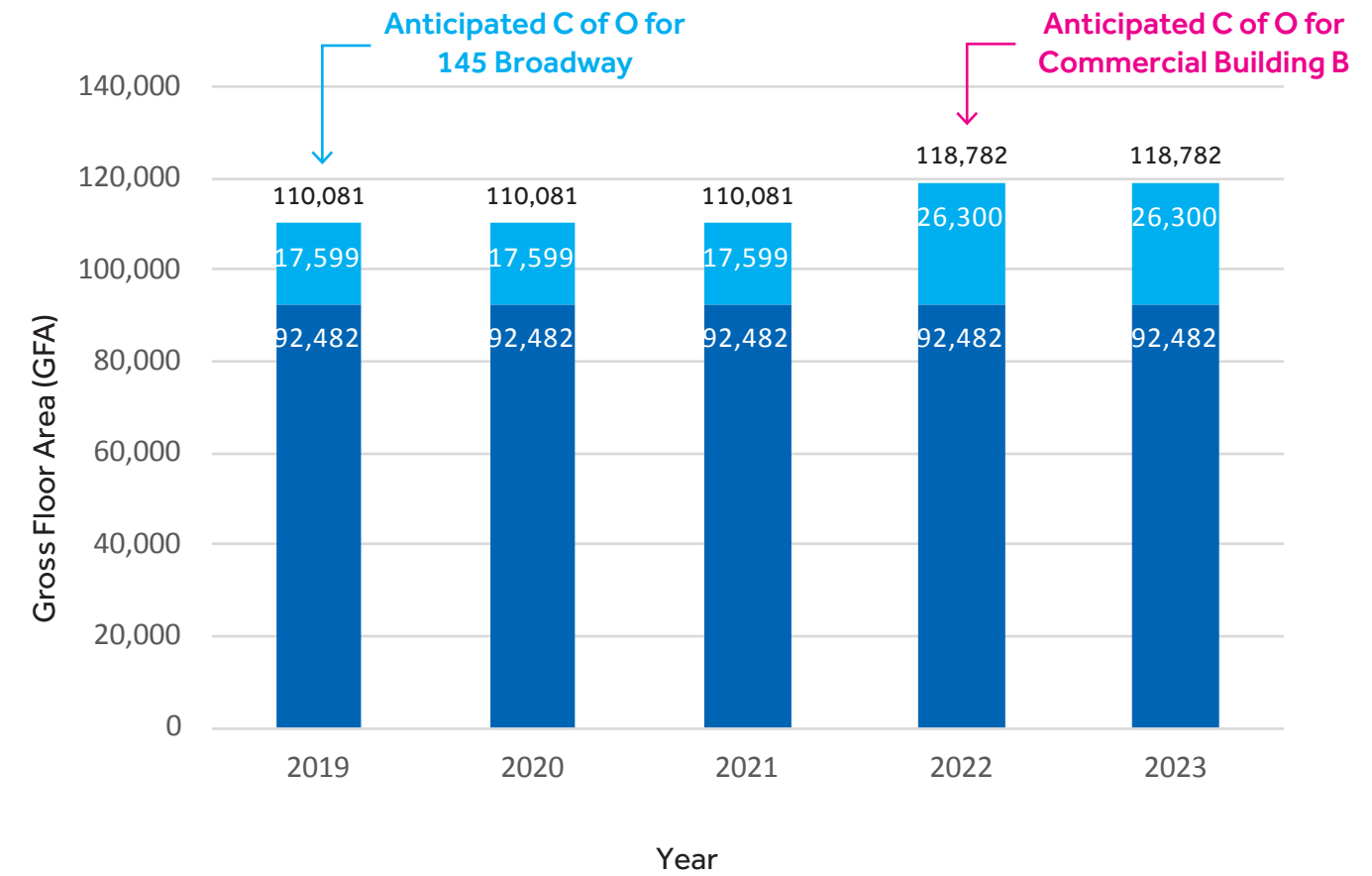
INNOVATION SPACE CALENDAR

The proportionate amount of market and below market innovation space must be available with the C of O of the applicable commercial building using Infill GFA

Required Innovation Space Delivery



Planned Innovation Space Delivery



■ Market Rate Innovation Space
■ Below Market Rate Innovation Space

■ Market Rate Innovation Space
■ Below Market Rate Innovation Space

BELOW MARKET SPACE OVERVIEW

- Boston Properties will operate the 8th floor of 255 Main Street as Tech Education Opportunity Space
- Occupied by non profits who provide tech education to underrepresented people in the technology sector
- Boston Properties will designate a licensee for 3 +/- years to handle day to day operations
- Licensee will maintain short term licenses for non profits for both administrative and classroom space at below market rates
- Will make classroom and event space available for lease to market rate entities as well
- 2019 delivery will consist of 16,000 +/- of below market space and other market uses on 8th floor

BELOW MARKET SPACE – OPERATION DIAGRAM

1. Owns space at economic risk



2. Licensee operates space for share of revenue

LICENSEE OPERATOR

3. Non profits* serve their target clients



Governance Board** Chooses Non Profits Tenants



*Non profits represented here are for conceptual demonstrative purposes.

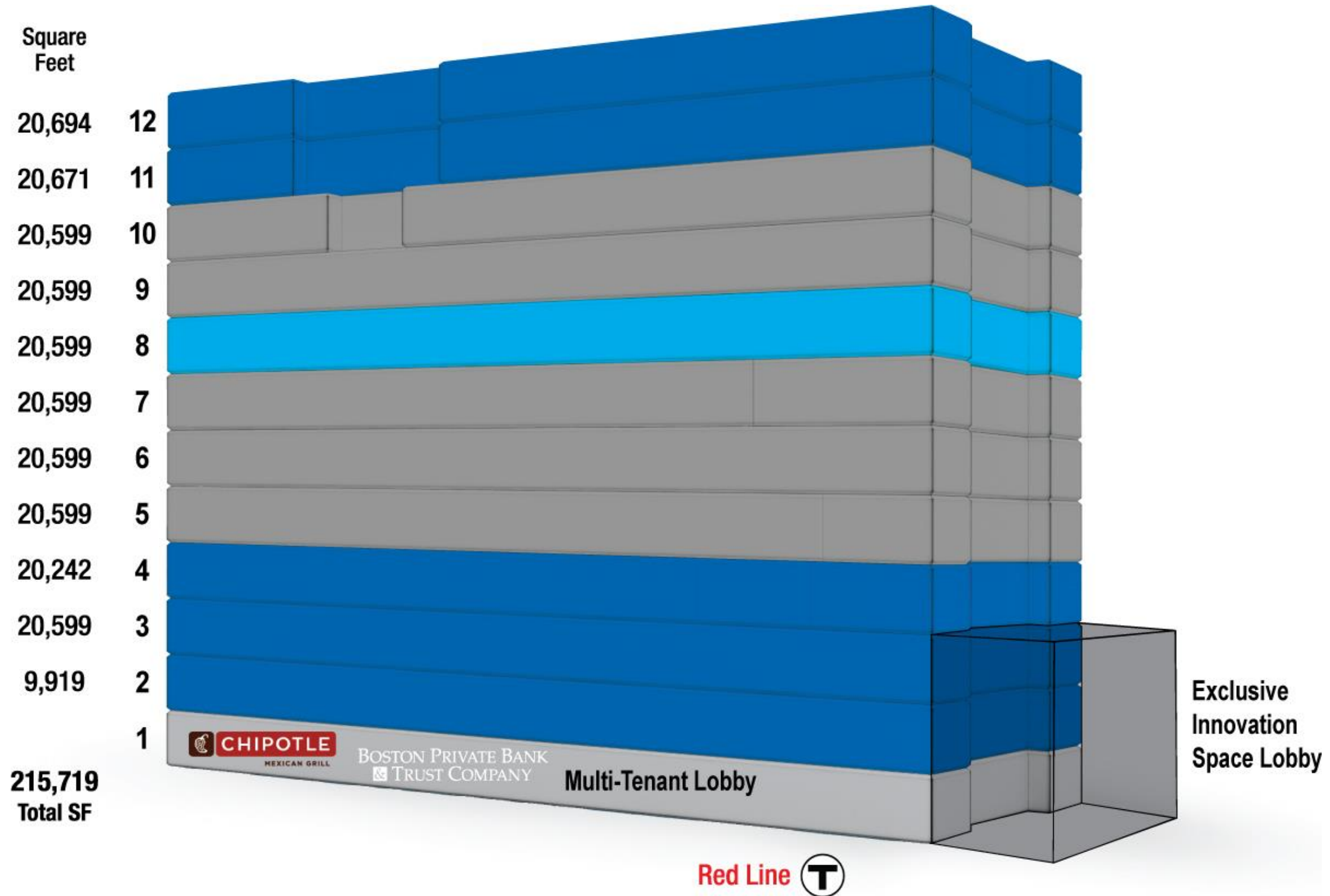
**Governance Board to be composed of applicable stakeholders

Who: Tech Ed Focused Non Profits

- Established 501 c3 with established operational history
- Has a mission focus that benefits form proximity to Kendall Square tech environment
- Focused on providing STEAM education or technology related employment services
- Offers complementary services either across the age/career lifecycle of a client or along the spectrum of technology interest or focus.
- Other Criteria to be established – Example Organizations Below



OVERALL STACKING DIAGRAM



- Market Rate Innovation Space
- Below Market Rate Innovation Space

Red Line