

MEMORANDUM

Date: February 21, 2024
To: CRA Board
From: Joel Smith, Tom Evans
RE: 2023 Innovation Space Compliance Report

INTRODUCTION

Innovation space requirements were a planning concept that grew out of the K2 Planning effort. The goal was to maintain space for smaller companies and organizations in order to preserve the innovation and start-up opportunities in Kendall Square, at a time when office a lab space supply was being absorbed by large-scale companies. Innovation space requirements were written into the Kendall Square Urban Redevelopment Plan (KSURP) and the zoning petition for the MXD District by the Cambridge Redevelopment Authority (CRA) in 2014. BXP had previously committed to provide innovation space in a Letter Agreement associated with the development of the Broad Institute expansion at 74 Ames St.

Section 412 of the KSURP and Article 14.32.5 if the MXD Zoning Code (MXD Zoning) outline the requirements for innovation space, which must meet both qualitative and quantitative standards, and BXP is required to present an annual report to the CRA. According to the Infill Development Concept Plan (IDCP) Amendment 2, a total of 125,200 square feet of innovation space is required, with 25% or 26,300 square feet specifically designated as below market rate innovation space, in order for the Innovation Space Gross Floor Area (GFA) to be exempt. BXP (formerly Boston Properties) submitted the 2023 Innovation Space Compliance Report on February 14, 2024.

The MXD Zoning specifies that innovation space is designed with an average individual office suite size of 2,000 or less. Innovation space must include at least 50% of shared resource areas, such as co-working areas, conference space, classroom space, office equipment, showroom, shop or lab equipment, storage, circulation, supplies, and kitchens, which must be available to all tenants. Individual entities occupying innovation space may include small business incubators, small research laboratories, office space for investors and entrepreneurs, facilities for teaching, theoretical, basic and applied research, product development and testing, and prototype fabrication or production of experimental products.

INNOVATION SPACE REPORT COMPLIANCE

BXP has met the requirements for innovation space for the Certificate of Occupancy for 145 Broadway by providing 92,482 GFA of market rate space and 17,326 GFA of below market rate space within 255 Main Street. For market rate space, the CIC operates collaborative work environments for entrepreneurs and startups. In the Link below market rate space, TSNE provides co-working, training,

and event venues for non-profit organizations, targeting programs that focus on workforce development, education, and economic opportunity.

BXP had previously provided the basement area of 80 Broadway as innovation space, but had to renovate this area to serve as a temporary location for the MIT Coop during the construction of 325 Main Street. The return of the MIT Coop has been postponed due to the delays associated with the MBTA Headhouse reconstruction.

BXP is still obligated to provide an additional 15,392 GFA of Innovation Space as part of the Certificate of Occupancy for 325 Main Street, which includes 6,418 GFA market rate and 8,974 GFA below market rate requirements. BXP had initially planned to collaborate with Commonwealth Kitchen (CWK) to create a food hall at 325 Main Street for local food entrepreneurs, as presented to the CRA Board on June 8, 2022, to meet innovation space commitments. However, due to changing organizational priorities and staffing at CWK, and the impact of the COVID-19 pandemic on retail businesses, CWK and BXP decided to put the food hall project on hold. Despite this, BXP continues to work with CWK on other initiatives such as the annual Food Show and Holiday Gift Boxes. Additionally, BXP has agreed to continue to explore opportunities to support local food entrepreneurs in Kendall Square.

In the meantime, BXP has observed an increase in the demand for research and education-focused Innovation Space. With 15,392 GFA remaining, BXP has repurpose 2,681 GFA of the BXP Property Management office for TSNE's expansion of The Link at 255 Main Street. This will provide additional space for the workforce development organization, MassBio Ed with construction scheduled with a completion in Q1 2024.

To meet its remaining innovation space requirement, BXP has been in conversations with The Fab Foundation, a nonprofit of the Center for Bits and Atoms. The Fab Foundation offers a collaborative and inclusive community for individuals from diverse backgrounds, including fabricators, artists, scientists, engineers, educators, students, and amateurs and professionals. Members have access to the necessary tools and space for fostering technical innovation. Specifically, the Fab Foundation would cater to business incubation and entrepreneurship, as well as offer facilities for teaching, research, and the fabrication and production of experimental products, as outlined in Article 14.32.5 of the Zoning Code. BXP has engaged the Fab Foundation in an aim establish its global headquarters and a flagship community Fab Lab on Level 2 of 325 Main Street, fulfilling most of the remaining 12,711 GFA of innovation space. At present, BXP is finalizing a letter of intent with the Fab Foundation and has been working on a preliminary fit plan and a tenancy agreement to provide the space at a significantly below market rate. In parallel, CRA staff will continue to work with Fab Foundation and BXP to insure the program fulfills the requirements of innovation space.

CRA staff and BXP anticipate that the entire remaining 12,711 GFA of innovation space will not be fulfilled solely by The Fab Foundation. For 2024, CRA staff are committed to collaborating with BXP to identify other partners for potential locations such as 325 Main Street ground floor, 50 Broadway, and 90 Broadway.

STAFF RECOMMENDATION

Based on the requirements of outlined in the KSURP and Article 14.32.5 of the Zoning Code, CRA staff believe the Fab Foundation fulfills innovation space requirements more directly than the Kendall market concept, and will satisfy a significant proportion of BXP's commitment to Innovation Space from the IDCP.

MOTION

Draft Motion: *Approving the 2024 Updated to the MXD Innovation Space Plan for space within 225, 325 and 355 Main Street.*

Attachment A: 2023 MXD Innovation Space Compliance Report

Attachment B: 2023 MXD Innovation Space Compliance Presentation