

## MEMORANDUM

**To:** CRA Board  
**From:** Erica Schwarz and Tom Evans  
**Date:** January 11, 2022  
**Re:** Foundry Project: Office Leases

## BACKGROUND

The Foundry's financial model relies on income from four office suites on the building's second and third floors to provide a majority of funds required to operate the building. The building offers three market rate suites of approximately 3,000, 5,000 and 8,000 square feet and a below market suite of approximately 2,000 square feet. All four office suites are being fully built out to be "turnkey" ready as part of the City's Foundry construction project, including fully finished kitchenettes, small meeting rooms, and private offices.

CRA staff engaged Newmark to provide brokerage services for the market rate office spaces. The below market rate space was offered to nonprofit organizations via an Request for Proposals (RFP) / lottery process that sorted initial respondents into pools from which a lottery was held to select from the most qualified respondents.

## TENANT SELECTION PROCESS FOR MARKET AND BELOW MARKET OFFICE SUITES

### *Market Rate Office Suites*

Newmark and CRA started publicizing the availability of the three market rate suites in early September, 2021 (see Exhibit A). Since that time eight entities have made site visits to consider leasing one of the market rate suites.

Following discussion with the CRA Board of Directors via the November 17, 2021 executive session, CRA Executive Director Tom Evans signed Letters of Interest with two organizations for the approximate 3,000 and 5,000 square foot market rate suites. The Letters of Interest represented good faith effort to move towards executed leases for the Foundry.

The brokerage team is still soliciting interest from prospective tenants for the largest 8,000 square foot office space on the third floor of the building.

### *Below Market Rate Office*

The tenant selection process for the below market RFP (Exhibit B) was supported by TSNE, the CRA's property management consultant for the Foundry. Tenant selection for the below market space proceeded under the following schedule:

<b>Activity</b>	<b>Date</b>	<b>Notes</b>
Publicize RFP	October 19, 2021	Posted in Central Register, Boston Globe, and on CRA website. Multiple emails sent to CRA mass email list and other parties who demonstrated prior interest
Site Visits	By appointment during November, 2021	
Deadline to respond	December 10, 2021	Three responses were received
Lottery conducted	December 17, 2021	Held by TSNE via Zoom

All three respondents to the RFP were found to be qualified to be entered into the lottery under the top priority Group 1 category. TSNE conducted the lottery on December 17, 2021, which resulted in the following randomized rankings:

1. Breakthrough Greater Boston
2. The Flavor Continues
3. The Loop Lab

## TENANT SELECTION

The tenants under consideration are as follows:

Market Rate :

- 3,232 square foot 2<sup>nd</sup> floor suite: Deep Genomics
- 5,042 square foot 3<sup>rd</sup> floor suite: Commonwealth Cancer Consortium, Inc, d/b/a Break Through Cancer

Below Market :

- 2,053 square foot suite: Breaththrough Greater Boston

All three leases under consideration at this time are proposed to be for 5-year terms, with modified gross rents. In addition to a base rent, tenants will pay for their own electric bill and the increase in any taxes and operating expenses after the initial base year. Leases for market rate suites will start immediately after the Foundry building construction project receives its certificate of occupancy, which is expected on May 31, 2022. The below market suite lease is expected to start July 1, 2022.

## FOUNDRY CONSORTIUM

The CRA staff and the Foundry Consortium continue to develop the operation plans for the Foundry community spaces. In accordance with the amended Foundry MOU approved by the Board in July of 2021, the Consortium has drafted a property management plan, and is working on a makerspace operation plan, a community space reservation system, an artists in residence program and a

proposed budget including staffing organization. The CRA and Foley Hoag are finalizing a draft sublease and property management agreement to formalize the operations of the Foundry building later this year.

## MOTION

*Motion: Authorizing the Executive Director and Chair to negotiate and execute lease agreements with Deep Genomic, the Commonwealth Cancer Consortium, and Breakthrough Greater Boston for office space at 101 Rogers Street.*

## EXHIBITS

Exhibit A: Newmark Marketing Brochure

Exhibit B: Below Market Foundry Office RFP