

## University Park at MIT

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Cambridge, Massachusetts

Project Type:  
Mixed-Use/Multi-Use

Case No:  
C031010

Year:  
2001

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### SUMMARY

University Park at MIT is a 27-acre, mixed-use research and development (R&D) park, adjacent to the campus, that is integral to the long-range strategy of Massachusetts Institute of Technology (MIT) to foster technology transfer among the university's students, graduates, faculty members, and the private sector. When completed, University Park at MIT will comprise a total of 2.3 million square feet and include at least 1.3 million square feet of office/R&D space, a 210-room hotel and executive conference center, up to 150,000 square feet of retail space and restaurants, 650 rental housing units, four structured parking facilities for 2,800 cars, and seven acres of parkland

### FEATURES

- Brownfield development
  - Affordable housing
  - Mixed-use, with community-oriented facilities
  - Parkland
  - Flexible, high-capacity, state-of-the-art technology infrastructure
  - Innovative financing that accommodates both for-profit developer and nonprofit institutional landowner
  - Complex covenants and maintenance agreements to protect owner, developer, and tenants
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- Innovative financing that accommodates both for-profit developer and nonprofit institutional landowner
- Complex covenants and maintenance agreements to protect owner, developer, and tenants

### DEVELOPMENT TEAM

#### DEVELOPER/MANAGER

Forest City Rental Properties Corporation and  
Forest City Commercial Management, Inc.  
(wholly-owned subsidiaries of Forest City Enterprises, Inc.)  
38 Sidney Street  
Cambridge, Massachusetts 02139  
617-225-0310  
<http://www.fceinc.com>

#### LANDOWNER

Massachusetts Institute of Technology  
University Park at MIT  
350 Massachusetts Avenue  
Cambridge, Massachusetts 02139  
617-225-0310; fax 617-494-9615  
<http://www.universityparkatmit.com>

#### PLANNER

Koetter, Kim & Associates, Inc.  
344 Boylston Street  
Boston, Massachusetts 02116  
617-536-8560; fax 617-536-1217  
<http://www.koetterkim.com>

#### LANDSCAPE ARCHITECT FOR UNIVERSITY PARK COMMON

The Halvorson Company  
161 Massachusetts Avenue  
Boston, Massachusetts 02115  
617-536-0380; fax 617-536-0626

#### ARCHITECTS

Arrowstreet Inc.  
212 Elm Street  
Somerville, Massachusetts 02144  
617-623-5555; fax 617-625-4646  
<http://www.arrowstreet.com>

Elkus/Manfredi Architects Ltd.  
530 Atlantic Avenue  
Boston, Massachusetts 02210  
617-426-1300; fax 617-426-7502  
<http://www.elkus-manfredi.com>

Koetter, Kim & Associates, Inc.  
(see above)

Tsoi/Kobus & Associates, Inc.  
One Brattle Square  
Cambridge, Massachusetts 02238  
617-491-3067; fax 617-864-0265  
<http://www.tka-architects.com>

#### ENGINEER

Walker Parking Consultants/Restoration Engineers  
2121 Hudson Avenue  
Kalamazoo, Michigan 49008  
616-381-6080; fax 616-381-5811  
<http://www.walkerparking.com>

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## GENERAL DESCRIPTION

The Massachusetts Institute of Technology (MIT) had been acquiring land for 25 years for the development of a corporate office/research and development (R&D) park adjacent to its campus. It was to be part of the university's strategy for the investment of the MIT Endowment Fund that would help accelerate the transfer of technology into the commercial marketplace. In 1992, with a site assembled, MIT issued a request for proposals (RFP).

MIT's objectives were as follows:

- to secure a good economic return for the Endowment Fund;
- to protect long-term campus growth;
- to foster technology transfer;
- to create employment opportunities for students and graduates; and
- to provide collaborative or advisory opportunities for faculty.

The university did not want to use the site to develop academic research space or incubator space or to direct the location of the patent assets and technology investments of the faculty. The RFP was issued to seek a for-profit developer with deep pockets and staying power, long-term investment objectives, and expertise across several product types—offices, R&D space, residences, and retail uses. The university also wanted the developer to obtain the necessary public approvals, performing its duties at an arm's length from the university, thus protecting MIT's relationship with the Cambridge community.

There were 38 submissions in response to the RFP. The finalists comprised Forest City Enterprises, Trammel Crow, and Beacon Properties. Forest City's proposal was the only mixed-use concept incorporating residential and retail components, with the core office/R&D uses. In 1983, Forest City was selected by MIT, and it signed a 20-year development agreement that will expire in 2003. Under the terms of this agreement, the firm will develop University Park using a series of 75-year ground leases, with each lease term to begin as each portion of the site is developed. Thus, the terms of each lease convey with its parcel, and the property gradually will revert to MIT, with all leases ending no later than 2078. There exists no provision for lease renewal; however, there also is no prohibition if MIT and Forest City were to choose to add one.

Forest City's objectives as expressed in its proposal to MIT were as follows:

- to create a campus environment offering a mix of complementary uses;
- to build flexible, institutional-quality buildings to support those uses over time;
- to have the ability to respond to evolving market parameters; and
- to have ensured approvals over the buildout of the project.

The city of Cambridge also had objectives:

- taxable development;
- least cost to the city, effected through developer-funded provision of all infrastructure with long-term maintenance agreements for the infrastructure provided;
- job creation, particularly for entry-level personnel;
- limited neighborhood retail uses (to augment but not compete with existing retail establishments); and
- construction of affordable housing.

The master planning and public approval processes for the University Park at MIT took four years to find consensus among MIT, Forest City, and the city of Cambridge.

When fully developed, University Park will comprise a total of 2.3 million square feet, which will include at least 1.3 million square feet of office/R&D space, a 210-room hotel and executive conference center, up to 150,000 square feet of retail space and restaurants, 650 rental housing units, four structured parking facilities for 2,800 cars, and seven acres of parkland. It will provide state-of-the-art, high-tech, flexible, first-class facilities in a thriving campus environment to help meet the office and R&D space requirements of biomedical, software, communications, and light-manufacturing companies ranging from startups to major corporations.

## SITE DESCRIPTION

University Park is built largely on what once was blighted, unused industrial land in Cambridge across the Charles River from Boston. The 27-acre site, assembled by MIT through its acquisition of 25 individual parcels, fronts on Massachusetts Avenue, the major artery of the city of Cambridge, which connects the MIT and Harvard campuses with Boston. As with the Back Bay section of Boston, this area used to be marshland that gradually was filled and used for industrial purposes. For most of the 20th century, the major user on the site was the Simplex Wire and Cable Company, a manufacturer of electric telegraph cables. It left the site in the 1970s, and by the 1980s, most of the site was vacant.

While there were no apparent significant environmental hazards on the site, the possibility that some might be

uncovered during excavation needed to be considered. Any environmental cleanup that is required is initially paid for by Forest City under the terms of the land lease; however, the cost ultimately is split 50/50 with MIT, with the university back-charged against the cost basis for the land lease after base rent but before profit sharing.

After careful evaluation, only two buildings on the site were deemed suitable for adaptive use. A five-story industrial loft building called the Jackson Building, named after an inventor of audio equipment, could be renovated for R&D use. And the F.A. Kennedy Steam Bakery, where the Fig Newton was born and which later housed a shoe manufacturer, was well suited for conversion into the Kennedy Biscuit Lofts rental apartment units and the Bright Horizons Child Care Center. The remaining development is in new buildings designed to meet the needs of potential tenants.

## MASTER PLANNING AND PUBLIC APPROVALS

University Park can be likened to a private urban renewal project. It was to constitute private real estate investment for profit; thus, institutional uses are not permitted. With the project having residential, retail, and office/R&D uses and featuring a community-friendly design, the urban design strategy was seen as an advantage in the Cambridge market. The developer's objective was to plan for flexibility needed in the 21st century. A key concept was to build an infrastructure backbone in the streets and buildings that would prove adaptable over time. It was to be an *urban* campus and thus the existing streets would remain and, in some cases, be extended as public or private streets to maintain the grid. The creation of one superblock was required to accommodate the combination of hotel, grocery, and garage uses.

The urban design plan uses a framework of street edges and axially related parks and open spaces to help integrate the development into the surrounding community. The centerpiece of the interconnecting open-space system—and the heart and soul of the master plan—is the University Park Common. Located alongside Sidney Street, the main north/south thoroughfare, the common not only attracts business tenants of University Park, but also brings neighbors from the surrounding Cambridgeport community into the center of University Park, which helps to foster a vibrant, lively atmosphere.

The strategy for University Park could not have been successful without the close cooperation of three entities: MIT, Forest City, and the city of Cambridge. Traditional zoning ordinances could not accommodate the desired objectives and mix of uses. The solution was to develop a master plan and to zone the property in conformity with the plan. This planned district zone—the Cambridgeport Revitalization Development District—allowed all three parties to achieve their objectives. Three additional agreements ensured the plan's implementation and guaranteed long-term maintenance of the quality of the project for the mutual benefit of the parties. They include a *Declaration of Covenants*, a set of *Design Guidelines*, and a *Maintenance Agreement*.

The Cambridgeport Revitalization Development District establishes the overall parameters for the project. It sets the maximum total gross building area (GBA) at 2.3 million square feet; limits the amount of retail space to a maximum of 150,000 square feet of GBA; and specifies that at least 400,000 square feet of GBA is to be devoted to housing. It also specifies the construction of 100 low-income units, defined as 80 percent of median income, and 50 moderate-income units, defined as 110 percent of the community median. These units would remain designated thusly for 30 years. The zoning also establishes the minimum amount and general location of open space. It specifies floor/area ratios (FARs) and height limits for various portions of the site. It also establishes some timing requirements for the completion of the housing units and open space in relation to other development. Finally, it sets a requirement for the submission of a master plan and design guidelines, and the procedures for incremental approvals.

MIT's *Declaration of Covenants* is used to bring under one management entity all development contemplated for University Park. These covenants run with the land. For example, if Forest City were to sell, or if there were a foreclosure, the terms of the declaration would convey with the properties, and the obligations of the covenants would become the obligations of MIT or a successor owner/land leaseholder. This conveyance is particularly important to help ensure maintenance of the common areas, private and public, within University Park to the higher standards mutually expected by the city, MIT, and Forest City.

The covenants specify that the dominant owner is obligated to hire a professional management company. As the dominant owner, Forest City chooses the management company, and it contracted with Forest City Commercial Management, Inc., a wholly owned subsidiary, to provide management. This arrangement required the lenders to agree that the terms of these covenants would be superior to their debt, and the city expected the developer to take on what otherwise might be public maintenance responsibilities. It took two years to get this declaration in place.

The *Design Guidelines*, composed of both text and graphics, are a 25-page agreement among Forest City Rental Properties, MIT, and the city of Cambridge. Within the text, bold-face type identifies *requirements* that must be met, while the remainder of the text is only for explanatory purposes and to give general, *nonbinding* direction for design. These guidelines embody the developer's master plan, in many cases either refine or modify the specifics of the zoning district, and establish the ground rules for specific approvals as development proceeds. Among other things, they set forth the primary use patterns and general plan, the quality standards for open space and streetscape, building design and heights, parking, and pedestrian and traffic circulation.

The *Maintenance Agreement* guarantees that Forest City Commercial Management, Inc., or its successor will maintain various improvements in the public rights-of-way agreed to in the *Design Guidelines*, except where the developer has

provided the city of Cambridge with nonstandard spare parts, such as streetlight fixtures, for the city to use in its maintenance of the city-owned areas of University Park. More important, it allows University Park's management to provide a higher standard of maintenance at its own expense. This agreement runs 15 years and has a provision for extensions.

## HOUSING

While Cambridge once was mainly a blue-collar city, it has seen an influx of wealthy residents over the past decade. This drove up local housing costs. Cambridge already has a lot of traditional public housing units. For this project, however, the city wanted a significant number of affordable housing units that would help fill the gap between the true public housing and the increasingly expensive open market. Thus, out of a minimum total of 400 units, the plan for University Park requires that at least 150 be affordable—100 units are reserved for low-income families, defined as having 80 percent of the community median income, and 50 are for moderate-income residents, earning 110 percent of the community median. The remaining units may be leased at market rate.

The majority of this affordable housing requirement was provided through the subleasing of a site, within University Park and adjacent to the existing residential neighborhood, to a nonprofit housing developer, Homeowners Rehab, Inc. (HRI). At Auburn Court, HRI has developed 137 rental units in two phases, 91 of which are reserved as affordable units. Forest City, in conjunction with Keen Development Company, a local residential developer, converted the F.A. Kennedy Steam Bakery into the 142-unit Kennedy Biscuit Lofts, which has 64 affordable units. Even though the zoning required 400 units, it did not preclude a greater number of units, provided there was an equivalent reduction in the amount of office/R&D space. As the project evolved, and with the elimination of rent control in 1996 improving the financial feasibility of developing rental apartments, the total number of housing units to be built has been increased to 650, with 155 affordable units and the remainder leasing at market rate. The resulting ratio of 24 percent affordable units is well above municipal goals for the city as a whole.

## ARCHITECTURE AND ENGINEERING

Architecture and engineering drove the project's design, which had to appeal to MIT, the community, and the tech/biotech markets. Because they had to serve all users, all buildings were designed with above-standard flexibility and capacities. Floor-to-floor heights are 13 feet 8 inches for upper floors of most buildings with 15.5 feet on the first floor, as compared with an office building standard of 12.5 feet slab to slab. Later buildings will have heights of 15 feet on upper floors and 18 feet on the first floor. Floors are designed for loads of 125 pounds per square foot as compared with a standard of 80 pounds per square foot. Power capacity is 25 watts of power per square foot as compared with the per-square-foot standard of eight to ten watts for modern office space. All buildings have freight elevators and interior loading docks concealed from the street.

Although the buildings are designed to allow for flexibility, the developer does not provide any special features to meet tenants' specific requirements. Such features must be paid for using buildout funds in each lease. The general character of design is spelled out in the *Design Guidelines*, with each building having a clearly identifiable base, middle, and top, with brick and stone as the major facade materials.

There are private conduits in all the streets and stubbed up to all the building sites. This provides the flexibility to meet almost any utility requirements in the future without having to tear up the streets. Since the developer owns these conduits, their use by a tenant can be negotiated in the lease, with future additional use requiring payment of an access fee.

Extra vertical mechanical chases in the buildings will accommodate future demand for utilities and telecommunications cables. All buildings have redundant power feed to two separate substations to minimize power interruptions.

While the master plan limits the allowable amount of retail space to 150,000 square feet, the developer recognized that there might be potential for additional retail and that the city's attitude toward permissible retail might change. Therefore, it designed the frontages of the buildings along Sidney Street so that they can be easily converted to retail uses without remodeling the street-level facades.

## DESIGN OF COMMON AREAS

There are four landscaped parks in University Park. At the Massachusetts Avenue entrance is Market Square Park; within the Auburn Court residential area is Auburn Park; in Phase IV is the Landsdowne Quadrangle, to be designed and completed in 2002; and the largest common area, University Park Common, adjacent to Sidney Street, was developed in Phase III. These parks were strategically placed at the pedestrian cross axis of University Park as a way to bring tenants and neighbors into the park.

As designated in the master plan, University Park Common was envisioned as a common area for both Cambridge residents and University Park office and scientific workers rather than as a corporate enclave isolated from the neighborhood. With its walkways, seating areas, lawns, trees, and plantings, the common is the focal point of University Park.

However, the art features are what distinguish the common. *Traces*, a series of plaques and three-dimensional

sculptures, depicts the history of the University Park site. Once part of the Charles River, the site was filled to expand Cambridge's land area. Oyster shells and other marine sculptures in bronze are reminiscent of that past. Once the site was filled, a variety of industries operated there, including Simplex Wire and Cable, a shoe factory, a book publisher, a bakery, a candy maker, an audio products manufacturer, and a telescope manufacturer. These industries are represented by various symbolic sculptures—a shoe, a cable spool, and a model of the Simplex complex—placed throughout the common.

The major new tenants at University Park produce pharmaceutical and biotech products and are represented as well. Also featured in the public art program and placed throughout the park are 18-inch-square granite blocks with sandblasted symbols of hydrogen, lithium, and other elements of the periodic table. These are intended to reflect the project's association with MIT. Some are freestanding on the lawn, and others are laid out in a row near the main entryways to the buildings.

A final design element worth mentioning is the fog fountain. Because Boston's frigid winters make it difficult to operate a fountain year round, the design team came up with the concept of a fog fountain, designed not to freeze. It is powered by a compressor pump that forces water through a hydraulic line under high pressure and out of nozzles to produce fog.

All these sculptural elements are the place makers that help to distinguish the common from similar areas elsewhere.

## FINANCING

Forest City "acquires" each development parcel within the park through a 75-year ground lease, taken down at the start of construction, marking the final acquisition date and triggering the lease period. Base rent is calculated as a percentage of MIT's average basis in land value, adjusted for certain cost factors and for inflation between the execution of the initial development agreement and the time each ground lease is consummated (i.e., goes into effect by the force of the acquisition). For the initial parcels, the cost basis was about \$13 per square foot. By 2000, it had risen to about \$40 per square foot. MIT was responsible for the demolition of existing buildings (with the cost included in its basis), and both parties share equally in the cost of environmental remediation. Otherwise, the land is delivered as is; therefore, ground rent is net to MIT. This component of ground rent is senior to first-mortgage debt but is relatively small; hence, it has not impeded the securing of mortgage financing.

In addition, MIT participates in the growth of income derived from the project over time, receiving 15 percent of cash flow above a base established when each building is initially 90 percent leased, as well as a 15 percent participation in net refinancing and sales.

Forest City is a nonrecourse borrower. Each commercial building project was financed separately using conventional financing, and most financing was done on a mini/perm basis (i.e., on the basis of small incremental mortgages that are converted to a master mortgage when further financing no longer is needed). The residential projects, particularly those with affordable components, have been financed with Massachusetts state bond funds or other financing sources dedicated to housing. During the 1990s after Phase I, financing generally was not readily available. There was a demand for space, but biotech tenants were not financeable then.

## NONRESIDENTIAL MARKETING

Forest City's strategy for University Park—with its proximity to MIT and Harvard—was to develop buildings flexible enough to address the evolving needs of high-tech companies, while responding to fundamental shifts in the high-tech industry over time. The first buildings targeted high-tech industries such as defense, computer, and software firms. In the late 1980s, however, just as these first buildings were completed, demand from these previously hot sectors in Cambridge slowed and a new technology-based industry—biotechnology—was emerging from university research laboratories. Startup biotech companies may require as long as a decade to achieve significant revenues, let alone a profit, so many developers and lenders were not inclined to risk their capital to build facilities for the fledgling biotech industry. Forest City, however, while recognizing the inherent risk, also understood this opportunity to serve an emerging market niche during a time when other sectors of the economy were in decline.

The flexibility built into the structures at University Park—generous floor-to-ceiling heights, large ventilation shafts, and greater-than-average power capacity—was originally geared for high-tech users but also met the functional needs of the growing biotech sector. In addition, however, biotech research facilities have significant HVAC, plumbing, and electrical distribution requirements, driving the cost of improvements to a level three to four times that of traditional office space. Working creatively with lenders, Forest City identified ways of financing tenant improvement allowances of \$75 to \$90 per square foot, achieving commensurately higher rental rates in return. Experience has proven that despite the high initial investment they require, biotech research facilities hold their value well and, in fact, are generally adaptable by second- and even third-generation occupants with very little modification necessary. Although Forest City did not initially intend to develop a biotech park, biotech firms now occupy 90 percent of the 700,000 square feet of R&D space offered at the park.

Although the quality of the project and the master plan always have been important components of the University Park marketing program, prospective tenants generally have not been willing to pay higher rents to acquire them. In fact, some discounts had to be offered until the University Common was finished and the master plan could be experienced firsthand. The costs associated with the parks and streetscape, as well as the significant private



investment in infrastructure, have been absorbed into the overall cost structure of the project.

Marketing was accomplished by establishing a relationship with Meredith & Grew, a premier Boston brokerage firm. It participated in building planning and is renowned, so anyone looking for space in the Boston region would consult the firm. Thus, Forest City did not advertise locally or nationally. Moreover, the hotel has served as a marketing tool.

All buildings have been preleased prior to start of construction. For example, in Phase III, Millennium Pharmaceuticals and Cereon Genomics, the tenants of 45 and 75 Sidney Street, approached the developer looking for space with a time deadline. In Phase IV, two buildings will provide expansion space for Millennium, including one that will be its corporate headquarters and one building that will be expansion space for Alkermes, a biotech company that was a startup in the first phase. Millennium will occupy about 50 percent of the total R&D space in University Park and has become a campus within a campus. Thus, many of the tenants in later phases are the result of internal growth of early tenants.

University Park has a Web page; because space in University Park has been leased up almost as soon as it hits the market, the opportunity to use the Web site as a leasing tool has not arisen. Therefore, it is used as an informational tool.

## RESIDENTIAL MARKETING

The Kennedy Biscuit Lofts were marketed by Forest City Residential out of its headquarters in Cleveland with an on-site resident manager. In Phase IV, a two-building complex comprising 349 market-rate units, rather than the originally planned R&D space, will be constructed on the south end of the common. Since there is a shortage of rental units in the Cambridge market, leasing has occurred as soon as units become available. To the extent that there is turnover, vacancies that become available will be rented again as soon as they are in suitable condition. With their location in University Park, which affords common open space, good security, and other amenities, rental units have been able to obtain a 15 to 20 percent premium over the going market rate.

Since Phases I and II of Auburn Court are being developed independently as units for moderate- and low-income residents, the marketing strategy targets the pent-up demand for affordable housing.

## MANAGEMENT

As described previously, property management at University Park is provided for under an unusual, if not unique, legal structure. A *Declaration of Covenants* and a *Maintenance Agreement* jointly commit Forest City, MIT, and the city of Cambridge to the management and maintenance of University Park.

The declaration sets forth the management responsibilities, the basis for assessments, and the relationship between the common areas and tenant buildings, providing for a single management entity for both. It also specifies certain responsibilities for the maintenance of Auburn Park's open areas, regardless of the fact that this land is a sublease and under a separate agreement.

The maintenance responsibilities for the common area include those for the common open space, the outside walls of buildings and garages, and the management of the *Traffic Mitigation Agreement*, another requirement of zoning. Its principal feature is participation in the Charles River Transportation Association, which operates the LINK shuttle bus system that provides its affiliate members with access to each other and to public mass transit facilities.

Property management inside the office/R&D buildings is typical. Building common-area maintenance charges (CAM) in 2000 were \$6.30 per square foot net rentable space, not including taxes, and exterior CAM charges were \$0.88 per square foot. The latter covers grounds maintenance and exterior security. For tenant improvements, the chief engineer oversees construction and manages contractor access. All cable and power suppliers must use the University Park conduits in the streets for which use fees are charged. Within the buildings, riser use is defined within the lease agreement.

Security is provided 24 hours a day in several ways. There is a security guard in each building; a security van tours the interior streets, the perimeter of the park, and the parking garages; and there are foot and bike patrols. A guard escorts tenants to their vehicles in the garages upon request. Management uses its own security personnel for all events except for those where alcohol is served, since serving alcohol requires a city permit and a fee for the city to provide police oversight.

Management also programs the common areas. Current plans include a "movie a month," leases to vendor carts for food and services, festival events, tenants' use of open spaces (for a fee) for their own special events, tenant appreciation days (e.g., ice cream sprees), and seasonal decorations. Any revenues generated by these activities are used to offset assessments.

Other ideas being developed include a dry cleaning pickup and dropoff service planned for 350 Massachusetts Avenue, and collaboration with the hotel for shared concierge services for tenants.

## EXPERIENCE GAINED

University Park at MIT offers many features that increase its likelihood of success:



- It has an optimal ownership/financial structure for carrying the land at a low cost.
- It is located in a high-value/tight-supply market, so the higher rents are necessary to support the higher costs of an urban campus.
- The flexibility needed is incorporated in the master plan design, allowing changes to be made over time to respond to the market.
- Its designation as a special zoning district.
- It has the right location and a high-quality urban campus environment, which allowed the project to weather the economic downturn in the early 1990s.

Unforeseen complications or things that should have been done differently include the following:

- Underestimation of the difficulty of working with a community and having a major institution as an arm's-length partner caused tension, and the community's expectations extended the time needed to obtain approvals.
- As the project has evolved, it has become clear that the developer should have sought a greater amount of retail space, both to help create a sense of place and to meet the needs of the market.

**PROJECT DATA**

**LAND USE INFORMATION**

Site area (acres/hectares): 27/10.9  
 Gross building area, square feet (square meters): 2,300,000 (213,670)

**LAND USES**

	Existing	Planned	Total
Office net rentable area, square feet (square meters)	702,100 (65,318)	681,000 (63,265)	1,382,000 (128,583)
Retail gross leasable area, square feet (square meters)	92,800 (8,621)	0	92,800 (8,621)
Residential units (not including Auburn Court)	142	360	502
Hotel rooms	210	0	210
Structured parking spaces	1,550	1,130	2,680
Floor/area ratio	7.4		

**LAND USE PLAN**

Use	Acres (Hectares)	Percentage of Site
Buildings	2 (0.8)	7
Landscaped open space	2.5 (1.0)	9
Open space	22.5 (9.1)	84
Total	1.50 (10.9)	100

**BUILDING INFORMATION**

	Building	Use	Size	Cost
Phase I 1987-1996	26 Landsdowne Street	R&D	100,000 square feet (9,290 square meters)	
	38 Sidney Street	R&D	122,000 square feet (11,334 square meters)	
	64 Sidney Street	R&D	126,000 square feet (11,705 square meters)	
		Total R&D	348,000 square feet (32,329 square meters)	\$57,600,000
	Kennedy Biscuit Lofts Auburn Court*	Residential	142 units	\$21,200,000
Phase II 1996-1998	350 Massachusetts Avenue	Office	76,400 square feet (7,098 square meters)	
	350 Massachusetts Avenue	Retail	42,600 square feet (3,958 square meters)	
	20 Sidney Street	Hotel	210 rooms	
	20 Sidney Street	Market	50,200 square feet (4,664 square meters)	
	55 Franklin Street	Garage	950 spaces	
		Total Phase II		\$78,700,000
Phase III 1997-1999	45/75 Sidney Street	R&D	276,700 square feet (25,705 square meters)	
	30 Pilgrim Street	Garage	600 spaces	
	University Park Common	Open space	1.25 acre (0.5 hectare)	
		Total Phase III		\$70,000,000
Phase IV	65 Landsdowne Street	R&D	122,400 square feet (11,371 square meters)	\$37,500,000

2000-2002	35 Lansdowne Street	R&D	201,300 square feet (18,701 square meters)	\$59,400,000
	88 Sidney Street	R&D	145,300 square feet (13,498 square meters)	\$48,300,000
	40 Lansdowne Street	R&D	212,000 square feet (19,695 square meters)	\$66,000,000
	80 Lansdowne Street	Garage	1,130 spaces	\$20,800,000
	91 Sidney Street	Residential	135 units	\$36,200,000
	100 Lansdowne Street	Residential	225 units	\$64,300,000
	Auburn Court, Phase II*	Residential	60 units	N/a
	Lansdowne Quadrangle	Open space	0.5 acre	(0.2 hectare)
		Total, Phase IV, estimated		\$332,500,000

Phase V 2002-2003	23 Sidney Street**	In planning		
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\*Developed by Homeowners Rehab, Inc. (HRI), a not-for-profit developer. Forest City subleased this land to HRI for \$2,000 per unit.

\*\*23 Sidney Street is the last University Park parcel to be developed. Its use and building size are not yet determined.

#### DEVELOPMENT COST INFORMATION

Total development cost: \$560,000,000

#### TENANT INFORMATION

Residential	Units	Area, Square Feet (Square Meters)	Monthly Rent Per Unit
Kennedy Biscuit Lofts	142	692-1,800 (64-167)	\$1,550-3,100
Auburn Court	77	670-1,200 (62-111)	\$1,700-2,600

#### Office

Percent of net rentable area (NRA) occupied: 100

Number of tenants: 18

Range of tenant space: 2,000-200,000 square feet (186-18,580 square meters)

Annual rents: \$12-41 per square foot (\$129-441 per square meter)

Average length of lease: 5 to 10 years

Typical terms of lease: Triple net

#### Retail/Entertainment (Major Tenants Only)

Star Market: 50,200 square feet (4,664 square meters)

CompUSA: 32,000 square feet (2,973 square meters)

Austin Grill: 5,800 square feet (539 square meters)

Cambridge Trust Bank: 3,400 square feet (316 square meters)

Espresso Royale Caffe: 1,400 square feet (130 square meters)

Percent of GLA occupied: 100

Annual rents: \$25-30 per square foot (\$269-323 per square meter)

Average annual sales at Star Market: \$434 per square foot (\$4,672 per square meter)

Average length of lease: 10 to 15 years

#### DEVELOPMENT SCHEDULE

Planning started: 1982

Developer selected: 1983

Zoning district approved: 1987

Master plan approved: 1988

Phase I: 1987-1990

Phase II: 1996-1998

Phase III: 1997-1999

Phase IV: 2000-2002

Projected project completion: 2003

#### DIRECTIONS

##### From Logan Airport:

Take the Sumner Tunnel to Boston. At the end of the tunnel, take Interstate 93 north. Take the second exit (Cambridge/Storrow Drive west). Take the Massachusetts Avenue exit off Storrow Drive (exit is on left). At the top of the ramp, turn right onto Massachusetts Avenue and go over the Charles River into Cambridge. Go through four sets of

traffic lights. Sidney Street is the third left after the last set of lights. Turn left on Sidney Street and go through the University Park entrance gates.

*Using public transportation:*

MBTA Red Line Subway, inbound and outbound: Exit Red Line at Central Square Station. Walk along Massachusetts Avenue toward MIT and the Charles River. After the fire station, turn right onto Sidney Street and go through the University Park entrance gates.

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This Development Case Study is intended as a resource for subscribers in improving the quality of future projects. Data contained herein were made available by the project's development team and constitute a report on, not an endorsement of, the project by ULI-the Urban Land Institute.

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Aerial view of the common with the 23 Sidney Street parcel, phase V between the common and Market Square park fronting on Massachusetts Avenue.



The pylon in Market Square park, the entrance to University park at MIT.



Forest City Development

5 and 75 Sidney Street are two R&D high-tech buildings occupied by Millennium pharmaceuticals and Cereon Genomics, with one of three garages in the background.





Forest City Development

The fog fountain on the common at University park is designed to operate year-round. It evokes the memory of the fogs often found at this site when it was marshland adjacent to the Charles River.



Auburn Court is an affordable housing development by Homeowners Rehab, Inc., under a ground sublease of \$2,000 per unit from Forest City to enhance its feasibility.



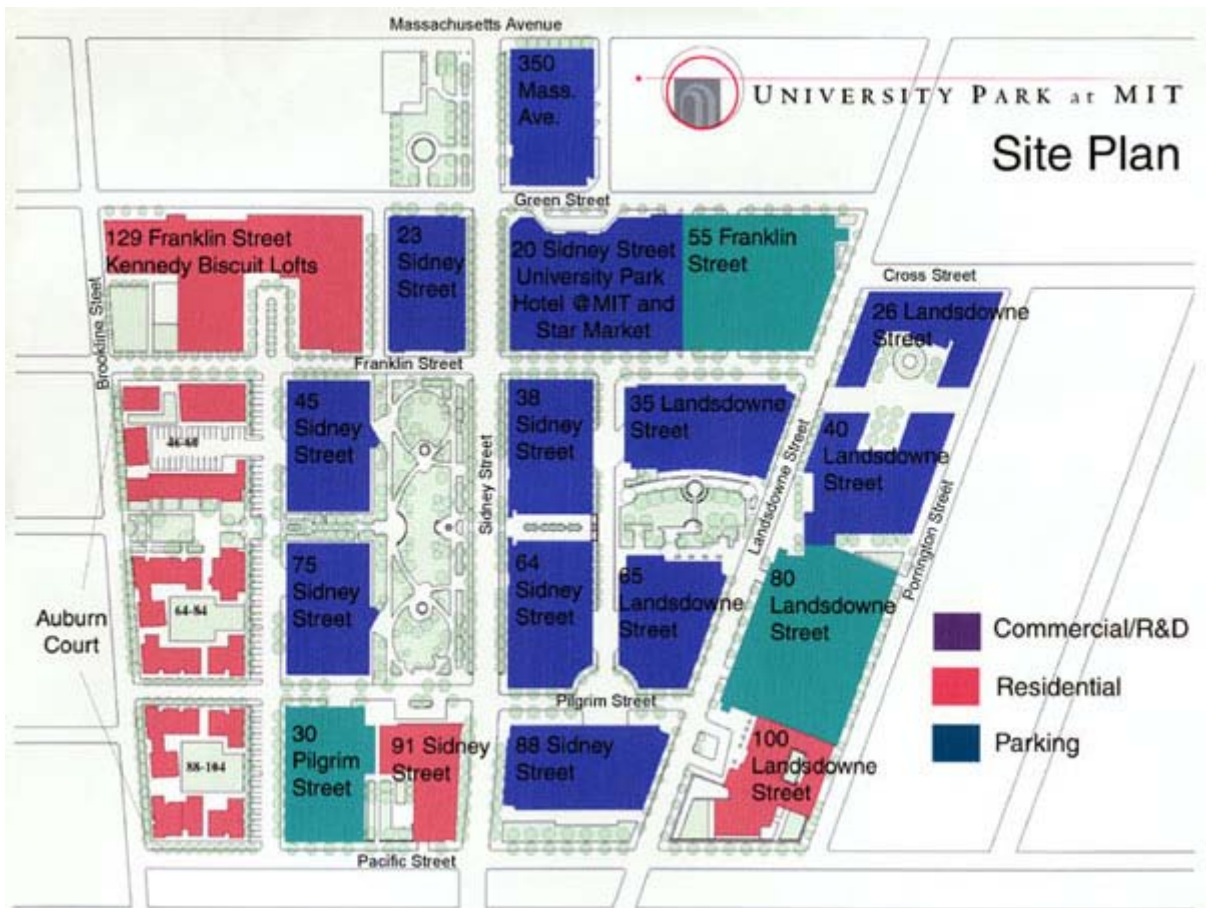
The Star Market is located on the second level of the same building that houses the Inn at University park Hotel. The main entrance to the hotel is just to the right of the entrance to Star Market. Most customers of the market arrive by car and therefore do not use this entrance, which has both escalators and elevators to the market, since they would go directly to the other entrance on the third level of the adjacent parking structure.



The bridge between the buildings was added during construction to provide a connection between two buildings with the same tenant. The vista under the bridge leads to the Auburn Court residential component and then into the adjacent community.



The landscape elements of the common include brick-edged walkways and plazas, custom seating, low-height lighting standards, and a variety of sculptural pieces illustrated here by the cable reel, a reminder of the Simplex Wire and Cable Company that once occupied much of the site.



Site plan.