



January 29, 2019

Mr. Brian P. Golden, Director
Boston Planning & Development Agency
One City Hall Square
Boston, MA 02201

Attn: Mr. Mike Christopher

Re: **Notice of Project Change for Waterside Place Project, South Boston**

Dear Director Golden,

This Notice of Project Change (“NPC”) is submitted by Drew Company, Inc., on behalf of Core Development Group North LLC (the “Developer”) to inform you of a proposed change of use for Phase IA of the Waterside Place Project (“the Project”), located in the Seaport District of South Boston.

Project Background

Phase IA of the Waterside Place Project was completed in February 2014. The Project is the first sub-phase of Phase I of the Waterside Place Project. The second sub-phase, Phase IB, is a development currently under construction located on the parcel adjacent to the subject Phase IA.

Phase IA was approved by the Authority in a Board vote on November 17, 2011, pursuant to the Notice of Project Change which had been submitted by the Developer on November 4, 2011. A Determination was issued by the Director of the Authority on March 8, 2012.

As indicated in the Board memo and subsequent Cooperation Agreement, Phase IA would include 236 rental residential units, 70 internal garage spaces, and approximately 17,000 square feet of ground-floor commercial space, with the commercial space dedicated primarily to retail (10,000 SF) and innovation use (7,000).

Change of Use

This NPC is requesting a change of use for the remaining portion of the ground floor commercial space allocated to an innovation center in Phase IA of Waterside Place. There was approximately 6,555 square feet allocated to such innovation use. Despite diligent efforts that commenced prior



to building completion and which still continue, Drew Company, Inc. has not been successful in obtaining a tenant that qualifies as an “innovation” user. Due to a lack of success in attracting any entity that would qualify as an Innovation User, on January 14, 2016, the Agency by Board vote authorized the Developer to lease a portion of this space to the South Boston Community Health Center to provide a much-needed neighborhood service.

Prior to that approval and since, the Developer used best efforts to find a suitable Innovation tenant for the remaining 3,593 square feet. These efforts have included discussions with approximately twenty five prospective innovation users. These efforts have not resulted in a single lease for the space. As a result, on March 16, 2017, the Agency by Board vote authorized the Developer to temporarily lease the remaining 3,593 square feet to the general contractor for the Waterside Place Phase 1B project. Unfortunately, due to the high cost of the buildout and time required to complete the buildout, the general contractor made alternative arrangements for the field office for Waterside Place Phase 1B.

Drew Company, Inc. has since continued to engage in discussions with potential tenants and brokers in an effort to identify a tenant for the innovation space, from co-working groups to technology-based start-ups to financial firms focused on incubating entrepreneurial enterprises and have engaged Boston Urban Partners to assist with this effort. Unfortunately, it appears that most prospective tenants are either unable to secure financing for their business concepts or had other business reasons affecting their interest in the space. The 3,593 square feet of space continues to sit vacant nearly 5 years after the completion of the project.

Recently, the Boston Veterinary Clinic (“Boston Vet”), approached Drew Company, Inc. expressing an interest in leasing the remaining 3,593 square feet of the innovation space to open a second veterinary clinic location in Boston. While the use does not technically qualify as “innovation”, it does provide a much needed neighborhood service to area residents and workers. Currently serving the South End community, Boston Vet’s expansion to South Boston would be a welcome amenity to the Seaport District, which is woefully lacking in community services for its residents and workers, especially given the high percentage of area residents that have pets with no close proximity to veterinary services.

Conclusion and Request for Approval

Based on the lack of success in locating a prospective tenant that qualifies as an “innovation” user and the continued need for neighborhood services, the proponent respectfully requests that the Authority approve the change of use request for approximately 3,593 square feet in Waterside Place Phase IA as described in this NPC.



Sincerely,

John E. Drew
Chairman

cc: Marc Pacelli, Massachusetts Port Authority