

SECTION D: Recommendations from Retail Consultant

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Mr. John McQuaid
Massachusetts Institute of Technology
238 Main Street, Suite 200
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RE: Retail Consultant Recommendations || Summary
MIT – Kendall Square SoMa,& NoMa Redevelopment (the “Project”)

Dear John,

I am pleased to submit for your review the following overview of my team’s recommendations related to SoMa and NoMa retail planning, development and ground floor activation. In doing so I stress that the City of Cambridge and MIT’s insistence on a deliberate and thoughtful approach to the activation of the retail portions of the Project is a good thing for MIT, Kendall Square, Cambridge and the region generally.

Graffito SP (“GSP”) has developed a retail approach for SoMa and NoMa that embraces the following general values and principles:

- In keeping with its commitments concerning local retailers, MIT shall actively recruit and prioritize deals with small, local, owner-operated businesses;
- Aggressively pursue retail tenants for the Project that offer services/uses that have been identified as missing from the neighborhood by community and CDD studies of past half-decade (*i.e.* pharmacy, grocery store, additional affordable restaurants, entertainment and certain soft goods);
- Deliver rentable premises within the Project of varying shapes and sizes in an effort to foster (i) texture on the ground floor and (ii) maximum flexibility in tenant recruitment;
- Think about ground floor activation as far more than just ‘retail’ by incorporating into planning and tenanting programmatic and cultural partners and collaborators;
- Embrace a new set of transactional norms for certain spaces that lowers the barriers of entry for start-up retailers; and
- Implement certain best practices from a design/architecture perspective that enhance the ground floor edge throughout the Project.

As suggested in last two bullets above, there are certain design and transactional standards/initiatives we recommend MIT embrace in the planning and execution of the retail portions of the Project. As follows is an overview of a handful of said standards in (A) design and (B) transactions:

(A) Embedded in MIT’s architectural plans across the entire Project and for all buildings must be certain best practice design treatments, namely:

- Dedicate maximum frontage along core pedestrian corridors for retail uses, thus eliminating oversized building lobbies and locating loading and egress functions to areas off Main Street;
- Bring all retail premises to grade along Main Street (currently not the case in Building 4);
- Deliver retail spaces with storefront features that enhance actual and visual permeability vis-à-vis the public realm;
- Design building facades that create visual cues that separate ground floor from rest of building (*i.e.* canopies, lighting, signage, color and material variation);
- Open space shall be designed and configured to include bike racks, trash receptacles, seating, charging stations, and pedestrian-scale lighting;
- Outdoor retail seating to be encouraged whenever and wherever possible;
- Centralized loading, trash and back-of-house functions that can be efficiently shared by multiple retail tenants within the respective Project buildings will be encouraged;
- Design unique, attractive and functional retail signage and way-finding (and combination thereof) ; and
- 15' + floor-to-floor minimum dimension will be required for all new retail spaces.

(B) In addition to implementing the above design solutions, GSP recommends MIT embrace the following transactional strategies:

- Draft a standard form Letter of Intent that can be used for all retail deals (and is precursor to all lease negotiations) that (i) identifies all threshold business and economic terms to be include in lease document, (ii) is written in plain English that is easily understandable to tenants that may not have experience leasing space in mixed-use buildings or with institutional landlords, and (iii) provides sufficient details and tenant guidelines regarding design standards, municipal permitting, and outlines an allocation of responsibilities between landlord and tenant for retail construction;
- Provide all retailers with in-kind architectural services if needed prior to lease signing (but after LOI signing) in order to ensure smaller tenants have the support and guidance needed to identify infrastructure, design and permitting challenges;
- Develop a standard form lease and corresponding rules and regulations for the entire Project that requires tenants adhere to best practices in retail design and operations, including details on environmental sustainability (water usage, composting, recycling, etc.), minimum operating hours/days to ensure the neighborhood is more than just M-F/9-5, and signage standards;
- Provide tenant improvement allowances (or significant Landlord Work) for all retail premises;
- Waive all Base Rent during reasonable construction periods;
- Offer leasing options of varying durations: short-term leases to facilitate experimentation and long-term leases for tenants investing major resources into buildouts (*i.e.* restaurants and grocery use); and
- MIT hire a designated Retail Specialist to coordinate all SoMa and NoMa retail leasing transaction and provide a consistent and constant fixture for retail tenants

from leasing through opening and into operations. Said Retail Specialist shall oversee all retail brokers, consultants, designers, general contractors and property managers involved in SoMa and NoMa retail.

The above thoughts and approaches are only a summary of GSP's recommendations and I look forward to continued conversation about SoMa and NoMa retail with MIT and City representatives going forward.

Lastly, I'd like to stress that the responsible development of the Project's retail will require a steadfast commitment to flexibility and learning. The retail landscape is changing rapidly with the explosion of online global retailing but, at the same time, GSP is seeing a whole new generation of local retail entrepreneurs embracing technology, sustainability and experimentation in new and inspiring ways. Kendall Square offers an ideal canvas for this next generation retail entrepreneur and by embracing the above values and standards MIT will play the role of enabler, developer and investor in a truly special collection of retail spaces and places at SoMa and NoMa.

Respectfully submitted,



Jesse Baerkahn
President & Founder