

Massport awards \$123m lease for Seaport property that will include a new Silver Line station

The Dallas-based developer's plans also call for a 730,000-square-foot building to house life sciences companies.

By **Jon Chesto** Globe Staff, Updated January 21, 2021, 12 minutes ago



An artist's rendering of a life sciences building Lincoln Property Co. is planning for a Seaport District parcel. RENDERING COURTESY OF LINCOLN PROPERTY CO.

A team led by Dallas-based Lincoln Property Co. has won a long-term lease for one of Massport's few remaining development parcels in the Seaport with bid valued at about \$123 million that includes the construction of a new MBTA Silver Line station.

The Lincoln team beat out six rivals for the valuable piece of real estate: a 99-year-lease for more than 2.5 acres of Massachusetts Port Authority land at the end of Congress Street. The Massport board approved Lincoln as the property's lead developer at a board meeting Thursday.

Lincoln plans a 730,000-square-foot building, geared for life sciences and up to 240 feet in height. About 120,000 square feet would be devoted to the Silver Line station, shops and restaurants, and public space. The remaining space would be split between labs and offices. An adjacent 15,000-square-foot building over the Massachusetts Turnpike would be used as a life-sciences training center. The budget for the project is estimated at \$590 million.

"We think this is a pretty compelling vision," Massport chief executive Lisa Wieland said. "We were lucky to get such a great response from the development community. ... We were fortunate to have so many strong proposals to choose from."

The property actually consists of three separate lots: a 1.1-acre parcel that is primarily used for parking, a 1.4-acre site on which the Silver Line Way stop is located, and a roughly quarter acre over the Mass. Pike. Bidders on the 1.1-acre parcel, dubbed Parcel H, were given the option to bid on the other two as well.

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As it builds out its Seaport properties, Massport has sought public-realm improvements. In this case, the port authority has landed a commitment for a new station at Silver Line Way, replacing what is essentially a modest bus shelter. In the Seaport, outbound Silver Line buses run on electric lines underground before changing over to compressed natural gas as they emerge above ground, a block away from this site, at D Street. From there, buses either head to Logan Airport or to employers in the nearby Raymond L. Flynn Marine Park.

“That’s one of the reasons this project was so compelling: the degree of integration with the Silver Line station,” Wieland said. “It establishes this as a real transit station as opposed to a stop with a kiosk.”

The final round of bidding came down to three finalists. Massport officials suggested that the finalists sweeten their bids by offering an upfront payment to help it with its cash crunch brought on by the downturn in flying at Logan, caused by the COVID-19 pandemic. Wieland said Lincoln offered the largest upfront payment for the 99-year ground lease: \$50 million. Massport is also getting about \$30 million from the most recent stimulus package approved in Congress. But it still expects to face a significant budget shortfall, with passenger traffic down 70 percent at Logan in the second half of

2020, compared with the same time a year ago.

“In light of our current financial challenges, we said our commercial real estate portfolio is going to be necessary to help us solve some of these problems,” Wieland said.

Lincoln also received the highest marks for diversity and inclusion, a factor that accounted for 25 percent of Massport’s scoring. Wieland said Lincoln’s team offered a detailed strategy for recruiting people of color as investors, and the team includes several design and construction contracting companies owned by women or people of color. The life sciences training center would also be geared toward attracting “underrepresented people” of Boston into the field, she said.

Lincoln apparently anticipated the intense interest in lab space in the Seaport more than a year ago when it placed its bid. That interest in the development community has only intensified during the pandemic, as traditional office employers rethink their real estate needs. A perfect example of the shift is taking place next door to Parcel H, at 601 Congress St. Formerly the headquarters for insurance giant John Hancock, it will now be renovated with labs in mind. Newmark Group, the brokerage, positioned the 14-story building as a lab conversion project, and BioMed Realty acquired it a few weeks ago.

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