MEMORANDUM

TO: Board of Directors, Massachusetts School Building Authority
FROM: James A. MacDonald, First Deputy Treasurer, Chief Executive Officer
Mary Pichetti, Executive Director
DATE: December 5, 2025
RE: Authorization to Amend the Lease Agreement for Office Space at 10 Post Office Square

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In August 2024, the Massachusetts School Building Authority ("MSBA") Board of Directors authorized the Executive Director to execute a lease agreement for office space at 10 Post Office Square, which has a commencement date of June 16, 2025, as the existing lease at 40 Broad Street expired on June 30, 2025. The new lease agreement was the result of the evaluation of 16 proposals received through a Request for Proposals ("RFP") issued on March 27, 2024. The RFP included the MSBA's proposed space program based on a hybrid work schedule and an expanded workforce anticipated to support the MSBA's Core Program increase to an Annual Cap of $1.2 billion, approved on August 9, 2023, as part of the Commonwealth's FY 24 Budget. Upon completion of the evaluation of all proposals, staff determined that the lease agreement for 10 Post Office Square provided the best value for the MSBA and best met the terms of the MSBA's business needs.

Per the lease terms for the *"Right of First Offer",* the Landlord approached the MSBA for consideration to lease the space adjacent to the MSBA's existing rental space. This space would add approximately 5,027 rentable square feet to the existing 18,596 rentable square feet, for a total of 23,623 rentable square feet.

MSBA staff have reviewed the adjacent rental space, the proposed layout and connection to the existing space, and the Landlord's terms and conditions. Based on this review, MSBA staff are recommending to amend the existing lease to add this additional square footage, effective September 1, 2026, based on the following:

- Securing this space now provides the MSBA with the flexibility to adapt to future increases in the MSBA's grant program over the next decade of the existing lease, with space directly adjacent and connected to our existing space;
- The Landlord's offer is commensurate with the competitive procurement conducted in 2024;
- The existing lease included a year of free rent, which has deferred lease payments until June 16, 2026. Based on a commencement date of September 1, 2026, for the additional space, the Landlord has offered eight (8) months of free rent, deferring lease payments for this additional space until May 1, 2027; and
- The additional square footage allows the MSBA to increase the number of offices and meeting rooms, which further support the number of calls and remote meetings held with our districts.

Today, MSBA staff are recommending that the Board of Directors authorize the Executive Director to execute an amendment to the existing lease with NS Boston III PO Owner, LLC, the landlord of 10 Post Office Square in Boston, Massachusetts, to incorporate approximately 5,027 additional rentable square feet of adjacent space to the MSBA's existing leased premises. The amendment will align with the MSBA's current ten (10) year lease term and will include an eight (8) month period of free rent. The total cost of the amended lease will exceed the $250,000 threshold that requires approval from the Board of Directors. The lease amendment shall be in a form that the Executive Director may determine to be acceptable, the final terms of which lease amendment shall specify the aforenoted terms, with other terms to be negotiated between the MSBA and NS Boston III PO Owner, LLC.

Key details of the lease amendment are as follows:

1. Building: 10 Post Office Square, Boston
2. Landlord: NS Boston III PO Owner, LLC
3. Premises: Approximately 5,027 RSF on the 4th floor.
4. Lease Term: The lease term for the amended space commences September 1, 2026, and will run concurrent with existing lease (10 years), with the option to terminate after seven (7) years. The lease term for the additional space also includes an eight (8) month period of free rent (9/1/2026-4/30/2027).
    - Note: Stated 10-year and 7-year terms do not include the period of free rent (Lease Year 0).
5. Base Rent Information:

Rental Period	**Annual Base Rent** Existing Lease 18,596 SF	**Annual Base Rent** Amended Space 5,027 SF	**Total**
Lease Year 0 (Free Rent Year - 6/16/25 to 6/30/26)*	$0	**N/A**	$0
Lease Year 1 - 10 months (7/1/26 to 4/30/27)**	$836,820	$0	$836,820
Lease Year 1 - 2 months (5/1/27 to 6/30/27)**	$167,364	$45,243	$212,607
Lease Year 2	$1,024,267	$276,887	$1,301,154
Lease Year 3	$1,044,753	$282,425	$1,327,178
Lease Year 4	$1,065,648	$288,073	$1,353,721
Lease Year 5	$1,086,961	$293,835	$1,380,796
Lease Year 6	$1,108,700	$299,712	$1,408,412
Lease Year 7	$1,130,874	$305,706	$1,436,580
Lease Year 8	$1,153,491	$311,820	$1,465,311
Lease Year 9	$1,176,561	$318,056	$1,494,617
Lease Year 10	$1,200,092	$324,417	$1,524,509
^ Annualized			

*Lease Year 0 reflects the first year of occupancy under the existing lease, which includes a full year of free rent.

**The amended space includes 8 months of free rent beginning Sept. 1, 2026; paid rent for the amended space begins May 1, 2027.