

Meeting Date: 5/9/95

WHITEHEAD INSTITUTE FOR BIOMEDICAL RESEARCH

**NATURE OF
REQUEST:**

To assist the applicant in financing a non-profit project, approval of the proposed project for a MIFA 501(c)(3) Tax-Exempt Bond issue is requested.

Borrower:

Whitehead Institute For Biomedical
Research
Nine Cambridge Center
Cambridge, MA 02142

User(s):

Same

**PROJECT
LOCATION:**

Nine Cambridge Center
Cambridge, MA 02142

PROJECT:

Proposed is the issuance of a new tax-exempt bond to fund Phase II of the Whitehead Institute's expansion project. Proceeds from an initial \$20,000,000 bond were used to complete Phase I of the project.

MIFA issued a \$20,000,000 tax-exempt bond in November 1993 on behalf of the Whitehead Institute to fund the construction of an 92,700 sq.ft. addition to the existing building and to purchase .4 acres of adjacent land. Proceeds of the bond were used to purchase scientific equipment for the new laboratories. The addition will permit the Institute to expand the current research program and recruit additional faculty. The bonds were rated AA from Moody's.

PROJECT COST:

Land (.4 acres) (including development rights/predevelopment costs)	\$2,470,000
Renovations (160,000 sq. ft.)	5,810,000
Addition (76,000 sq. ft.)	19,440,000
Equipment (list attached)	2,500,000
Architectural & Engineering Costs	2,335,000
Capitalized Interest	1,682,708
Project Contingency	700,000
Fees and Expenses	<u>750,000</u>
Total Project Cost:	\$35,687,708

BOND AMOUNT:

\$15,000,000

EMPLOYMENT:

Current employment at project site:	472
Projected new employment at project site (Phases I and II):	126

INSTITUTION:

The Whitehead Institute, a 501(c)(3) organization, is an independent research institution focusing on basic science, with an emphasis on developmental biology and the emerging field of molecular medicine. Endowed by the late Edwin C. Whitehead, the Institute was chartered in 1981 to "promote and expand human knowledge in the biomedical and other scientific fields." In 1982, the Institute became affiliated with the Massachusetts Institute of Technology (MIT) in its teaching activities, but the Institute remains wholly responsible for its own governance and finances.

**PUBLIC PURPOSE
BENEFIT:**

The Commonwealth's economic plan highlights Massachusetts' world-class higher education and research capabilities as important competitive strengths. The Whitehead Institute's commitment to excellence in biomedical research has produced extraordinary results in fields as diverse as cancer biology and plant genetics. In addition, the Institute is one of six original National Cooperative Vaccine Development Groups for AIDS. The goal of this on-going research is to increase knowledge for the public good.

PRINCIPALS:

Dr. Gerald Fink, President
Mr. John Pratt, Vice President and Treasurer
Arthur Brill, Esq., Secretary

BOND

PURCHASER:

To be determined.

TRUSTEE:

To be determined.

UNDERWRITER:

Bear Stearns & Co., Inc.
245 Park Avenue, 10th Floor
New York, NY 10167

LETTER OF

CREDIT

BANK/BOND

INSURER:

To be determined.

RECEIVED BY
OFFICE OF CITY CLERK
1995 MAY 23 PM 3:02
CAMBRIDGE MA.

M I F A

Massachusetts Industrial Finance Agency

Certified

75 Federal Street

Boston, Massachusetts 02110

617-451-2477

May 22, 1995

Cambridge City Council
City of Cambridge
795 Massachusetts Avenue
Cambridge, MA 02139

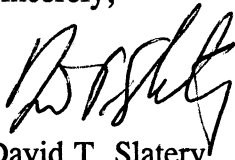
Dear Councillors:

On May 9, 1995 the Massachusetts Industrial Finance Agency gave preliminary approval to a revenue bond project to be financed on behalf of Whitehead Institute For Biomedical Research to be located at Nine Cambridge Center in Cambridge by a bond to be issued pursuant to Chapter 23A and 40D of the General Laws. A summary of the project is attached for your information.

Section 12(2) of Chapter 40D requires that "the MIFA board shall consult with the appropriate local and regional planning agencies to ascertain the relationship of a proposed project to any existing state, local or regional comprehensive plan."

The purpose of this letter is to notify you of the project and to request that if the proposed project conflicts with an existing local or regional comprehensive plan, you so advise us. If you would like further information on the project, or if you would like the Board to consider any comments you may have prior to our considering Final Approval on the application, please give me a call.

Sincerely,



David T. Slatery
General Counsel

Enclosure: Summary

cc: Ropes & Gray
One International Place
Boston, MA 02110
Attn: John Chesley, Esq.

DTS/ssc

S-200

Consent COmmunication #1

Comm was received from Mass. ~~XXXXXXXX~~
Industrial Finance Agency re: A revenue
bond project in Cambridge

In City Council June 5, 1995

Referred to the
City Mgr.