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Union Sq. Station Associates and USAA Real Estate form joint venture for \$1.5 billion project now known as USQ

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Somerville, MA Union Sq. Station Associates has partnered with USAA Real Estate as its equity partner for the \$1.5 billion mixed-use transit-oriented development in Union Sq. now known as USQ, propelling the project forward with groundbreaking of the first phase planned for this fall.

USAA Real Estate's commitment to the master development begins with the first phase which includes 175,000 s/f of lab/office and over 400 units of residential with ground-floor retail.

The first phase, a 4-acre parcel located on the corner of Prospect St. and Somerville Ave., will include a seven-story building containing a commercial lab and office with ground floor retail, a 25-story mixed-use residential building with retail on the first floor.

At full build-out, the 15.7-acre USQ project will include 1.4 million s/f of new biotech, lab, office, residential and retail space that will support generating 5,300 new permanent jobs, along with more than 4,000 new construction jobs and \$11.3 million annually in new property tax revenue. The project will be comprised of 60% commercial and 40% residential development and includes 2.5 acres of open space.

Union Sq. located one mile from Harvard and Kendall Sq., has all of the components that will bring the next generation of cutting-edge companies and workers to the city. The project has received support from local, state and federal partners including more than \$16 million in state MassWorks Infrastructure grants and \$1 billion in federal funding for the Green Line Extension.

The Green Line Extension will connect Union Sq. to the greater Boston economy and create a new regional destination, and make Union Sq. into an even better place for people to live and enjoy.

The city selected Union Sq. Station Associates as the developer for the Union Sq. Revitalization Project in 2014. In December, the planning board approved Union Sq. Station Associate's coordinated development plan via a zoning special permit and the Board of Aldermen approved district improvement financing for \$60 million in infrastructure improvements to the square.

“When our community came together to create our vision for the future of Union Sq., we knew it would take private sector investment to succeed. So it is extremely encouraging to see such a prominent national investor commit to bring resources to Union Square that will help put our community's goals for job creation and so much more into motion,” said mayor Joseph Curtatone.

“We are thrilled to have USAA Real Estate as a strong, strategic partner that has a long-term vision as we move forward with the development of Union Sq. at the new MBTA Green Line station,” said Greg Karczewski, president of Union Sq. Station Associates. “USAA will expand our ability to execute our vision to create a new destination for employers and a place for more people to work, live, enjoy, and discover everything that makes this neighborhood so vibrant.”

“We are committed to expanding our investment activity in the Boston metro area and this development, which is squarely in the path of growth, meets all of our objectives,” said Len O’Donnell, president and CEO of USAA. “Likewise, we are focused on partnering with best-in-class developers and, as such, we are enthusiastic about launching this partnership with Union Square Station Associates.”

“This transaction reinforces our succinct strategy of investing in class A, urban in-fill, transit-oriented, mixed use, ground-up developments in growth markets with high barriers to entry across the U.S.,” said Hailey Ghalib, executive managing director for USAA.

Union Square Station Associates LLC is the Designated Master Developer working in partnership with the community, the Somerville Redevelopment Authority and the City of Somerville to realize the shared vision for Union Square’s Revitalization.

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