

## **Alexandria Real Estate Equities, Inc. Announces New Joint Venture Partnership, Construction Financing, and Long-Term Anchor Lease with Institutional Tenant for the Development of a...**

The Associated Press

Alexandria Real Estate Equities, Inc. (NYSE: ARE) ("Alexandria"), through its affiliates, announced today a series of significant transactions resulting in the imminent development of the Longwood Center, an iconic and highly unique collaborative life science hub in the heart of Boston's Longwood Medical Area, one of the world's densest concentrations of academic, medical, and clinical care institutions. The announcement highlights Alexandria's financing of the project through the use of top-tier joint venture partners, National Development ("ND"), Charles River Realty Investors ("CR"), and Clarion Partners, LLC ("Clarion"). In addition, the partners announced the closing of non-recourse construction financing for approximately 60% of total project costs. Alexandria also announced the signing of a long-term lease for approximately 154,000 square feet with Dana-Farber Cancer Institute ("Dana-Farber"), the top-ranked cancer center in New England and one of the largest research grant recipients among independent hospitals in the United States.

The state-of-the-art life science center will emerge as the key destination for academic, clinical, and commercial collaboration in the heart of Boston's internationally acclaimed Longwood Medical Area innovation cluster. Ideally located at the key intersection of Longwood and Brookline Avenues, Longwood Center is immediately adjacent to 23 leading medical, research, and academic institutions including Harvard Medical School, Beth Israel Deaconess Medical Center, Brigham and Women's Hospital, Children's Hospital Boston, Dana-Farber, Joslin Diabetes Center, and Merck Research Laboratories.

As proven in Alexandria's other leading life science clusters around the globe, the resulting synergy of these core elements will provide a dynamic ecosystem where innovative discoveries are transformed into safe and effective products that address the most critical international healthcare challenges and help relieve the economic burden of disease to society.

The highly unique 1.02-acre site will ultimately comprise an approximately 414,000 square foot, 11-story building with flexible, modern laboratory and office settings, as well as a variety of innovative and sustainable environments including a lively and engaging street level, vibrant amenities, and an onsite parking garage. With Longwood Medical Area's low vacancy rate for laboratory and office space at less than 1% and no other "shovel ready" projects, Alexandria and its partners have a significant window of opportunity to attract world-renowned institutions and commercial entities that wish to collaborate with the 58,000 scientists, physicians,

staff, and students who work in this densely developed, highly sophisticated life science submarket.

Prior to this announcement, a wholly-owned affiliate of Alexandria formed a joint venture with ND/CR Longwood, LLC ("ND/CR") to purchase and entitle the site. Consistent with Alexandria's strategy of diversifying and broadening its capital structure and matching specific sources of capital with specific uses, Alexandria worked with ND/CR to seek another equity partner to participate in the development. After a comprehensive search, Alexandria and ND/CR agreed to contribute their member interests into a new joint venture, whereby Alexandria and ND/CR would collectively become a 50/50 partner with Clarion. In addition, the new ownership joint venture entered into an agreement with a lender for non-recourse construction financing for approximately 60% of total project costs.

The structure of the new joint venture will reduce Alexandria's percentage interest in the project by one-half. As a result of the value created through land entitlements and the reduction in Alexandria's percentage interest, Alexandria's proceeds from the joint venture and construction loan transactions are in excess of its projected capital contributions through the completion of the project.

As co-managing member of the new ownership joint venture, Alexandria will also receive development fees during the construction period and property management fees upon occupancy of the project.

Joining Alexandria's extensive network of high-quality client tenants, Dana-Farber is a principal teaching affiliate of the Harvard Medical School and is among the leading cancer research and care centers in the United States. It is a founding member of the Dana-Farber/Harvard Cancer Center, designated a comprehensive cancer center by the National Cancer Institute. It provides adult cancer care with Brigham and Women's Hospital as Dana-Farber/Brigham and Women's Cancer Center and it provides pediatric care with Children's Hospital Boston as Dana-Farber/Children's Hospital Cancer Center. Dana-Farber is the top-ranked cancer center in New England, according to U.S. News & World Report, and one of the largest recipients among independent hospitals of National Cancer Institute and National Institutes of Health grant funding. Moody's rated Dana-Farber's bonds A1 in June 2011. Dana-Farber is also home to the Belfer Institute for Applied Cancer Science, a translational research center that works collaboratively across multiple scientific disciplines and with corporate partners, such as Sanofi and Merck & Co., Inc. to bring new treatments to patients.

Dana-Farber will utilize space leased at Longwood Center to expand its extensive research operations. "We are tremendously excited to be part of this project," said Barrett Rollins, MD, PhD, Chief Scientific Officer at Dana-Farber. "Its scope and ideal location provide an extraordinary opportunity for Dana-Farber to accommodate its research needs in a way that will take advantage of cutting-edge concepts in interactive laboratory design." Construction will begin early in the second quarter of 2012 and Dana-Farber expects to occupy its space by the end of 2014.

Tom Andrews, Executive Vice President and Regional Market Director of

Alexandria's Greater Boston cluster, commented, "The new center represents a significant opportunity to expand our dominant Greater Boston operating life science platform of over 3.5 million square feet into Boston's internationally acclaimed Longwood Medical Area innovation cluster." "After four years of closely working with the City of Boston, the local community, and the medical institutions on the permitting, design, and leasing of Longwood Center, we are pleased to commence construction of this exciting new life science building," stated Jack O'Neil, Managing Partner of ND.

"We are fervent believers in the continued growth of the Longwood Medical Area, and are thrilled to be investing in this quality project," noted Brian Kavogian, President of CR.

"This project truly represents the next chapter in leading edge global research and development," said Mark Weld, Managing Director and Portfolio Manager in Clarion's Boston office. "We are pleased to join with our development partners and Dana-Farber in being an integral part of making this vision a reality." Alexandria is the dominant life science owner, operator, and developer in the Greater Boston market, which is a world-leading intellectual hub of innovation. In the Greater Boston market, Alexandria currently has approximately 100 world-class client tenants including the Massachusetts Institute of Technology, GlaxoSmithKline plc, Novartis AG, Eisai Co., Ltd., Biogen Idec Inc., University of Massachusetts Medical School, and Thermo Fisher Scientific Inc. Alexandria owns and operates approximately 3.5 million square feet in the Greater Boston area, including Alexandria Technology Square®, which is one of the world's leading multi-tenant life science campuses.

About Alexandria Real Estate Equities, Inc.

Alexandria Real Estate Equities, Inc., Landlord of Choice to the Life Science Industry®, is the largest REIT focused principally on owning and operating high-quality real estate for the life science industry.

Since 1994, Alexandria has created first in class® life science clusters that foster innovative and collaborative environments in key locations immediately proximate to leading research institutions.

Alexandria's broad and diverse tenant base includes internationally renowned academic and medical institutions, multinational pharmaceutical companies, leading private and public biotechnology entities, non-profit institutions, government agencies, medical device companies, biofuels companies, research tools and service companies, and venture capitalists. Located in the top life science markets around the globe, Alexandria's world-class properties, highly specialized operations, and expansive network assist the life science industry in translating promising discoveries into important, safe, and effective products that benefit humankind.

About National Development National Development ([www.natdev.com](http://www.natdev.com)) is ranked as the region's most active real estate development firm over the last decade. Founded in 1983, the Newton MA-based company provides fully integrated

development, construction, acquisition and asset management services.

With over 20 million square feet in completed projects, National Development's extensive operating platform encompasses office, retail, industrial, medical/lab, multi-family, senior housing and hotels.

**About Charles River Realty Investors** Charles River Realty Investors LLC ([www.crrreal.com](http://www.crrreal.com)) is a private equity real estate investment firm that employs the extensive operating and investment experience of its team to make value-added real estate investments on behalf of its institutional clients. The firm and its principals have successfully acquired and/or developed real estate with a value of over \$3 billion. Currently the firm is investing its \$170 million Fund I.

**About Clarion Partners, LLC** Clarion Partners ([www.clarionpartners.com](http://www.clarionpartners.com)) has been a leading U.S.

real estate investment manager for 30 years. Headquartered in New York, the firm has offices in major markets throughout the U.S. as well as Mexico and Sao Paulo, Brazil. With more than \$24 billion in total assets under management, for over 200 institutional investors both domestic and international, Clarion Partners offers a broad range of real estate strategies across the risk/return spectrum.

**About Dana-Farber Cancer Institute** Dana-Farber Cancer Institute ([www.dana-farber.org](http://www.dana-farber.org)) is a principal teaching affiliate of the Harvard Medical School and is among the leading cancer research and care centers in the United States. It is a founding member of the Dana-Farber/Harvard Cancer Center (DF/HCC), designated a comprehensive cancer center by the National Cancer Institute. It provides adult cancer care with Brigham and Women's Hospital as Dana-Farber/Brigham and Women's Cancer Center and it provides pediatric care with Children's Hospital Boston as Dana-Farber/Children's Hospital Cancer Center. Dana-Farber is the top ranked cancer center in New England, according to U.S. News & World Report, and one of the largest recipients among independent hospitals of National Cancer Institute and National Institutes of Health grant funding. Follow Dana-Farber on Twitter: @danafarber or Facebook: [facebook.com/danafarbercancerinstitute](http://facebook.com/danafarbercancerinstitute).

This press release contains forward-looking statements within the meaning of the federal securities laws. Actual results may differ materially from those projected in the forward-looking statements.

Additional information concerning factors that could cause actual results to differ materially from those in the forward-looking statements is contained in our Annual Report on Form 10-K and our other periodic reports filed with the Securities and Exchange Commission.

SOURCE Alexandria Real Estate Equities, Inc.

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## **Alexandria Real Estate Equities, Inc. Announces New Joint Venture Partners**

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