



Union Square Station Associates Announces Joint Venture with USAA Real Estate

USAA Real Estate invests in \$1.5 billion, mixed-use development creating a 2.4 million-square-foot employment hub

Somerville, Mass. – June 1, 2018 - Union Square Station Associates announced today that it is partnering with USAA Real Estate as its equity partner for the \$1.5 billion mixed-use transit-oriented development in Union Square 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 square feet of lab/office and over 400 units of residential with ground-floor retail.

"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 Square at the new MBTA Green Line station," said **Greg Karczewski, President of Union Square 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."

The first phase, a 4-acre parcel located on the corner of Prospect Street and Somerville Avenue, 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.

"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 Real Estate**. "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 Real Estate**.

At full build-out, the 15.7-acre USQ project will include 1.4 million square feet 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 percent commercial and 40 residential development and includes 2.5 acres of open space.

“When our community came together to create our vision for the future of Union Square, 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 **Somerville Mayor Joseph A. Curtatone**.

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

The Green Line Extension will connect Union Square in less than ten minutes to the vibrant, Greater Boston economy and create a new regional destination, and make Union Square into an even better place for people to live and enjoy.

The City of Somerville selected Union Square Station Associates (US2) as the developer for the Union Square Revitalization Project in 2014. In December, the Planning Board approved Union Square 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.

ABOUT UNION SQUARE STATION ASSOCIATES

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. For more information, visit discoverUSQ.com

ABOUT USAA REAL ESTATE

USAA Real Estate, with approximately \$20 billion in assets under management, provides co-investment, acquisition, build-to-suit and development services for corporate and institutional investors and arranges commercial mortgage loans on behalf of affiliates. The portfolio consists of office, industrial/logistics, multifamily, retail and hotel properties. USAA Real Estate is a subsidiary of USAA, a leading financial services company, serving military families since 1922.



For more information, visit www.usrealco.com.

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Press Contact:

Susan Elsbree

Susan@inkhouse.com

617-212-6817

Michelle Hillman

mhillman@inkhouse.com

781-966-4113