Q2 FAC Meeting

May 5, 2023

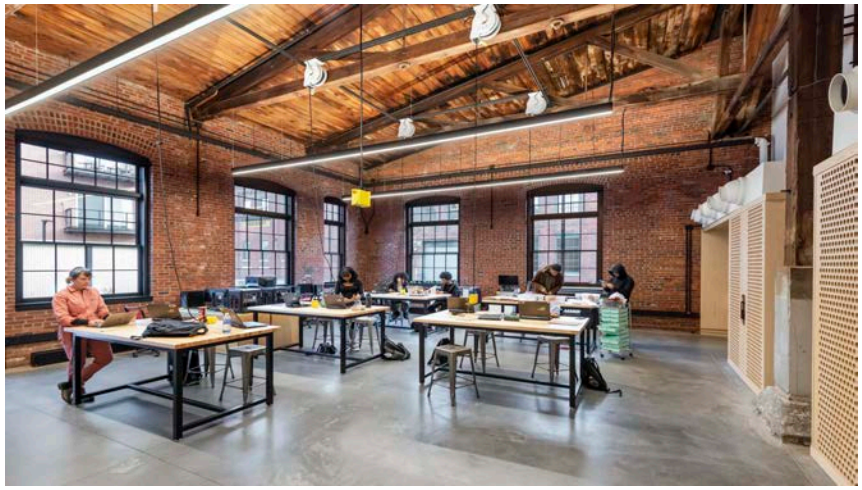
CAMBRIDGE
REDEVELOPMENT
AUTHORITY

MEETING AGENDA

1. Welcome
2. Capital Improvement & Operation Model
3. Creative Corridor Booking System
4. FAC Cadence - Deliverable Setting
5. Other Business/Upcoming Events
6. Adjourn

Welcome

- FAC Members
    - Lauren O'Neal
    - Sangeeta Prasad
    - Katheleen Williams
    - Connie Chin
    - Barbara Thomas
    - Ruben Mancha
- CRA Staff
    - Tom Evans, *Executive Director*
    - Matt Heller-Trulli, *Senior Asset Manager*
- Foundry Consortium Staff
    - Diana Navarrete-Rackauckas, *Executive Director*
    - Nikoi Coley-Ribeiro, *Community Manager*
    - Olivia Fone, *Communications Coordinator*
    - Logan Lopez, *Program Coordinator*
    - Jenna Schlags, *Director of Finance and Operations*
    - David Siegel, *Maker Space Manager*



Capital Improvement & Operation Model

Capital Improvement & Operation Model

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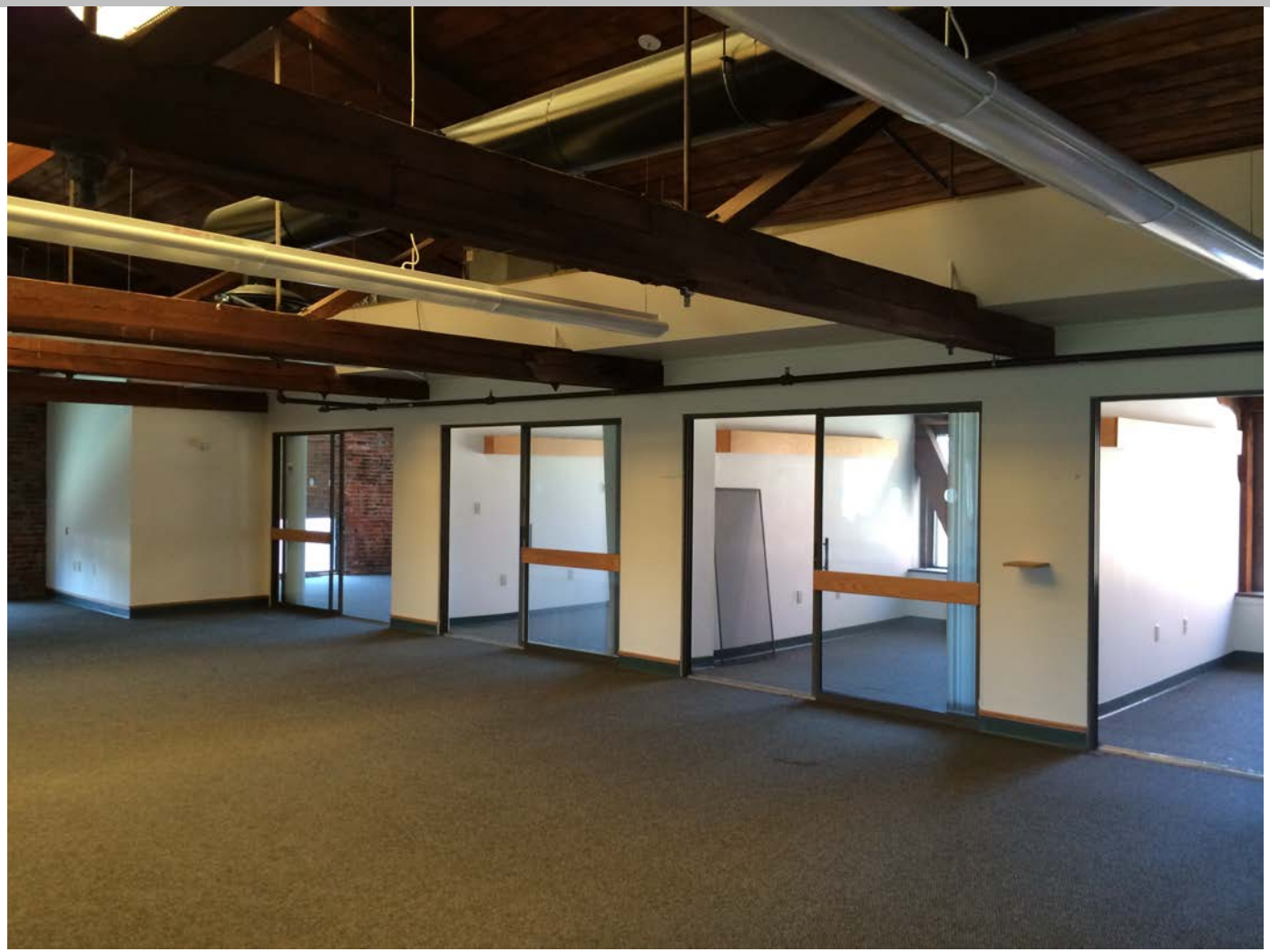
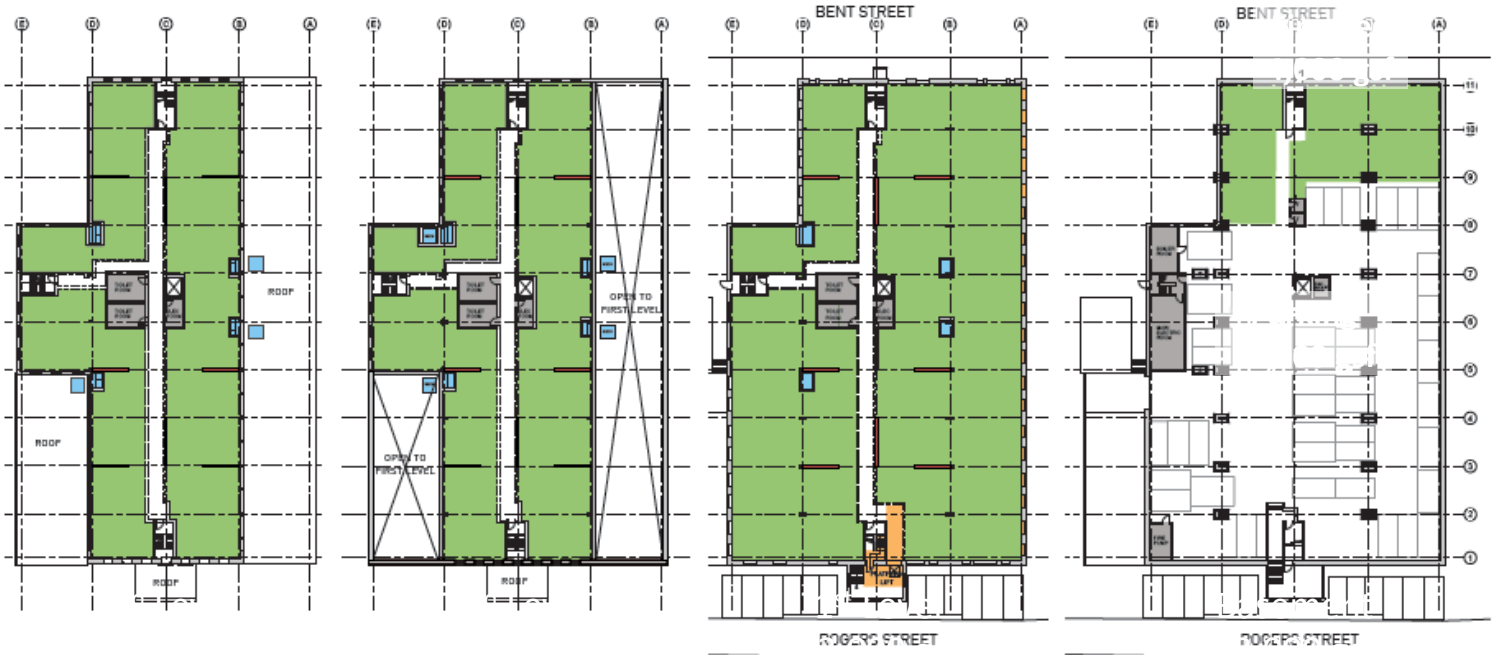


Capital Improvement & Operation Model

Base Building Area



53,000 gsf on upper levels + 4,000 gsf in basement = 57,000 gsf

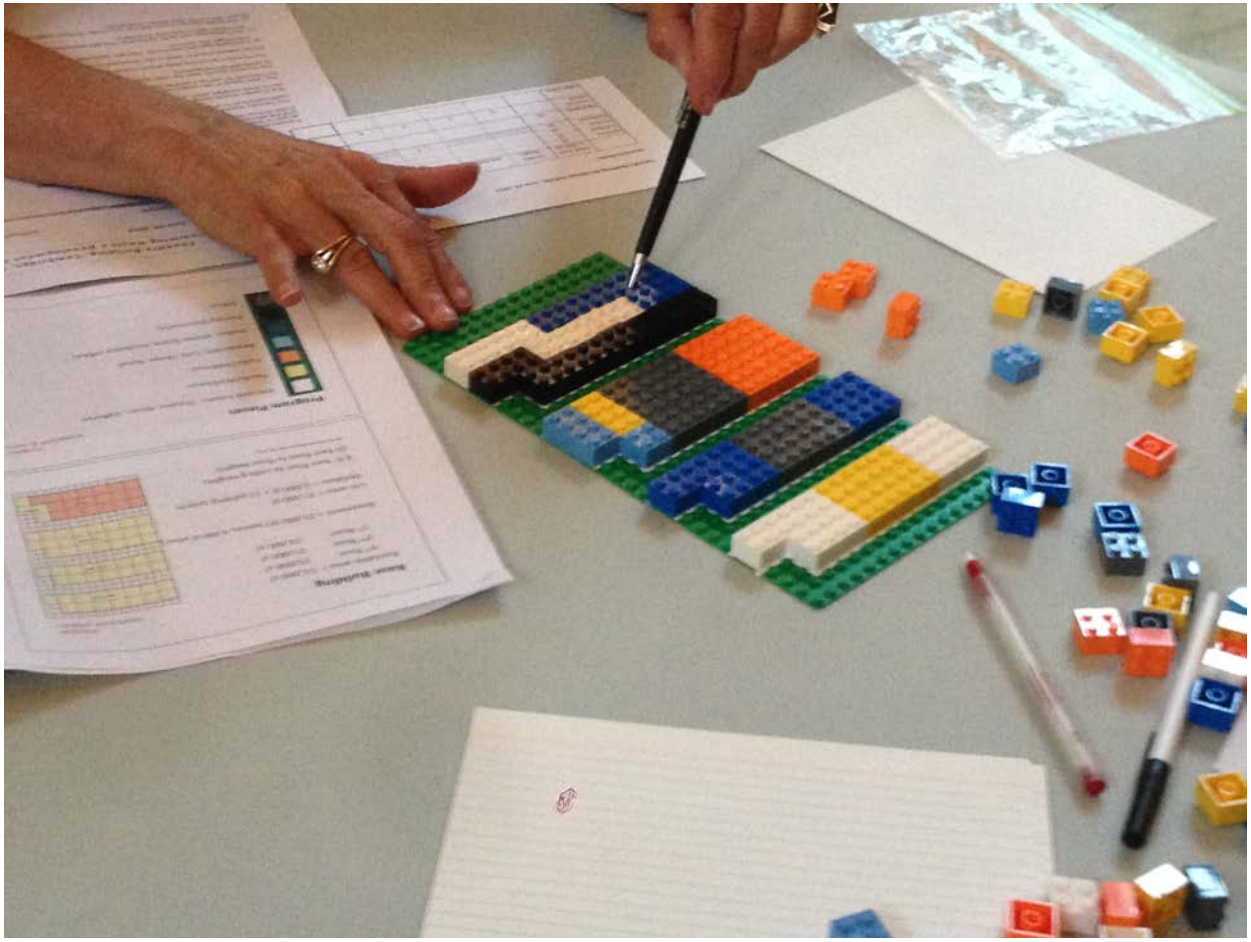
plus 19,000 gsf parking area = 76,000 gsf

Capital Improvement & Operation Model

Capital Improvement & Operation Model

Capital Improvement & Operation Model

FAC 5.5.23



Capital Improvement & Operation Model

Plan A: 2014 Development Entity

A feasible redevelopment program to balance the expectations of the public and private sectors and optimally align incentives.

Public Sector

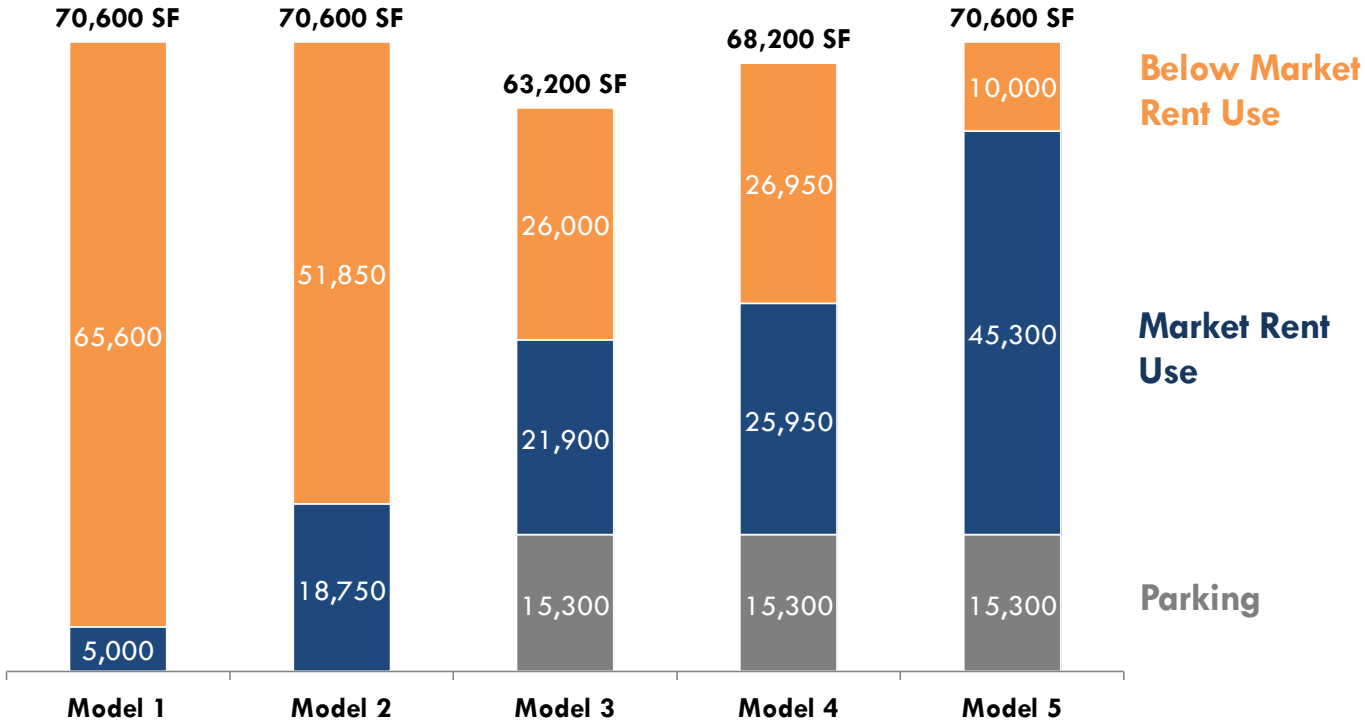
- City provides land and building
- City provides $6 million contribution for capital expenses
- CRA guarantees portion of below-market rents

Private Sector

- Pays annual rent
- Devotes portion of building to below-market rent uses
- Operates and maintains building

Capital Improvement & Operation Model

CRA + HR&A developed five models to test overarching principles against financial realities.

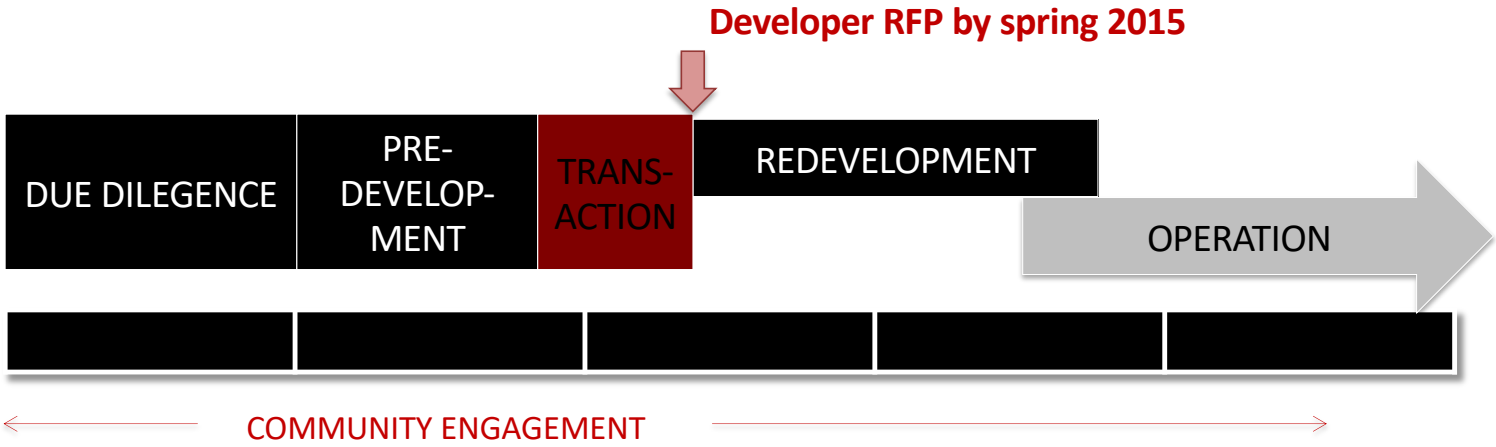


Capital Improvement & Operation Model

Development Entity Redevelopment

Transaction Phase

1. Demonstration Plan
2. Disposition Plan
3. Lease (City to CRA) → Governance Plan – Foundry Advisory Committee
4. RFQ/RFP
5. Developer Selection

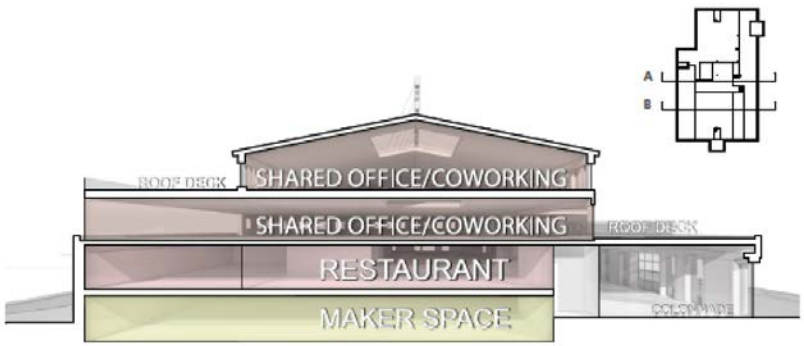


Capital Improvement & Operation Model

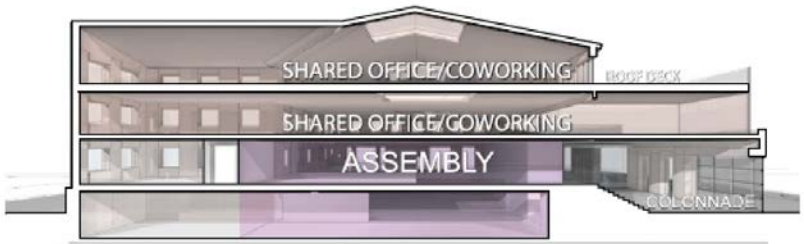
Capital Improvement & Operation Model

Capital Improvement & Operation Model

Selecting a Developer Partner



Building Section A



Building Section B

Request for Proposals: evaluate feasibility; ability to achieve public policy goals; ability to implement and operation

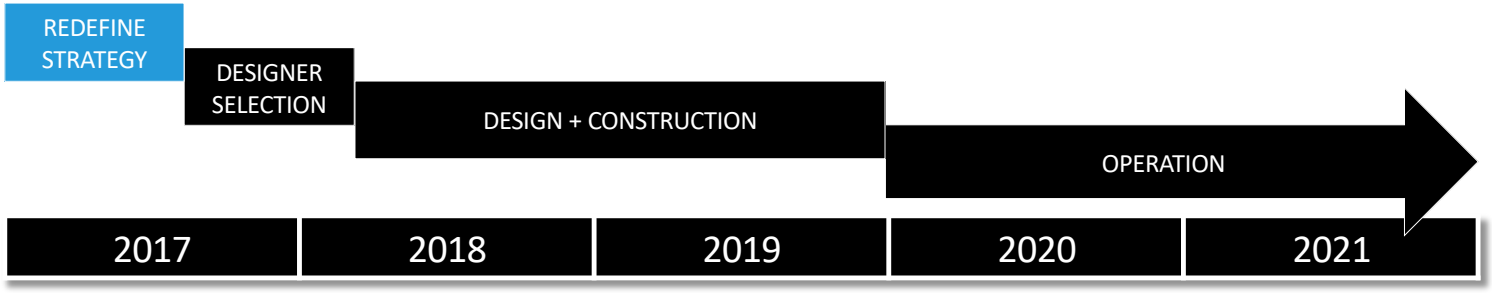
Capital Improvement & Operation Model

Plan B: 2017 New Path Forward

To ensure a high level of community/public use, explore a stronger public role in development and management:

- Redefine renovation strategy as public building project
- Define City/CRA roles to lead and execute
- Address complex interrelationship of design, cost, and program
- Build a working team that involves the construction manager, designer, and operator
- Procurement of an Operator

Rogers Street Facade



Capital Improvement & Operation Model

Basic Plan Elements

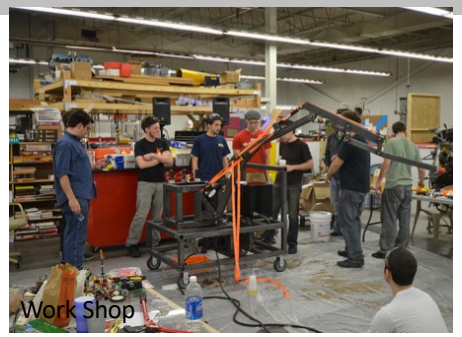
Destination Spaces (large / high traffic)

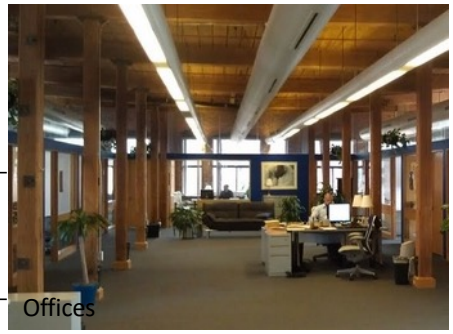
1. Lobby
2. Black Box/Assembly
3. Community Room
4. Café/Kitchen
5. Work Shop

Interstitial Spaces (placement flexible)

6. Classrooms
7. Multi-purpose Rooms
8. Studios
9. Gallery
10. Office

Black Box


Work Shop


Offices

Multi-purpose/ Classroom

Community Room

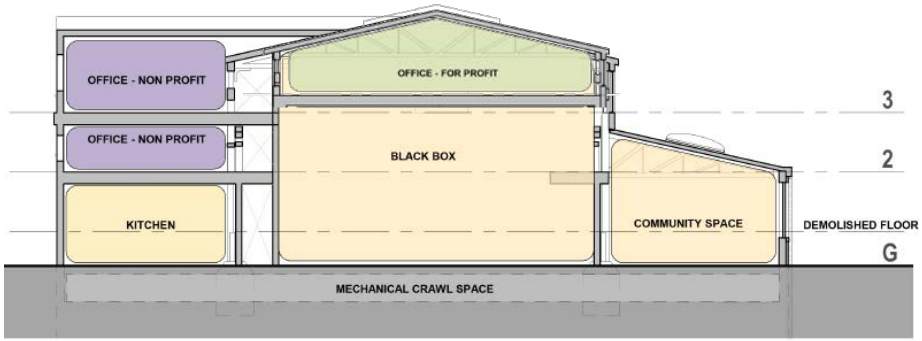
Lobby

Capital Improvement & Operation Model

Design and Cost Studies

Key Principles

1. Create high bay spaces for desired uses
2. Improve universal access with new street-level 1st floor
3. Place high traffic community/public uses at street level
4. Remove interior parking to rebuild 1st floor
5. Respect historic building form
6. Meet City sustainability requirements



Design Alternative

Variation 1

Variation 2

Variation 3

HMFH, March 2017

Capital Improvement & Operation Model

City / CRA Cooperation Agreement

Uses	City	CRA	Total
Design / Soft Cost	$5 million	$2 million	$ 7 million
Core and Shell	$19 million	$1 million	$20 million
Fit Out	---	$4 million	$4 million
Operations Reserve	---	$2 million	$2 million
Total	$24 million capital	$7 million capital $2 million operating reserve	$31 million capital $2 million operating reserve

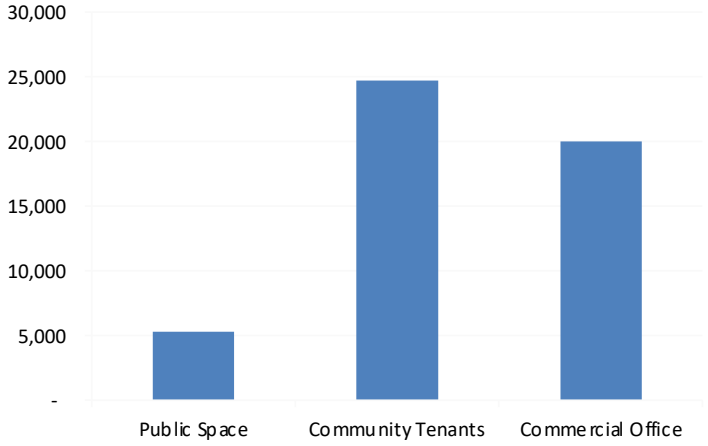
- City leads design and construction
- CRA selects and supports building operations – 50 year lease

Capital Improvement & Operation Model

Conceptual Program

Uses	Program Area (net sf)
Black Box with support	3,000
Community Room	3,000
Café/Kitchen	1,000
Work Shop	3,000
Lobby + Gallery	1,000
Multipurpose/Classrooms	4,000
Studios	3,000
Office-Non Profit	5,000
Sum Community/Public Uses	**23,000**
Office- Commercial	15,500
Total NET	**38,500**
Net/Gross Ratio	77%
Total GROSS	**50,000**

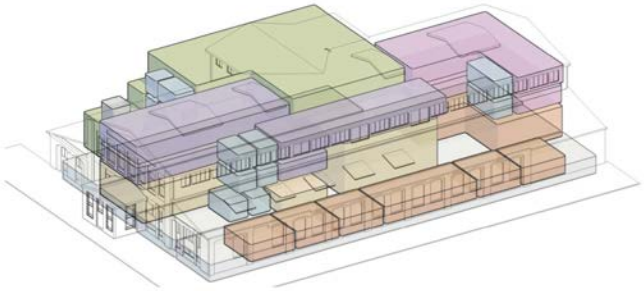
Draft Proportions of Gross Floor Area

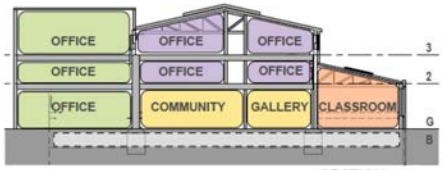


- 60% / 40% community to commercial uses (sliding scale option)
- Remove parking and some existing floor
- Significant areas of high bay space
- Potential for limited additions to west wing

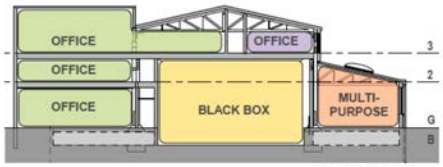
Capital Improvement & Operation Model

Conceptual Program & Operational Budget

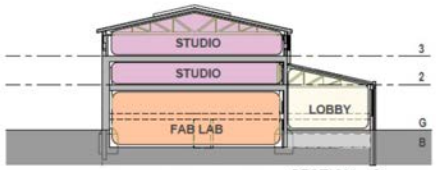




SECTION - A

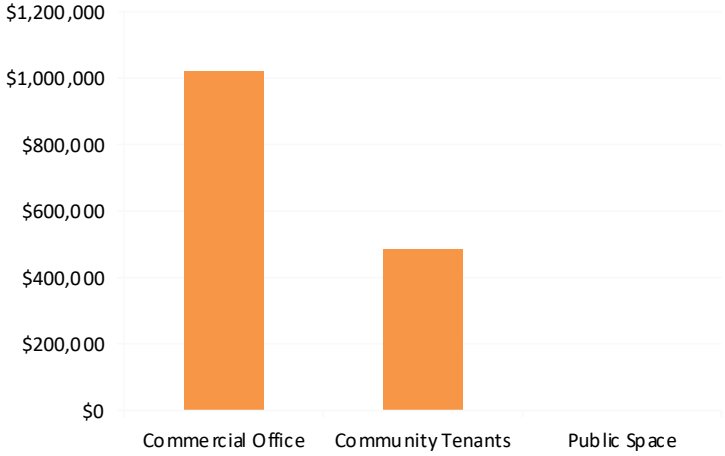


SECTION - B



SECTION C

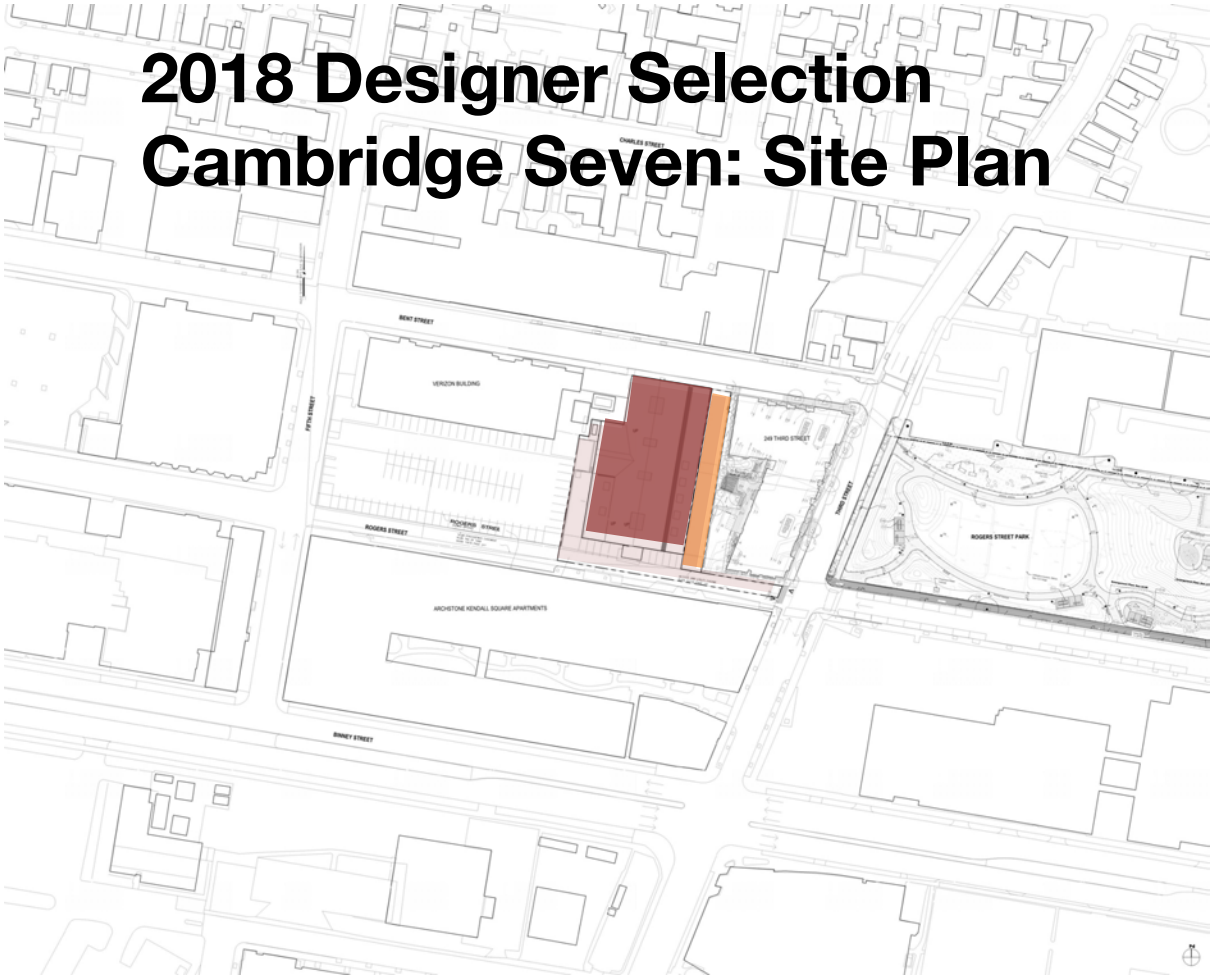
Estimate of Annual Revenue



- 70% = Revenue from market rents
- 30% = Revenue from community uses
- Occasional event fees TBD
- $1.2 million to $1.4 million OPX

Capital Improvement & Operation Model

2018 Designer Selection
Cambridge Seven: Site Plan



Capital Improvement & Operation Model

2018 Designer Selection: Cambridge 7

Building Analysis – 1982 Floor Infill

Challenge
Does not meet current seismic loading requirements

Adds structural load to historic structure

Landmark Status Goals

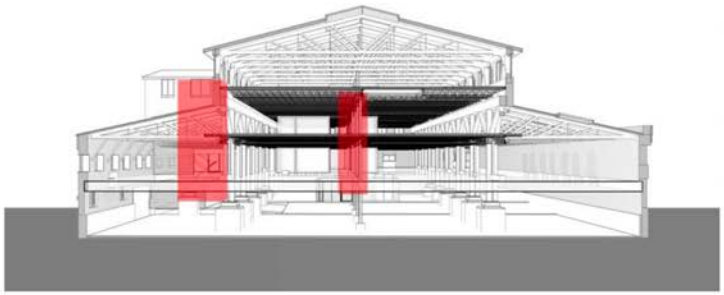
Opportunity
Meet MA Building Code 9th Edition

Reducing floor area lightens the building load

Chapter 34 Existing Building Code – Work Area Method

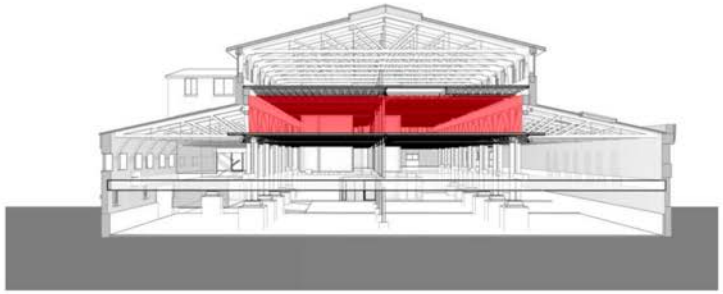
Building Analysis – Egress Stairs

Existing egress stairs do not meet current building code



Building Analysis – Floors

Existing Level Two – no windows

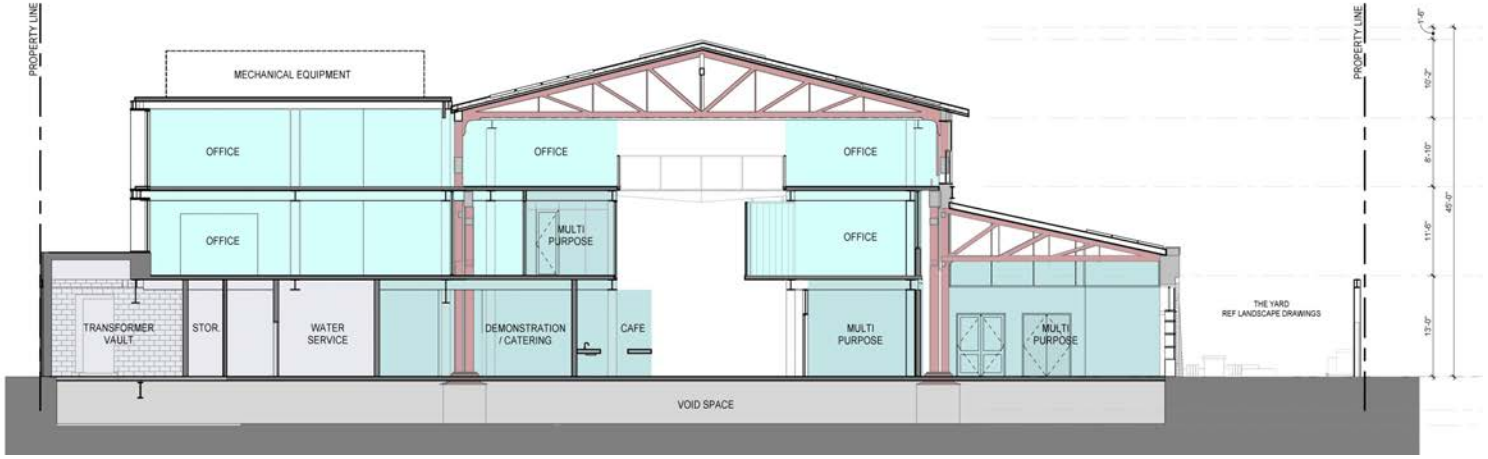


Building Analysis – Floors

Existing Level Three has a 7'-10" ceiling height to the bottom of wood trusses

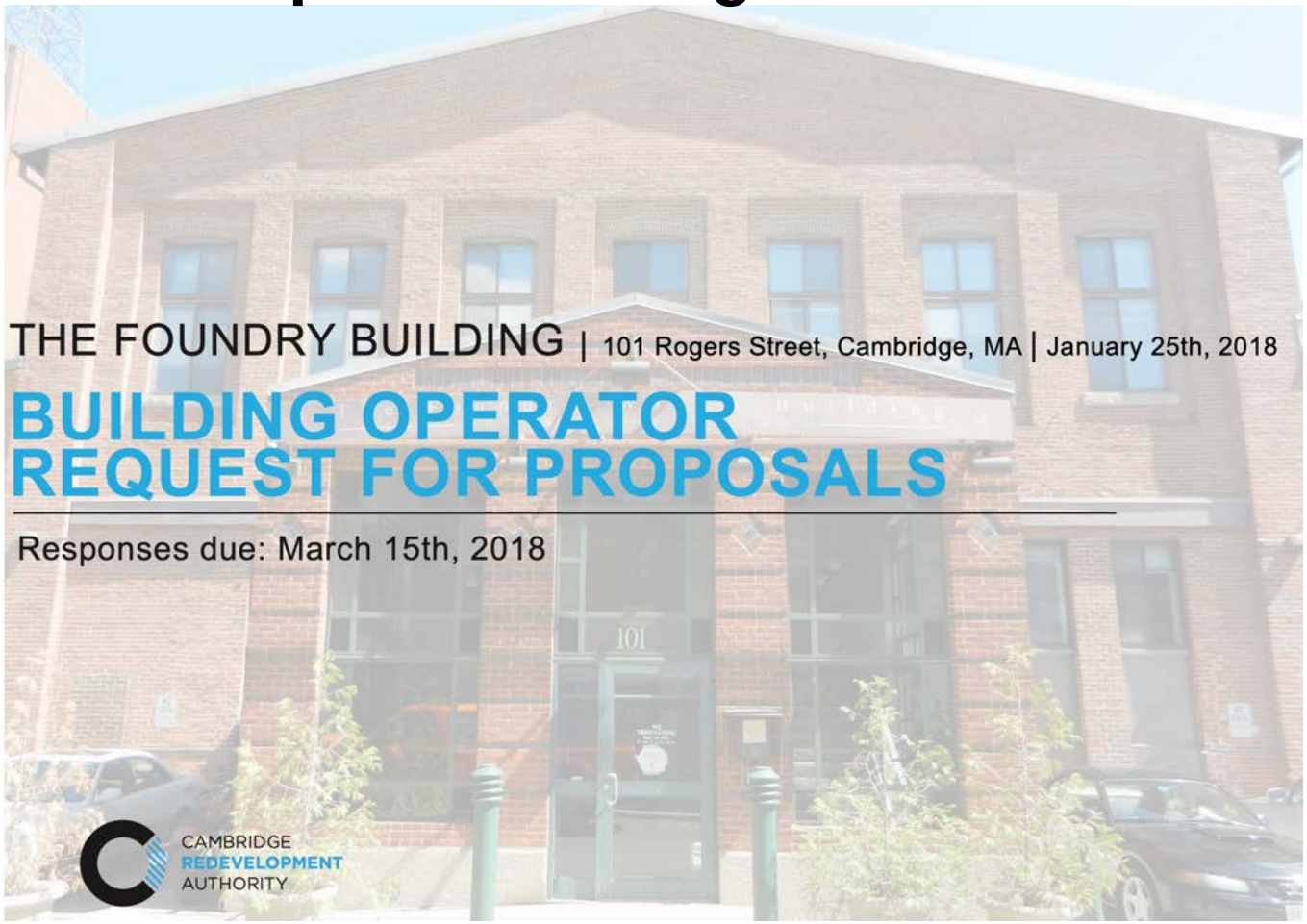
Capital Improvement & Operation Model

FAC 5.5.23



Capital Improvement & Operation Model

2018 Operation Designer Selection



Capital Improvement & Operation Model

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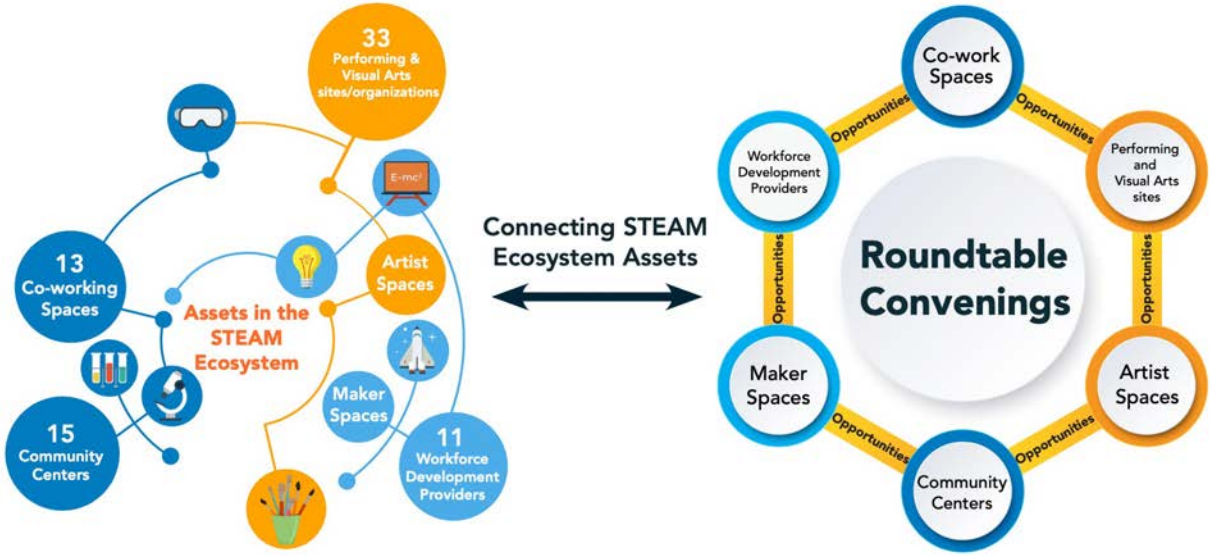
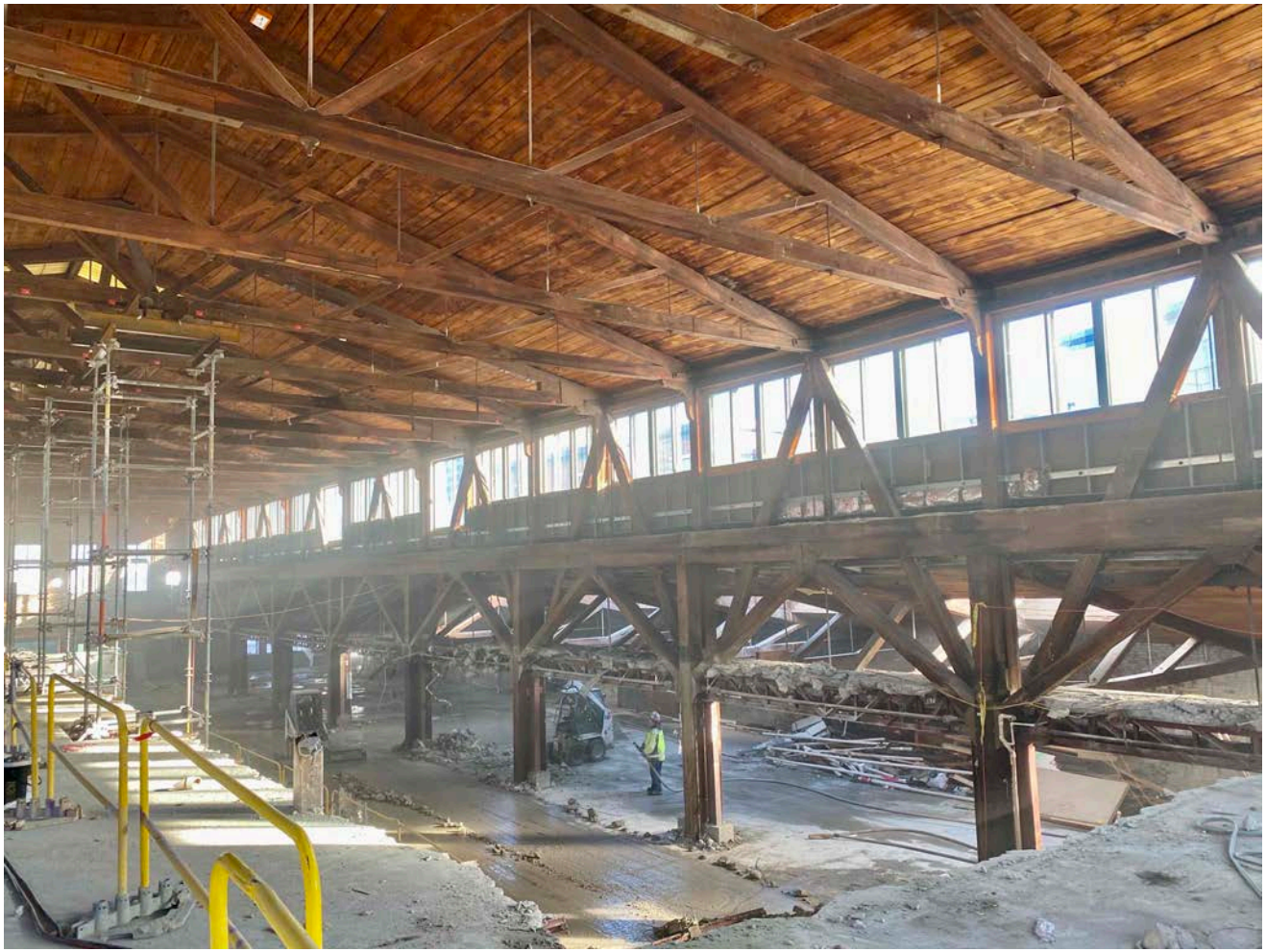


FOUNDRY

- Foundry Consortium response led by MIT-Lemelson
- Formation of Nonprofit Entity
- Start-up Expenses from Operational Reserve

Capital Improvement & Operation Model



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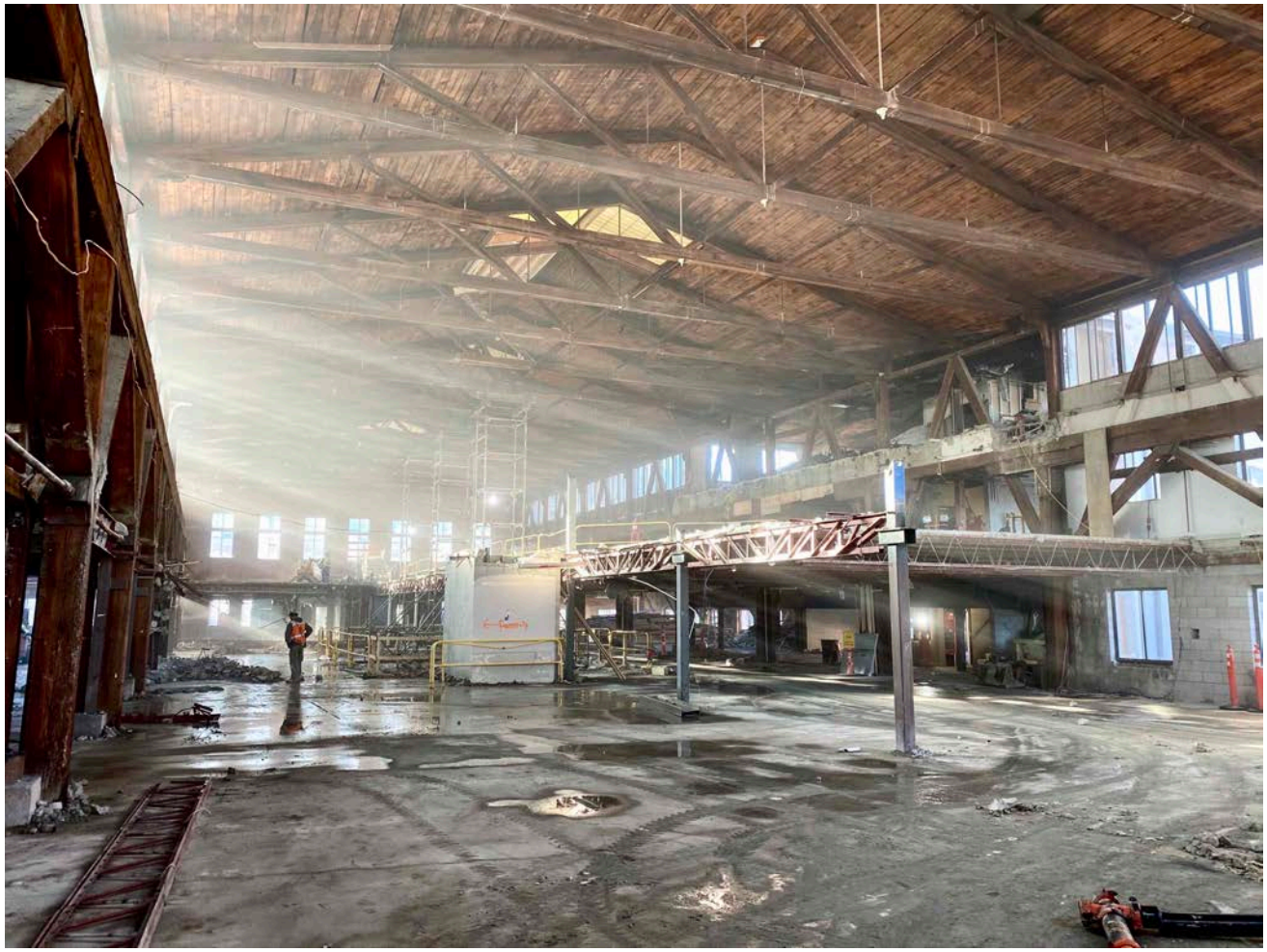

Capital Improvement & Operation Model

Cooperation Agreement - Amendment

Uses	City	CRA	Total
Design / Soft Cost	$5 million	$2 million	$ 7 million
Core and Shell	$19 million	$1 million	$20 million
Fit Out	---	$4 million	$4 million
Operations Reserve	---	$2 million	$2 million
Total	$24 million capital	$7 million capital $2 million operating reserve	$31 million capital $2 million operating reserve
Revised Capital Budget	$35.5 million	$10.5 million	$46 million
Operating / Start-Up Reserve	-	$2.5 million	$2.5 million

Capital Improvement & Operation Model

FAC 5.5.23

Capital Improvement & Operation Model

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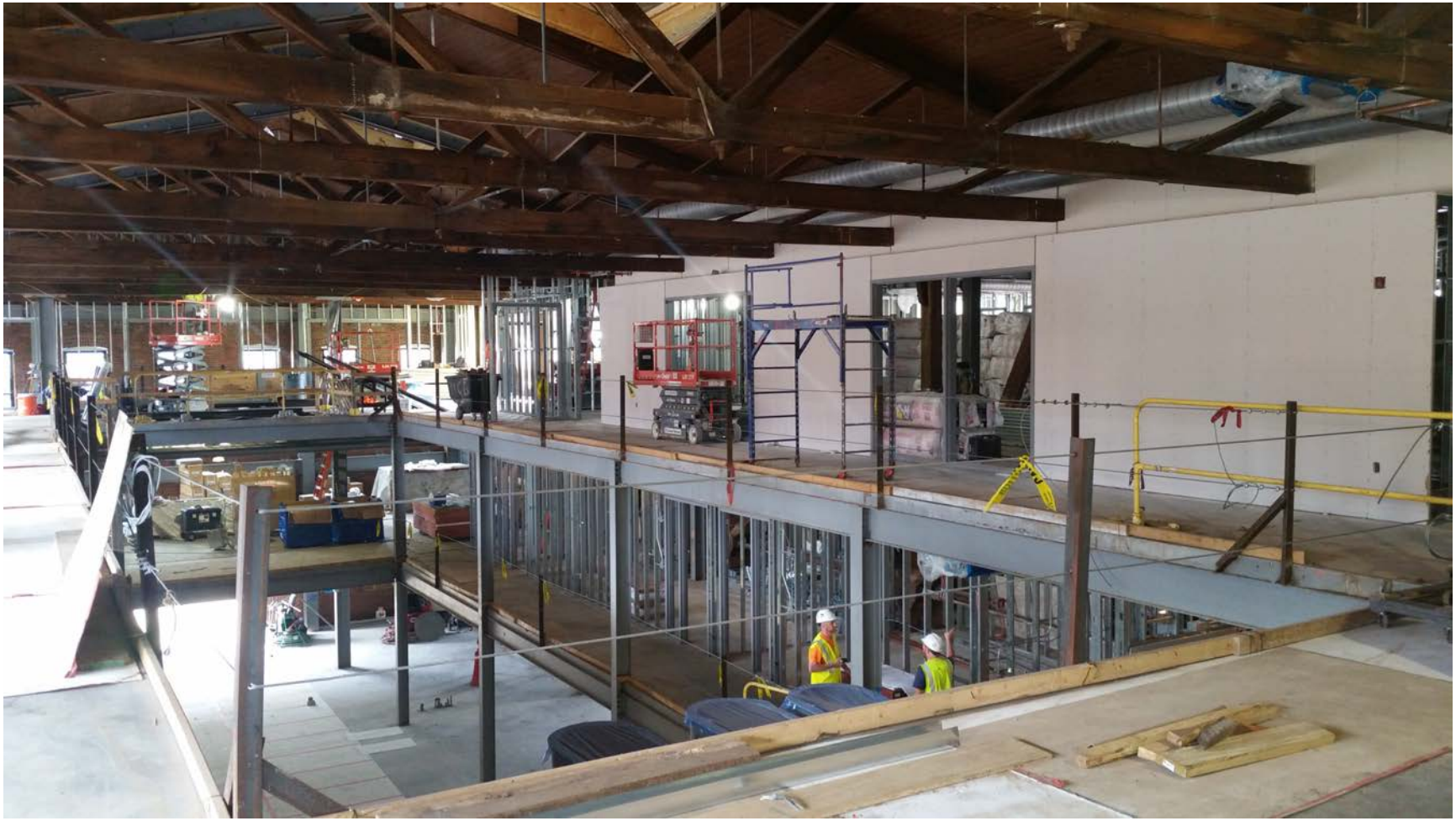

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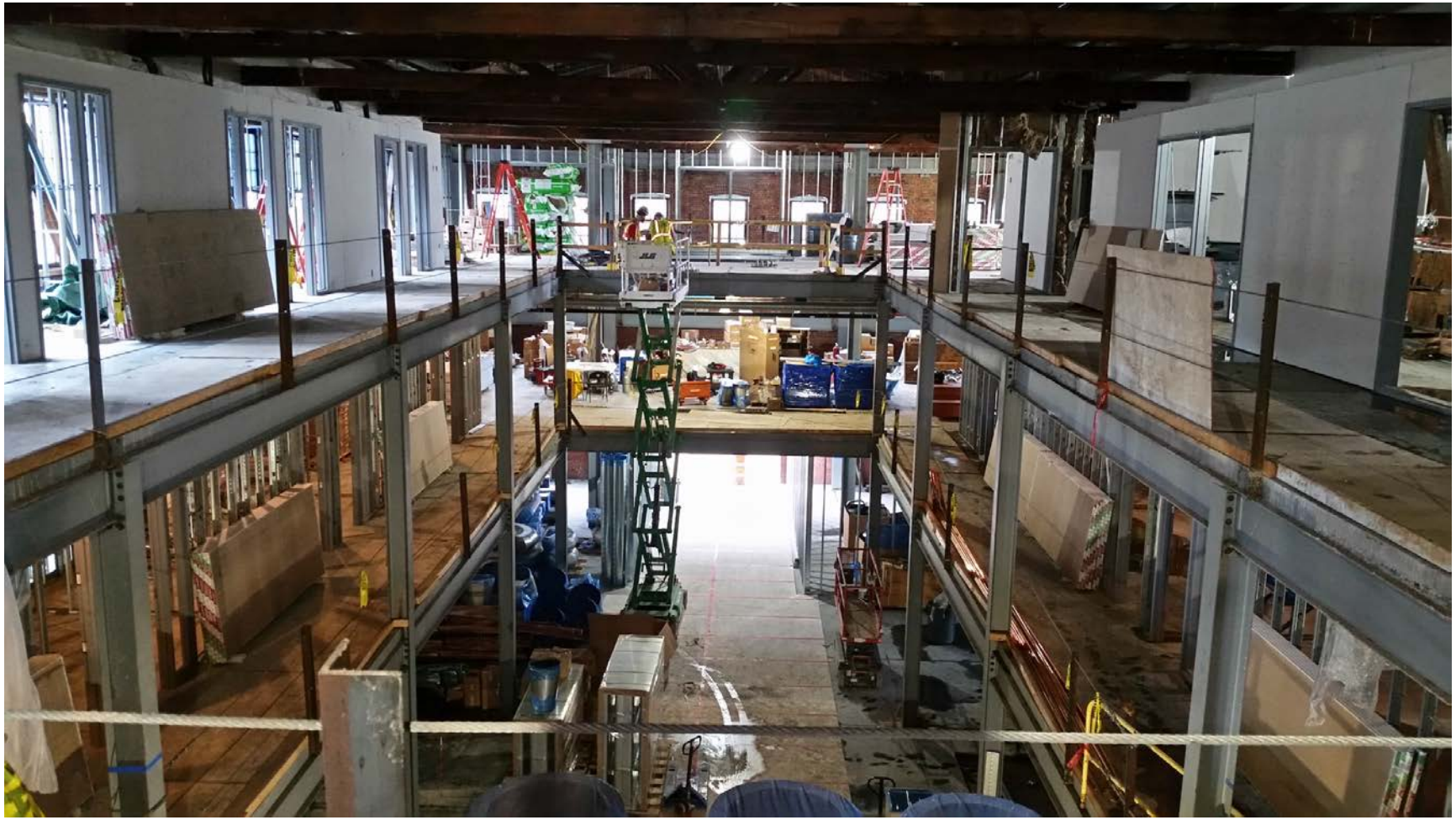

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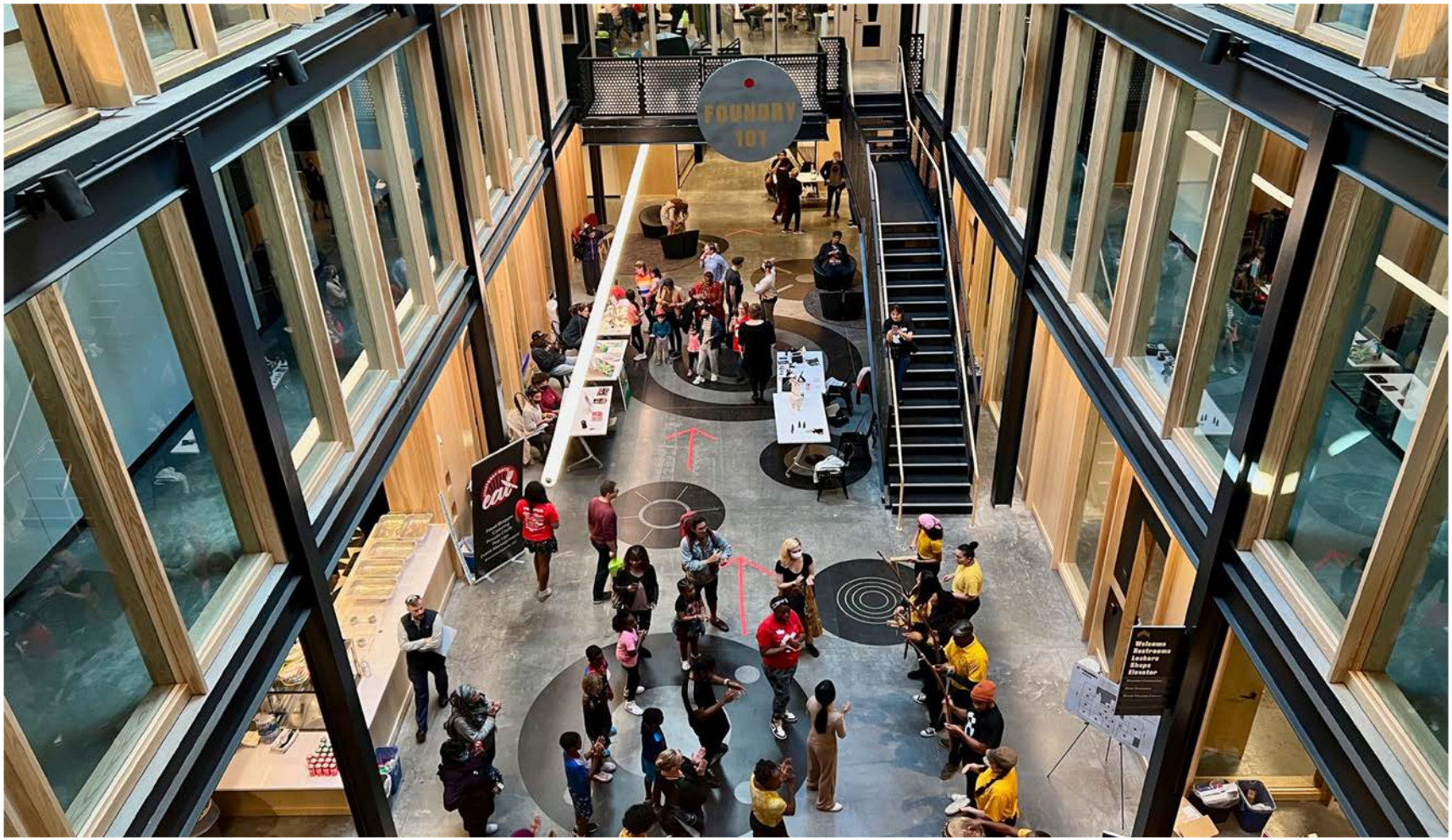
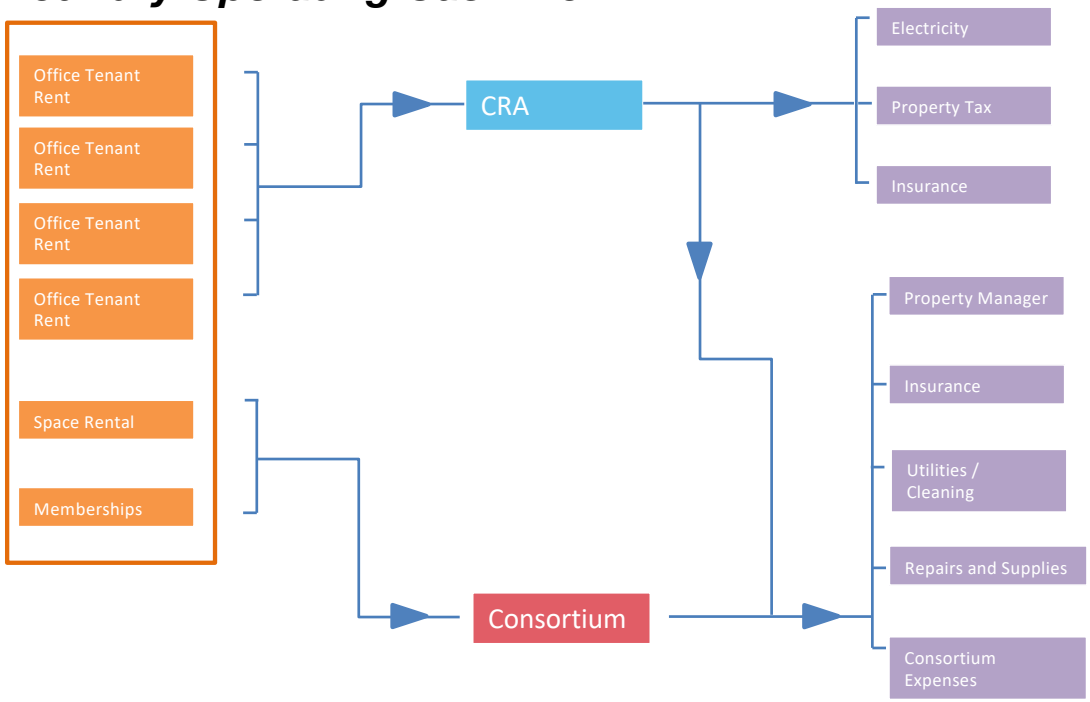


Capital Improvement & Operation Model

Questions?

Capital Improvement & Operation Model

Foundry Operating Cash Flow



Operating Income

Operating Expenses

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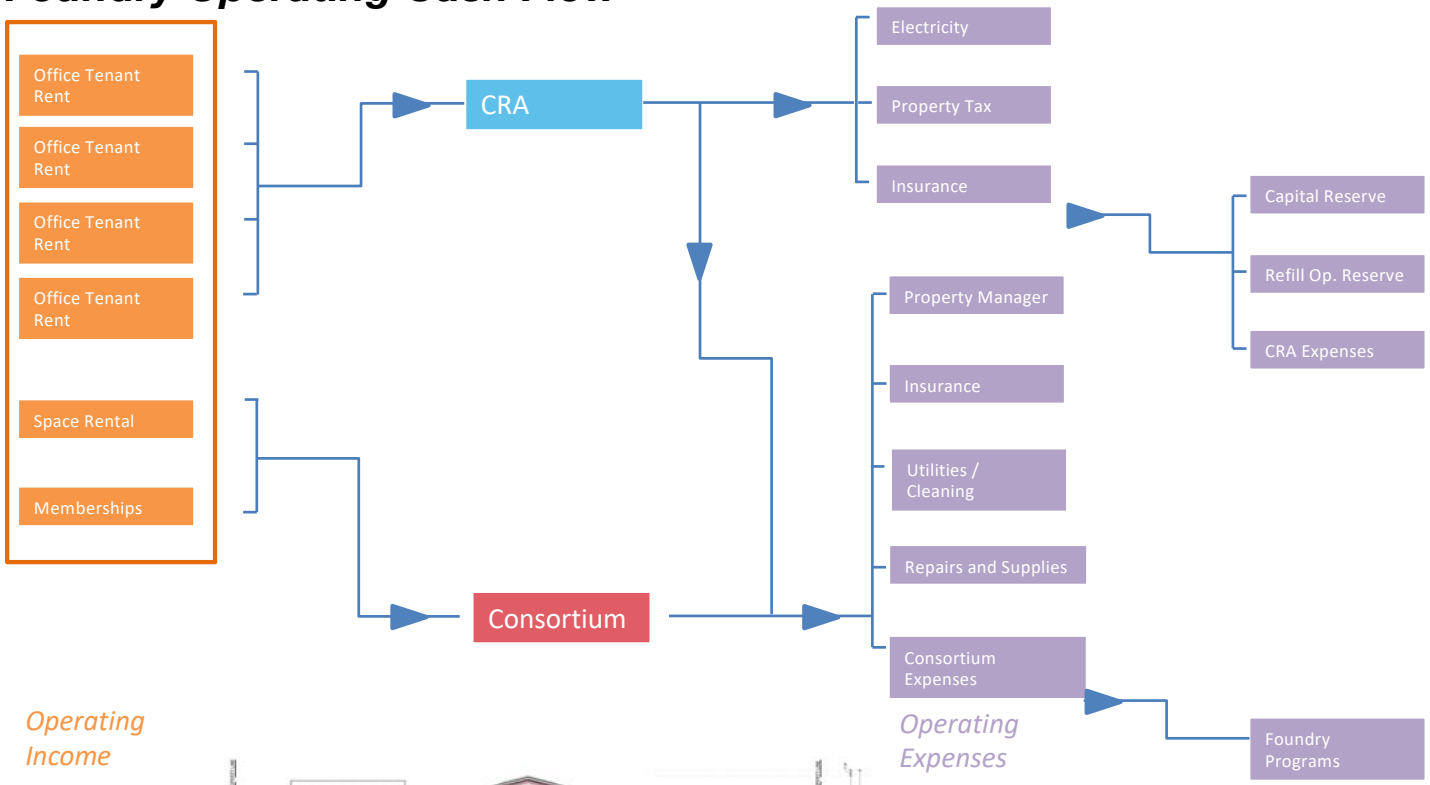
Capital Improvement & Operation Model

Foundry Operating Cash Flow



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Capital Improvement & Operation Model

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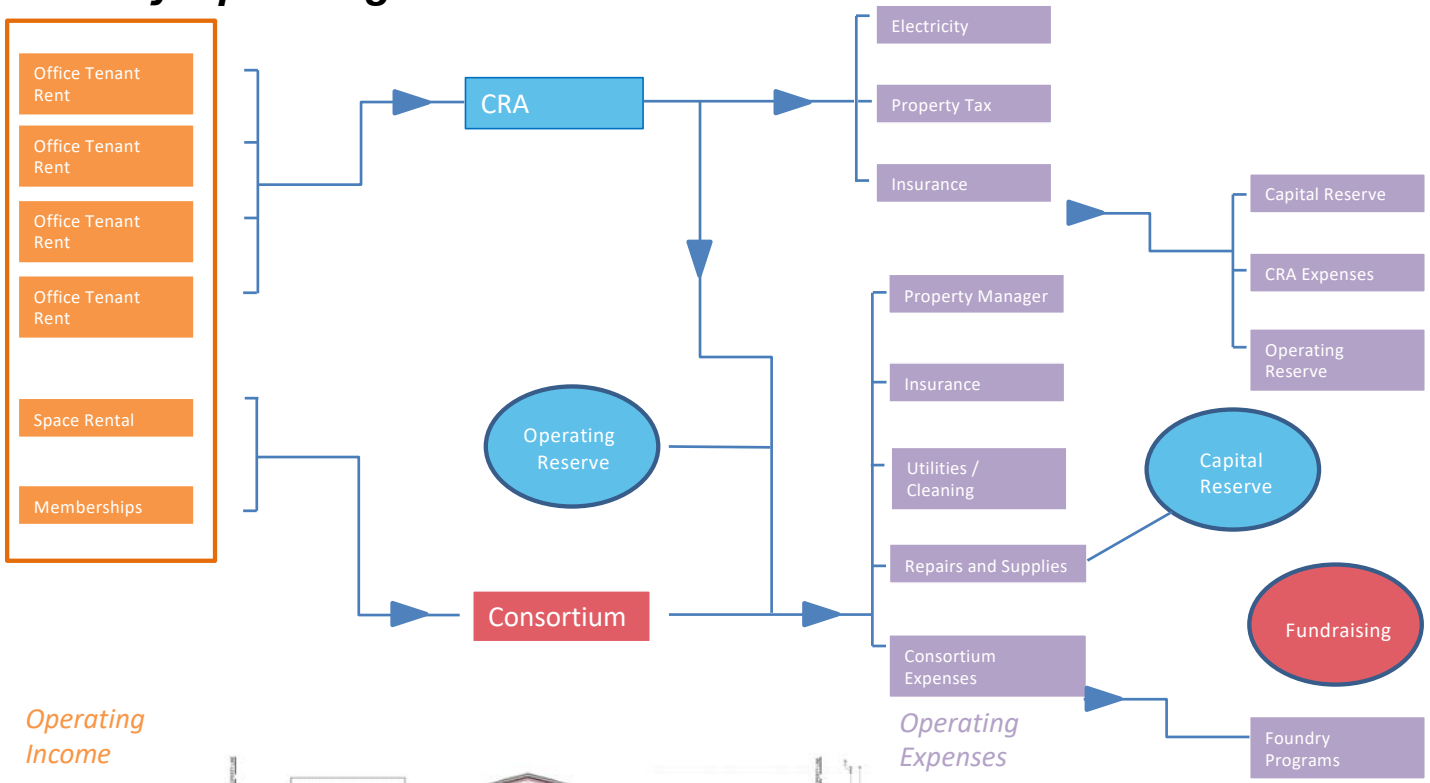

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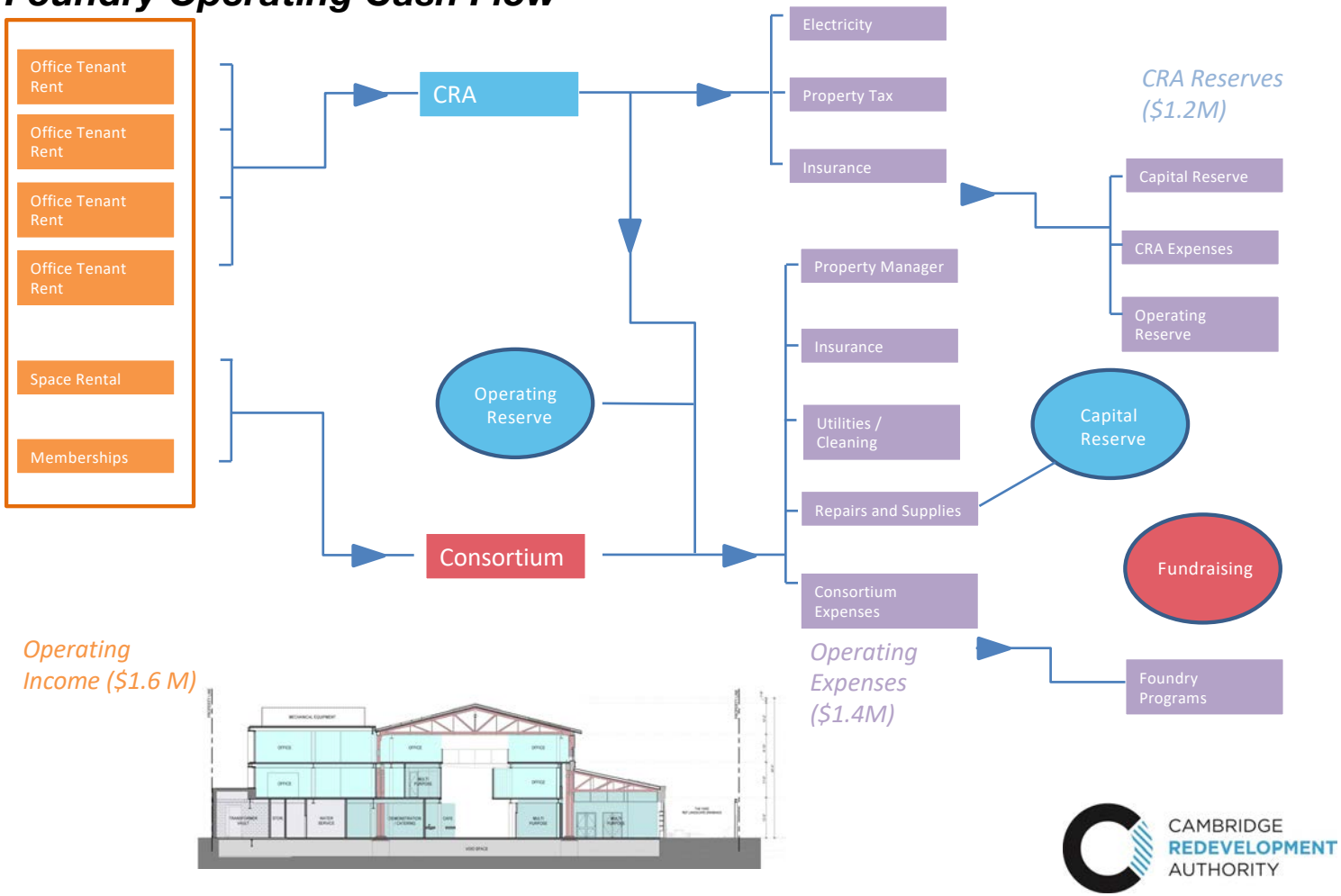
Capital Improvement & Operation Model

Foundry Operating Cash Flow



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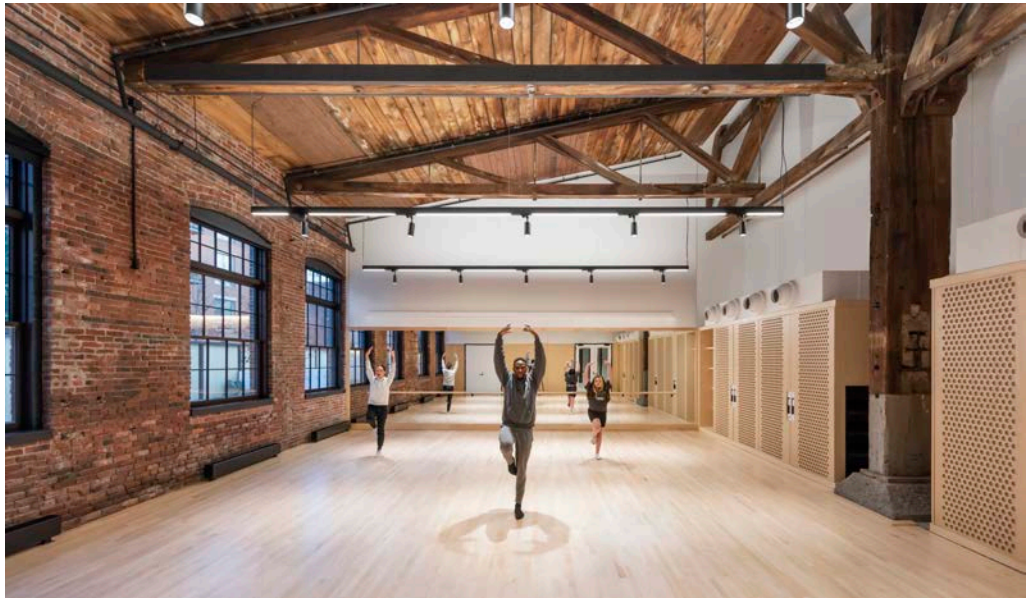
Creative Corridor Booking System

What is the Creative Corridor?

- A cross-Cambridge network of spaces for artists of various disciplines
- Inclusive of a booking system (in development) that will allow for easy class scheduling across participating spaces

How will this help the Foundry?

- Community members will be able to sign up for programs more easily
- Teachers will be able to promote programs and fill classes more easily
- The Foundry Consortium will have data on demographics of program participants
- Expand programming opportunities



FAC Cadence - Deliverable Setting

What are we working towards?

- Presentation to the CRA Board in November

What does that look like?

- 10-15 minute verbal presentation with 5-10 minutes for Board questions

What should be presented?

- An overview of the community space throughout the last year including but not limited to:
  - Community Events
  - Programming
  - Usage Data
  - Capital Improvements

Yearly Cadence in the Operational Phase [Proposed]

- Q1: Usage and Data Report
- Q2: Programming, Events, & Partnerships
- Q3: Tenant Update & Capital Improvements
- Q4: Draft CRA Board Presentation & nomination of FAC presenter

Other Business/Upcoming Events

- Next FAC Meeting will take place in August
  - Poll will be sent out in the coming weeks
  - Aiming for quarterly meeting in February, May, August, and November
- Upcoming Foundry Events
  - Off-Kendrick, this weekend!
  - Scratch Day, May 13
  - The Corrections Gallery Show, May 20
  - Guitar Fest, June 27-July 7