

Regular Board Meeting  
Cambridge Redevelopment Authority

Wednesday, April 12, 2017, 5:30pm  
Robert Healy Public Safety Center / Cambridge Police Station / Community Room  
125 Sixth Street, Cambridge, MA

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APPROVED Meeting Minutes

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### Call

Chair Kathleen Born called the meeting at 5:36 p.m. Other Board members present were Vice Chair Margaret Drury, Treasurer Christopher Bator, Assistant Treasurer Conrad Crawford and Assistant Secretary Barry Zevin. Staff members present were Executive Director Thomas Evans, Project Manager Carlos Peralta, and Office Manager Ellen Shore. Program Manager Jason Zogg will be joining the meeting shortly.

John Hawkinson and the CRA Office Manager are recording the meeting.

### Public Comment

Mr. Hawkinson requested that the Executive Director inquire about the Volpe Working Group meetings from the CRA Chair, as she is a member of that group. Mr. Evans said that the topic could be flagged when talking about the Forward Calendar.

Mr. Evans said that there are members of the public present tonight that would like to speak during the Forward Fund agenda item #3.

Public comment was left open.

### Minutes

#### **1. Motion: To accept the minutes of the Annual Meeting of the Board on March 15, 2017**

There were no modifications to the minutes.

A motion to accept the minutes and place them on file carried unanimously.

### Communications

#### **2. Comment Letter to Department of Housing and Community Development regarding proposed amendments to the regulations 760 – CMR 12.00 – Urban Renewal Regulations – April 7, 2017**

Mr. Evans said that his letter asked for clarification on items that might affect the CRA. Besides the issue of timing for annual reporting that he mentioned in the letter, Mr. Evans added that the proposed amendments are unclear as to which City body should get the CRA annual reports. He said that CRA counsel suggested that both the City administration and the City Council be the recipients if the amendments were approved. Amendments regarding smart growth zoning overlay districts were not relevant to the CRA. There was a discussion regarding the proposal for DHCD approval during the appraisal process rather than during the transfer period and well as whether this approval was required for all property acquisitions or just acquisitions within the urban renewal area.

Mr. Evans will report back as more information is attained.

In response to Ms. Born, Mr. Evans was not sure if this would affect the Foundry. Mr. Evans noted that a clause within the proposed amendments suggested that any changes would be for new acquisitions or dispositions. He added that the current regulations on property dispositions, which is not proposed to change, is also vague.

The motion to put this letter on file carried unanimously.

### **Reports, Motions and Discussion Items**

#### **3. Report: Forward Fund Grant Program**

Mr. Peralta handed out his PowerPoint presentation. An amount of \$125K has been budgeted for this third funding season of the program. The CRA received over twenty proposals requesting a total of \$320K. There are two types of grants - Infrastructure and Experimentation/Innovation. The Forward Fund Advisory Group, composed of representatives from various City agencies, met last Friday to select the recipients. On page 4, there is a breakdown of the grant recipients and a map of the project areas. A total of \$70,214 was awarded for Infrastructure Grants and \$48,500 was awarded for Experimentation Grants.

Some of the grant awardees were able to attend the meeting and presented their projects. A fuller description of the awarded grants can be found on pages 5-13 of the handout.

Jason Alves, Executive Director of the East Cambridge Business Association, was grateful for the grant and spoke about his beautification project, which received \$5,214 to enhance the business district's streetscape atmosphere for business owners, residents and visitors.

Christina Alexis, Executive Director of the Margaret Fuller Neighborhood House, thanked the Board for the \$25K grant to add life-safety and other functional additions to the deteriorating building.

Eryn Johnson, Executive Director of the Community Art Center, thanked the Board for the \$25K grant to finalize the design, build, and install a kiosk in the Port area for connecting and strengthening the neighborhood community.

Michael Dawson, Executive Director of Innovators for Purpose, thanked the Board for the \$25K grant. He explained the wayfinding project in which youth in the Port area will be creating a signage and multimedia tour system with the goal of connecting them to Cambridge's history and to the present economy.

Haley MacKeil, Director of Maud Morgan Arts, which collaborates with Agassiz Baldwin Community, spoke about the \$5K grant that Agassiz Baldwin Community received to design a replacement to a deteriorating play structure.

Mr. Peralta spoke about a grant awarded to the Community Art Center for their building modernization project. Although the request was for \$25K, the Advisory Group decided to award only \$10K to cover infrastructure such as wiring and new computer stations. Mr. Evans noted that computers and laptops are not considered infrastructure. In the same vein, the \$10K grant awarded to the Friends of the Greenway's "Tunnel of Light" project does not include funds for computer hardware. This project intends to repurpose an abandoned rail tunnel, a component of the Watertown-Cambridge Greenway, for use as an outdoor, public, interactive performance space. A grant of \$6K was awarded to Carolyn L Arts for the design, implementation, installation, and DIY videos for a vertical food garden at the Moses Community Center. The last project is called Suitsculpture by artist Laura Zittrain, who received \$7500 to create a spacesuit sculpture that visitors can embody and imagine themselves reaching for the stars. This last project would be located on the 3<sup>rd</sup> & Binney Street civic space.

Mid-term reports are required from each awardee and will be incorporated into the CRA's annual report. The Board was pleased with the projects. Ms. Born said that it is nice to see organizations that have been part of the Cambridge fabric as well as new ones. Mr. Bator would like to continue to grow the Forward

Fund program. Mr. Peralta added that all the members of the Advisory Group were excited to be part of the process.

Mr. Evans said that, as done in previous years, the funding for the Forward Fund was previously appropriated so no vote was needed tonight.

#### **4. Annual Investment Report**

Ms. Shore said that the CRA investment policy states that there will be an annual report of the CRA financial holdings, including investments. Ms. Shore introduced the CRA investment strategist, David Javaheri, who would be talking more about the investment portfolio after her review.

The CRA has two accounts in Cambridge Trust. One account is the checking account and used for operating expenses. The second account, which was opened about 3-4 months ago, is a money market account, which is accessed to replenish the checking account. This account does gain interest. There is one account in Boston Private that is dedicated to payroll. The CRA created an OPEB trust account in Morgan Stanley with \$14K. There is a large CD in East Cambridge Savings that will be coming due in September 2017. This amount is designated for the Foundry. The remaining monies are distributed in Morgan Stanley in cash (.01%), stocks (16.39%), and laddered corporate bonds (31.74%) and CDs (51.86%). The CDs are collateralized with \$250K as the maximum in any one CD. The laddered distribution is 1-year, 2-year, 3-year, and 4-year. As these mature, a decision is made whether to roll them back into investments or use them otherwise. The report also lists the individual CDs and corporate bonds with their maturity dates as well as the stock holdings. The 21 stocks are those that appear on the Massachusetts Division of Banks List of Legal Investments. Mr. Javaheri added that the bonds also appear on that list.

Mr. Javaheri explained that he uses the same strategy for any Massachusetts city, town or quasi-government entity. He utilizes the equities on the legal list and while all of them are not required, he has had the best returns when all of them are bought and evenly weighted. On the fixed income side, CD and corporate bonds are laddered so that each fiscal year, between one and four years, money is coming due which provides liquidity if needed while also protecting for major interest changes in either direction. All the CDs are covered by FDIC since they are \$250K or less in various banks. On the corporate side, the legal list is used but it is weighted towards sectors with higher quality notes. These are also laddered into one, two, three and four years along with the CDs. The fixed income is a majority of the portfolio. Mr. Javaheri said that although the strategy appears basic and somewhat restrictive, the performance is very good, and the portfolio is growing in a reasonable fashion without taking excessive risks. This strategy beats the S&P over most time periods in last 15 years.

Mr. Bator said that the CRA should focus more on the equity percentage of the holdings. The current portfolio is at 16%, which is extremely conservative. Mr. Evans explained that as CDs mature in April and some of the money is pulled for operating and payroll expenses, the percentage of equities will increase. Per the CRA investment policy, the percentage could be as high as 20%. Mr. Evans added that the Board could change the policy. Mr. Bator emphasized that the interest income generated from the money expected from BP could be significant if the equity percentage is raised to perhaps 30%. There was a discussion of percentage versus calculated risk and the possibility of changing the policy to give the CRA more flexibility and latitude.

Mr. Crawford noted that spending for capital projects such as the Foundry or other projects doesn't preclude the possibility of having financial partners outside the City. There are other revenue possibilities. The CRA money can also be used to do small business lending.

The CRA pays Morgan Stanley per trade, rather than an advisory payment, since there is little to no activity. The cost of the bonds and CDs are built into them. There is a commission for buying and selling stocks. The cost activity occurs when new money arrives or if things need to be sold prematurely. Industry standards on similar portfolios could run 10 basis points or ½ percent.

Mr. Evans said that he would talk more with the Treasurers about an Investment Policy update.

Mr. Crawford proposed to suspend the meeting rules to hear a presentation by Doug Brown, from the Friends of the Greenway, on the Tunnel of Light project that received a Forward Fund grant of \$10K. Mr. Brown thanked the Board for endorsing the idea. He is hopeful that MassDOT will be funding the path this year. This path is part of a larger network of paths that blanket the entire region but has been missing for a long time. Rather than create a multiuse path, his goal is to create a multiuse place. DCR plans to light the tunnel and the art community could use this as a semi-permanent place. This is an experiment like the Rose Kennedy Greenway.

Ms. Born is pleased to see that the grants have reached outside of Kendall Square.

##### **5. Update: Kendall Square Transit Enhancement Program (Mr. Evans) \***

***Motion: To authorize the Executive Director and Chair to execute a revised Memorandum of Understanding between the Cambridge Redevelopment Authority, the City of Cambridge, the Massachusetts Department of Transportation, and the Massachusetts Bay Transit Authority to implement the Kendall Square Transit Enhancement Program.***

Mr. Evans handed out a red-lined version of the Memorandum of Understanding (MOU) as requested by the Chair.

Mr. Evans said that staff has been working on the MOU for two years. The MOU was part of the Notice of Project Change (NPC) for the Environmental Impact Report (EIR). The State had come to past meetings and made comments during in the EIR process. The CRA Board approved a version in October 2016, which was also approved by the City Manager. The CRA sent five signed copies to the State. There was no response for months. It was finally explained that the MBTA fiscal control board had concerns regarding these funds. Mr. Evans summarized that the funds are \$6 million received through the redevelopment of Kendall Square to go towards transit improvements serving Kendall Square. The method of taking in funds from other sources was concerning to the MBTA fiscal control board. They were also concerned about expanding transit since they are focusing on fixing their existing system. The State made changes to the MOU to protect itself by adding places for their approvals within the document. The edits were sent to the new city manager who also wanted to have approval authority. So looking at the red-lined version, there are many updates that relate to governance and decision making.

The first page of the red-lined version updates the fact that the task force went from a State function to a City function. A certified MEPA document was received so that update is reflected in the changed document. On the bottom of page 2, updates appear based on the interests of both the City and the State. Although Ms. Born asked for a red and green lined version to understand which entity made which change, Mr. Evans was not able to provide this distinction. Mr. Evans noted that improvements with EZride would not require approval by the Secretary of Transportation. Capital improvements of the Kendall Square Station shifted from a short-term idea (#6) to a long-term idea (#7). The edit in #8 deals with the allocation of administrative costs. The edits in #9 included approval by the City Manager. If there are metrics, these need to be approved by the MBTA. The edit in #12 talks about the issue of funding running out after a new service is started.

The document was edited by the State, then by the City, and is now back in the State. It is going to the control board on the 24<sup>th</sup>, although the control board doesn't need to approve it.

In response to Ms. Born, Mr. Evans said that Doug McGarrah of Foley Hoag has been working on this. The development agreement references the version that was part of the Notice of Project Change.

As for the timing for the funding, Mr. Evans said that the funds are committed with the building permit of 145 Broadway so he expects to receive this by May. Six months after that, a decision needs to be made on what to do with one third of the KSTEP money and then up to two years for a plan for the other two thirds.

A motion was made to authorize the Executive Director and Chair to execute a revised Memorandum of Understanding, substantially in the form of the version presented and reviewed by the board on April 12, between the Cambridge Redevelopment Authority, the City of Cambridge, the Massachusetts Department of Transportation, and the Massachusetts Bay Transit Authority to implement the Kendall Square Transit Enhancement Program.

A roll call was taken.

Mr. Bator - yes  
Ms. Drury - yes  
Ms. Born - yes  
Mr. Crawford - yes  
Mr. Zevin - yes

The motion carried unanimously.

## **6. Report: Octahedron Deaccession**

***Motion: To Authorize the Executive Director to grant the Octahedron sculpture to the City of Pontiac, Illinois.***

Mr. Zogg said that a personal interest web story became an article in the Globe. Feedback sent to the author was forwarded to Mr. Zogg. A person saw the article, contacted her friend who is the President of the Guilders Society and she connected the CRA with the City of Pontiac, Illinois, who was interested in the Octahedron to adorn a new train station being developed. The City of Pontiac would pay to move the object and the CRA would pay to put it on the truck. Mr. Zogg tracked down the artist again who verbally authorized its release. Ms. Shore added that the City Administration of Pontiac is going to his Council next week to get authorization to release funds for the transport.

*The motion to authorize the Executive Director to grant the Octahedron sculpture to the City of Pontiac, Illinois was seconded and carried unanimously.*

## **7. Monthly Staff Report and Financial Update**

Mr. Evans said that a new accounting service has been found to help with bookkeeping, segregation of duties, and comptroller functions.

The CRA office is being reorganized in anticipation of a new hire. The CRA was able to obtain unwanted furniture before the demolition of 145 Broadway.

On the Forward Calendar are Galaxy Park design ideas, Kendall Square Implementation Plan, Boston Properties presentation on their summer programs for the Plaza and Roof Garden, and Volpe updates. Mr. Evans asked the chair to talk about the Volpe Task Force.

Ms. Born said that there have been four meetings to date. There are about 8-12 MIT people present at the meetings. The petition will be an MIT petition with a desired timetable of bringing it to a vote before the end of the year so that the current Council votes on it. The Volpe Task force was asked to wrap up its recommendations. The topic of discussion at the last meeting was the location and configuration of open space. The consultant to the City presented options and there was a lively discussion. Around 6-12 members of the public have been attending. The City Council asked to create the task force. There was a request to the task force that site plan drawings include the buildings from the Infill Development Concept Plan.

The food trucks program at Parcel 6 is going well, regardless of the issue with the Chicken and Rice Guys. There are new garden boxes installed by Green City Growers. A shade structure is being discussed with the landscapers.

The National Endowment for the Arts is not pursuing disbursement of any of their grant funds, including those appropriated in the 2016-2017 budget, until there is a budget resolution which means the renovation of the moon globes at Galaxy Park is on hold.

The Binney Street Park is going through a redesign process to make it an adventure playground for dogs. There was not much participation at the last public meeting. The only design elements definitely remaining from the original design are the cottonwood tree and the Grand Junction path. Everything else is on the table.

The streetscape coordination is going well. By taking out a lane of traffic in each direction and the median, there is an increased amount of territory to allocate to landscaping. There is a tree removal hearing for trees near 145 Broadway and the median on Galileo.

Ames Street residential is on its 2<sup>nd</sup> floor of concrete. Staff has reviewed a mini mockup of the parking garage for the bikes. The plan is to continue the vine graphic.

Regarding the Windsor Street building, there have been initial meetings with the City. Although this is not a major priority, staff will continue looking at the structural issues of the building. A community preservation grant for repointing the bricks or historic roof will also be submitted on behalf of the Health Alliance who currently has a lease on the building.

With respect to financing, the budget is on track. Some line items for insurance and other storage rental expenses have been paid in full at the beginning of the year. The contract with Alta is being monitored to stay within budget. Mr. Evans anticipates coming to the Board with a new budget. This will include the income from Boston Properties' development payment and the KSTEP funding. Expected invoices from legal counsel regarding the KSTEP and the Foundry will increase the legal expenses. The transportation line item (#7017) includes the payments to the contractor Alta for the streetscape design. In the pie chart, the section labeled Transportation includes payment to Alta plus payroll for staff time working with Alta as well as that spent with the Kendall Square mobility task force.

Boston Properties will be getting a phased building permit with ISD. It is unclear which permit triggers the development fee but Mr. Evans thinks that going vertical should trigger the payment. There is an escalation clause that increases BP's cost if the time elapses.

A motion was put forth to convene in Executive Session for the purpose of discussing potential revisions to the 50-year lease of the Foundry Building at 101 Rogers Street from the City of Cambridge, to facilitate the redevelopment of the Foundry building through the Foundry Demonstration Project Plan. Conducting the discussion in open meeting may have a detrimental effect on the negotiating position of the CRA. Since the business of the CRA set forth on the agenda has been completed, the meeting will not reconvene in open session.

A roll call was taken.

- Mr. Bator – yes
- Ms. Drury – yes
- Ms. Born – yes
- Mr. Crawford - yes
- Mr. Zevin – yes

The motion carried unanimously and the Board move to Executive Session at 8:10 p.m.