



Annual Board Meeting  
Cambridge Redevelopment Authority

Wednesday, February 14, 2018 5:30pm  
Robert Healy Public Safety Center / Cambridge Police Station / Community Room  
125 Sixth Street, Cambridge, MA

---

APPROVED Meeting Minutes

---

### Call

Chair Kathleen Born called the meeting to order at 5:36 p.m. Other Board members present were Vice Chair Margaret Drury, Assistant Treasurer Conrad Crawford and Assistant Secretary Barry Zevin. Treasurer Christopher Bator was absent. Executive Director Tom Evans and other CRA staff members, Ellen Shore, Jason Zogg, Carlos Peralta and Alex Levering, were in attendance.

The meeting is being recorded by the CRA and a member of the public.

### Public Comment

*Ms. Heather Hoffman* thanked Mr. Evans for the thoughtful and well-written letter that he submitted regarding I-90, which she said is being distributed throughout the East Cambridge community. She also appreciated the POPS inventory and hoped that signage would follow to help others understand that the public is allowed in these public spaces. Mr. Evans said that the CRA is actively working on signage with Boston Properties. Regarding the Foundry, Ms. Hoffman said that she went to a talk given at the Berkman Klein Center by Nate Hill, Executive Director of METRO 599 (Metropolitan New York Library Council), that could be beneficial for ideas on operating the Foundry. She will send the link of the videoed talk to Mr. Evans and Mr. Evans will then distribute it to the Board.

*The motion to close public comment carried unanimously.*

### Minutes

#### **1. Motion: To accept the minutes of the Regular Meeting of the Board on January 17, 2018**

There were no comments made.

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

### Communications

#### **2. Memorandum from Bill Gordon of Just-A-Start regarding Fire Suppression System Grant/Loan for Squirrelwood Project, January 9, 2018**

Mr. Evans said that during and since the CRA's recent loan to Just-A-Start (JAS), there have been many discussions about a CRA loan funding program for housing, as well as other community entities. Currently, there is no infrastructure established for taking in requests and allocating funds. In the meantime, another formal request for funds has been received from JAS, which can be found in the Board's packet. This topic also relates to agenda #9. Mr. Evans introduced Bill Gordon, JAS Director of Real Estate.

Mr. Gordon initially thanked the Board for the previous loan for fire suppression systems in the Consolidation Project, which included the reconstruction of 50 York and the renovation of many units. Although fire suppression

systems are not mandatory, JAS would like to include fire suppression systems in a similar renovation and consolidation project, the Squirrelwood Project. This project was able to leverage 23 additional affordable units. Mr. Gordon explained that some of the money for the new units constrains the ability to fund the renovation of older units. The new request for \$420,000 is a maximum amount needed for fire suppression systems. He spoke about the wooden buildings that are in close proximity to each other. Most of the financing has been committed. Construction would start in Q1 2019. In order to submit paperwork, he would like to know if the CRA could commit (tonight if possible) and how much (within the next month or two). Mr. Evans added that the sprinklers would be installed in the Linwood Court apartments which were part of the redevelopment of the Wellington-Harrington project area.

In response to Ms. Drury, Mr. Evans said that agenda #9 will be a comprehensive discussion regarding how larger scale funding requests should be received and evaluated by the CRA, such as this JAS request and others that have been received in less formal manners. Such requests are bigger than those in the Forward Fund structure, thus, a conversation is needed regarding fairness and priorities. That conversation would not discuss merits of any individual request but of the larger program. Mr. Gordon emphasized that the other funders of the JAS project need to know if CRA will be contributing. Mr. Gordon said that each sprinkler system is about \$10,000 or less per unit. There are 44 units affected. Money for fire suppression systems for the new units would not be part of this request. In response to Mr. Crawford, Mr. Gordon said that there would not be other requests for fire suppression units. Mr. Gordon noted that affordable housing has constraints that other organizations might not have. Mr. Evans clarified that the other requests for infrastructure funding have been from owners of community facilities who need more money than the Forward Fund was offering. Mr. Zevin said that the JAS request is a laudable project. However, he noted that fire exposure from the outside is now worsening by the densifying of the project and would hope that fire-safe materials would be used for the new building exteriors.

*The motion to refer item #2 to item #9 of the agenda was seconded and carried unanimously.*

### **3. Comment Letter from CRA to Mathew Beaton regarding I--90 Viaduct Replacement Project, February 9, 2018**

Mr. Evans said that this letter was sent on Friday and states the importance of a West Station, connection to the Grand Junction, and other urban planning issues. Mr. Evans had cosigned a letter with the KSA making the concerns known to many major employers in the area who then sent letters to the Secretary as the project affects the whole region. Some changes have been made since the publication of the EIR. Harvard has volunteered to participate in funding towards the construction of the station. Boston University has been approached as well. Besides funding, however, there are issues with the redesign of the Turnpike which compromise the station.

The Board thought the letter was terrific. There was a discussion about KSTEP funds and the need for a comprehensive transit connection study and a plan for the Allston area that includes the Grand Junction transportation corridor. Doing a traffic count before the Longfellow Bridge opens in the end of May and then afterwards for comparison was discussed. Mr. Evans noted that the annual transportation data report has not occurred for two years due to all the road construction on Main Street, Ames Street, and the Longfellow Bridge. The CRA will issue an RFP for that consultant very soon. Mr. Evans said that he would look into doing a quick count on certain key areas.

Mr. Crawford thanked Mr. Evans for including the open space component in the letter as this is an opportunity to improve the riverside open space. A clarification was made that the reference to one-lane local streets meant one lane in each direction.

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

#### **4. Election of Officers**

Ms. Born clarified that tonight's meeting is the annual Board meeting where the officers are elected from the current Board members and the annual report is reviewed. Since it takes time to complete the report, the annual meeting takes place in February.

*The motion to vote the current slate of officers as the officers for the upcoming year was made and seconded.*

A role call was taken.

Mr. Bator – absent

Mr. Zevin – yes

Mr. Crawford - yes

Ms. Born – yes

Ms. Drury – yes

.

*The motion passed.*

## **5. Report: 2017 Annual Report of the Cambridge Redevelopment Authority**

Ms. Born said that the report shows that the organization has come a long way. Mr. Evans said that this was a staff effort and thanked Ms. Levering for compiling and laying out the information.

Mr. Evans said that there continue to be many activities related to Kendall Square but staff is looking for opportunities to expand the scope of the CRA to be more citywide. The most momentous element of 2017 was finalizing the development deal for the initial phase of the Infill Development Concept Plan which provides the CRA with resources for a greater scope of activities. A majority of these funds will be used towards the Foundry and KSTEP transit fund. There was a significant commitment in 2017 to affordable housing. Ways to manage and utilize the non-committed funds towards implementing the CRA mission are topics for discussion.

The activities and projects map on page 9 tracks the areas of active work in Kendall Square and beyond. The inset map shows the locations of the 2017 Forward Fund project sites. Mr. Evans said that 2017 construction and planning will result in the highly anticipated opening of residential units at 88 Ames, ground floor retail at Ames Street, 145 Broadway, and Main Street via Boston Properties, redesign of the Broad Atrium, the streetscape design along Binney/Broadway/Galileo Way, the continued food truck operations on Parcel 6, and ongoing park management, park improvements and space activation. Projects outside Kendall Square include the Foundry, 105 Windsor, issuing the Just-A-Start loan, and the 2017 Forward Fund projects.

The Annual Report also mentions the evolution of the agency with respect to outreach, continuous staff learning, internal operations improvements, and finances. The organization has an inconsistent stream of revenue. The income received in 2017 put a significant focus on our investment and financial management plan. The CRA has committed to environmentally and socially responsible investing. Most of the CRA funds come from the sale of development rights. Most of the funding goes towards major redevelopment investments. The last page shows a list of many of the 2018 priorities.

The Board was proud and appreciative of the hard work that staff has done. The value of Annual Reports gives institutional knowledge of the organization. Mr. Evans said that the City and the State will get a copy of the report.

The motion to place the report on file was seconded and carried unanimously.

## **6. Update: Design Plans for Binney Street Park, Parcel 7 of the Kendall Square Urban Renewal Plan Area**

Mr. Zogg introduced Tim Wilson, from Stoss, and Stuart Dash, from CDD. Mr. Zogg explained that geotechnical testing is still being done on the soil so what is being shown tonight could change.

Mr. Wilson said that most of the work done follows the ECKOS design competition goals. He expects construction to occur this year in all three parks. Although the initial design was a play area, it was reassessed due to strong public feedback for a dog park. He emphasized the awkward shape and the many constraints. Outside a fenced-off dog park and along Galileo Way, there would be seating and planted areas. There will be a 14-foot multi-use path, a cycle track and new sidewalks along Galileo and Binney. Stoss is conducting grading studies to integrate everything. Other dog parks in Cambridge were studied with respect to location and size. There was a discussion

of the surface of the dog park. The goal is to keep as many trees as possible, including the four Linden trees, but there is a challenge to keep the cycle path within the park boundary while protecting the trees. Discussions are being held with respect to the Binney Streetscape design. The utilities - water, telecom, steam, and the new storm water pipe - are currently being surveyed. Testing for contamination on site is also occurring, and factories that once existed on this site need to be researched.

Ms. Drury said that the dog park doesn't need to be as big as presented. There will be a fence surrounding the dog park. There will be three entrances. There was a discussion of the location of the seating. In response to Mr. Hawkinson, Mr. Wilson said that the long narrow section of the park doesn't offer space other than that to accommodate a 14-foot path, a buffer on each side, a railway, and a sidewalk. There was a discussion of the shape of the area. The Board liked the current design better than the initial design. They liked the seating areas located near, but outside, the dog park area. There was a discussion of the switch from a playground to a dog park, as well as the other three parks.

In response to Mr. Zevin, Mr. Evans said that although the Binney Streetscape design and the Binney Street Park are not seamlessly timed, they are informing each other. Regarding the curb on Galileo Way, Mr. Zogg said that the scope of work for the park project ends at the sidewalk. The street trees are not being touched. The park project is not touching the granite curb. The streetscape design imagines shrinking the roadways, so the curb line is being brought back inward and not touching the park. The recently poured areas should not be impacted. Mr. Evans said that the existing curb is an important part of the infrastructure that will remain and function as a root barrier. The goal is to keep that there and build a new curb in towards the street. Mr. Zogg added that the DPW is working on the Little Binney side of the streetscape design.

There will be drinking fountains for humans and dogs. Mr. Dash said that Amgen, in fulfilling their special permit from years ago, contributed to the Grand Junction pathway that fronts their building. Tables and chairs are expected in the plaza area. Mr. Dash is also talking to Alexandria about the Metropolitan Pipe site across the street and how it might interact with the park and the Cottonwood tree. The decrepit billboard that is owned by the State was discussed.

Mr. Wilson said that interactivity with the steam line was an intriguing possibility. At this time, art along the fence is beyond the budget. Although the goal is to build the park this year, Mr. Wilson said that if contamination is found on the site, the schedule would be affected.

## **7. Presentation: KSURP-- MXD Private Open Space Inventory**

Ms. Born said that the CRA had been asked to clarify the use restrictions of the privately only public spaces within the MXD district. Ms. Alex Levering said that the purpose of the webpage is to increase transparency and understanding in the development process but also to help advertise the space available for public use. Ms. Levering noted that existing covenants and agreements have expiration dates.

Privately owned but publicly accessible open spaces (POPS) can be protected through zoning requirements, development agreements, and land use restrictions (easements and covenants). There are a number of POPS in Kendall Square. Ms. Levering walked through the newly created webpage on the CRA website. The POPS are numbered and displayed in green. Below the map is more information about each of the POPS including operating hours, the site owner, who maintains the site, amenities, vegetation, handicap accessibility, area size, and covenant expiration date. More detailed maps can be accessed by clicking on the POPS map link highlighted in blue. Some of the POPS have links to other information, including the legal agreements specifying the covenant. There is also a link to CDD's Special Permit Privately Owned Public Spaces website. Ms. Levering asked CDD to link their page back to this CRA page. In response to Ms. Born, Ms. Levering said that CDD has a table of special permit agreements that don't include Kendall Square.

The new CRA page is Phase 1 of this project. Stage 2 is working with Boston Properties to implement signage for the POPS, as Ms. Hoffman brought up in public comment. The hope is for similar signage created for these POPS be replicated in other neighborhoods in Cambridge.

Mr. Evans said that a link to the GIS layered shape file will be added to the CRA webpage.

## **8. Update: 2018 Parcel Six Food Truck Program**

Mr. Peralta said that this is the third year of the vendor program. The process started earlier this year so dates could be offered before the Boston Rose Kennedy Greenway lottery occurs, as requested by some vendors. Seventeen submissions were received representing many different types of cuisine. Based on food truck reviews, the days offered, and avoiding competition with nearby brick-and-mortar restaurants, a proposed draft schedule was created and distributed to the Board. All the vendors are new to the program except for three. On two days, there will be three vendors – two trucks and a trike/cart. Mr. Peralta spoke about each of the vendors.

To get ready for the site, Brightview is scheduled to do spring cleaning before the season starts on April 1. Green City Growers, again sponsored by Boston Properties, will continue their garden educational program at the site. The furniture will need to be replaced. Brightview will clean and reinstall the blue canopies. Mr. Peralta said that there were no issues last year with the neighboring brick-and-mortar restaurants but he will be contacting them as a courtesy.

Mr. Evans said that the schedule will be confirmed once the vendors complete the licensing procedures. A Board vote is not necessary.

## **9. Discussion: Community Impact Funding Programs**

Mr. Evans said that there is a second request for funding from Just-A-Start (JAS) and although they want an answer right away, it seems that they could wait. There are also similar, but less formal, requests via emails and conversations from other nonprofit-owned community centers in the area that also have old buildings and facilities. There is a need for a formal transparent request process and parameters for a program to handle sizeable loan or grant requests. The CRA has discussed how it can be supportive to affordable housing with a program to provide funding for upfront feasibility work to housing-oriented nonprofits or for nonprofits that would like to explore new housing opportunities on land that they own. Funding for these endeavors is risky because the state reimbursements and tax credits are only recovered if the project moves forward. Staff has been looking at other similar programs within the country. Another component of funding is for retail lending support. Mr. Evans has also spoken to foundations that do funding with respect to their best practices processes. Although Mr. Bator has said that staff should come to the Board if more money or staff is needed for loan projects, Mr. Evans thinks a policy objective needs to be established.

Mr. Crawford suggested that funding could be limited to addressing compelling gaps or vulnerabilities in capital stock. Ms. Drury would like the CRA to focus on affordable housing which would require a better understanding of the needs that aren't funded in addition to the predevelopment expenses. Mr. Evans said that more discussions are needed with others like Peter Daly and Homeowners. Mr. Evans added that gaps in affordable housing are different now and probably larger with the current federal government administration. Everyone is recalibrating how to build affordable housing. Ms. Born wants to avoid raising expectations. There was a discussion of loans, forgivable loans, and grants. Mr. Evans said that a transparent process and program removes a political aspect of giving to one group but not another. There was agreement that the CRA should keep a real estate focus but, if there is a need, maybe the CRA should be the "sprinkler guy." Mr. Evans said that most of the requests have been capital in nature. The CRA financial advisor suggested creating an endowment by modifying the investment policy to help set a limit to what can be offered as loans or grants. Ms. Drury asked to analyze the CRA's financial projections of various scenarios. Mr. Evans explained that there are known financial commitments, including the Foundry, KSTEP, the Forward Fund, and current staffing levels. The next capital event could be triggered in 2021/2022 with another Boston Properties building. After that, however, the financial situation becomes similar to that of 2016 where the CRA is drawing down its reserve while awaiting the next development project.

Mr. Evans said that the capital costs requests range from financial help with floors and heating problems to kitchen renovations and entire building reconstruction projects. There is a \$125,000 commitment for new Forward Fund projects in 2018. There was a discussion of a creating another Forward Fund grant type which had an increased grant size and a focus on affordable housing. Mr. Evans said that this would also require a different selection committee and perhaps a different cycle. Mr. Evans explained that the JAS loan is a soft-loan without a guarantee to get much of the money back. Ms. Born suggested setting an available amount, or a percentage of income from any development rights, for one multi-year cycle based on criteria and CRA goals. Ms. Shore

suggested creating an endowment or a foundation which only uses earned interest. Mr. Evans has spoken with professionals on the topic. Mr. Evans emphasized that the fund needs a topical focus. Mr. Crawford suggested addressing access to core fundamental needs and safety. Mr. Zevin suggested focusing on affordable housing and open space. Mr. Hawkinson noted that focusing on affordable housing has a very limited nonprofit audience. Ms. Drury explained that the funding sources have changed with the new federal administration.

Regarding JAS, Mr. Evans understands their need but there is an equity and fairness aspect that cannot be overlooked, especially since there are known immediate capital concerns among many community-owned facilities. There needs to be a transparent process with rules of engagement and selection to avoid political situations. Mr. Evans liked Mr. Crawford's idea of offering funds to Cambridge organizations that help to provide core life-safety needs to a population but have limited access to other capital dollars. Ms. Drury said that this loan to JAS could be viewed as a continuation of the first loan. Mr. Evans noted the historical relationship CRA has with the Wellington-Harrington area. Staff will do some research possibilities and bring a recommendation to the Board in April, as there is no meeting in March. Mr. Zogg noted tying loan programs to the stated Mass DHCD purposes of a redevelopment authority.

#### **10. Update: Foundry Operator RFP**

Mr. Evans said that the CRA is in the midst of a procurement process. The RFP was issued on January 25. There was tour last week with about 16 non-City people. The list of the attendees is posted on the CRA website. Mr. Evans explained how the police and fire departments are currently using the building for training. All questions from the tour, as well as questions asked until tomorrow, are being recorded. They will be answered via an addendum that will be published on the website and distributed to everyone. RFP responses are due March 8. A selection recommendation committee was composed of City staff similar to those on the designer selection committee. One or two teams will make a public presentation to the CRA Board in May. The Board will be asked to make a selection based on the selection committee's feedback. The City Manager also needs to approve the selection but his staff is part of the selection committee process. There is a kickoff meeting with the architect in the beginning of March. They are not yet under contract and this meeting is part of the scoping process, which includes an understanding of the public process component. The CRA RFP is looking for operators who can handle the range of duties - maintenance, activity programming, and office and commercial space tenancing. Mr. Evans said that there are conversations occurring between RFI applicants. Registration was highly recommended but not required. There was no fee to receive the online RFP but there were over a dozen interested entities. Mr. Evans expects a few proposals, some of which will be from a merging of these entities.

In response to Ms. Shore, Mr. Evans said that an addendum would need to be published with enough time to hold another tour. Extending the timeline is not desirable as it will shorten the timeline and the ability of a selected operator to catch up with the designer.

#### **11. Report: Odyssey Advisors GASB 74/75 Actuarial Valuation and Findings**

Motion: To modify the CRA Investment Policy to allow up to 60% of the OPEB Plan account to be prudently invested in equities, in order to increase the discount rate of the fund in accordance with the December 2017 GASB report.

The CRA has a liability in its requirement to pay a major portion of health insurance for each vested retiree and his/her dependents, as well as all future vested employees and their dependents. There are currently 12 retirees/dependents and five active employees. Actuarial analysis assumes all active employees will retire from the CRA. This health insurance liability can be reduced by a "discount rate" by showing that the CRA is planning for these long-term payments. To do this, an OPEB trust fund was created and funded. These monies are irrevocable and can only be used to fund health insurance. The statutory obligation is lowered when evidence of planning is shown.

Three years ago, the actuarial consultants, Odyssey Advisors provided a sample funding schedule for OPEB suggesting that the CRA could be fully funded in 30 years if \$7,000 were contributed annually earning 7.0% per year on the investments. The CRA invested \$14,000 for the years 2016 and 2017 and used a CRA Board approved OPEB investment strategy of 60% equity and 40% fixed income. Based on the new GASB 74/75

regulation calculations and a new cycle of actuarial analysis, the CRA needs a larger annual contribution or a more aggressive investment strategy to become fully funded in 30 years. Since the main goal of the OPEB account is to obtain long-term capital growth, a more aggressive portfolio with a higher equity percentage is recommended. This would increase the discount rate, lessen the liability, and do so without detracting funds that can be used for projects. To increase the ratio, a change is needed to the investment policy for OPEB. After discussions with the investment advisor, the Board might want to consider increasing the equity percentage on the major investment account as well. Mr. Evans said that the current investment policy has a 30% equities cap for the general investment account and 60% equities cap for the OPEB account. The idea is to enable the investment advisor the ability to prudently adjust the investments based on market opportunities. Mr. Javaheri is presenting to the Board in April.

The Board tabled the motion until Mr. Javaheri's report to the Board in April.

## **12. Report: Monthly Financial Update**

Mr. Evans said that the annual report replaced the monthly staff report this month. The financials show that the insurance budget has almost been reached as most of it is paid in full at the beginning of the year. Other line items are tracking on target. A one-third reduction in rent was negotiated for 2018 which will be reflected next month since the non-discounted rate was paid in January and February. The employer portion of the health insurance payments to GIC are made on a quarterly basis.

A motion was made and seconded to move to Executive Session for the purpose of discussing lease negotiations for office space at 255 Main Street (One Cambridge Center) within the Kendall Square Urban Renewal Area. This is a real estate negotiation where a discussion in a public session may have a detrimental effect on the negotiating position of the CRA. Since the Board has concluded all of the business set forth on the agenda, the Board will not reconvene in open session.

A role call was taken.

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

The public session adjourned at 9:17 p.m.