



Regular Board Meeting of the Cambridge Redevelopment Authority

Wednesday, October 18, 2023 at 5:30 p.m.

Pursuit to Chapter 2 of the Acts of 2023, this public meeting was conducted in hybrid format with in-person and remote participation options.

APPROVED Meeting Minutes

Meeting Files

- [Notice and Agenda](#)
- [APPROVED Minutes of the Regular Meeting of the CRA Board on September 20, 2023](#)
- [City Council Documents Appointing Lauren Reznick to the CRA](#)
- [Staff Report](#)
- [Draft 2022 Financial Audit](#)
- [Financial Report as of August 30, 2023](#)
- [MXD Signage Review Memo:](#)
- [Green Garage Parking Information Proposal](#)
- [Kendall Barber Shop Signage Proposal](#)
- [Cambridge Seven Foundry House Doctor Contract Amendment](#)

Presentation and Handouts

- [Final 2022 Financial Audit](#)
 - [Final 2022 Management Letter](#)
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Opening Statement

At 5:35 p.m., Ellen Shore, CRA Operations Director, said that Pursuant to Chapter 2 of the Acts of 2023, this public meeting will be conducted in hybrid format with in-person and remote participation options at the start of this meeting, and possibly at other times during the meeting, at the discretion of the chair. The meeting was also viewable live on Facebook by going to CRA's Facebook at www.facebook.com/CambridgeCRA. She then explained how to provide public comment. Comments on Facebook cannot be entered into public comment and cannot be responded to by the CRA. Reading materials can be found on the CRA's next meeting webpage. This meeting is being recorded, including all video, audio, and QA messages.

Call Roll

Board Chair Kathleen Born called the regular meeting of CRA Board. She welcomed new Board member Lauren Reznick, who introduced herself. A roll call of Board members and the Executive Director was taken.

Vice Chair Conrad Crawford – present
Treasurer Christopher Bator – present
Asst. Treasurer Barry Zevin – present
Lauren Reznick - present
Executive Director, Tom Evans – present

CRA staff members were also present. Ms. Born said that all votes will be taken by roll call and that Mr. Evans will repeat the responses.

Public Comment

No public comments were offered. Ms. Born said that comments will be accepted at other times.

Minutes

1. Review of the Minutes of the Regular Meeting of the Board on September 20, 2023

No comments were offered.

A motion was moved by Mr. Bator to accept the minutes of the Regular Meeting of the Board on September 20, 2023 and place them on file. A roll call was taken by Mr. Evans.

Chris Bator - yes

Kathy Born – yes

Conrad Crawford – yes

Lauren Reznick – abstain (Ms. Reznick was not present at the September 20 meeting)

Barry Zevin – yes

The motion carried.

Communications

2. City Council Documents Appointing Lauren Reznick to the CRA

Mr. Evans said that the documents in the Board packet are records of the CRA and the City Council. The appointment was made by the City Manager and then went before the City Council, which referred it to the Neighborhood and Long-term Planning Committee (LTPC). The resolution was passed by the City Council. The official transcription of the LTPC meeting was not available yet. A separate resolution brought forward by Dennis Carlone allowed the CRA to expedite the process to seat Ms. Reznick onto the Board. Ms. Reznick was sworn in by the City clerk on October 10th and Ms. Shore has filed all related documents.

3. Written communications received since the publication of this meeting notice.

No other written communications were received.

Administrative Actions

4. Staff Program Report

Mr. Vangel summarized the Staff Report. Mr. Evans spoke about the passing of former Executive Director Robert Rowland this summer and recognized his immeasurable contributions to the CRA.

With respect to the Forward Fund, staff continues to accept applications through November 30th and hopes to dispense the \$400,000 that was allocated for capital grants by the end of the year. As approved by the Board, the Danny Lewin project will be using funds initially allocated in the Adapter project, which has been dissolved.

Mr. Bator asked if the number of Forward Fund applications was anticipated or whether this number was low. Mr. Vangel said that the number was anticipated. Staff has done a lot of outreach and engagement with organizations. Many organizations are still learning about the Forward Fund. Although it is not an overwhelming number, staff is pleased.

Mr. Zevin asked for reassurance that the Center Plaza design is still fluid and that comments will be considered. Mr. Vangel confirmed that it remains a fluid conversation. Joel Smith, CRA Project Manager, said that the design discussions are still occurring with BXP, CDD, and CRA staff.

Mr. Crawford asked about the design status for Danny Lewin Park. Mr. Smith said that the DD process has just started so he estimated that the design is at 10%.

Mr. Evans explained that the Center Plaza is an area sitting between two other buildings that are currently getting developed. The large structures are required to be part of the Eversource substation, which will sit below the space. An extensive design process is underway to figure out how to make a successful public space. Eventually, this design will come back to the board and the Planning Board for review in a joint meeting.

5. 2022 Financial Audit Report

Ms. Shore said that Tony Roselli and his staff from Roselli, Clark & Associates (RCA) audited the CRA financials as of December 31 2022. Mr. Roselli will be presenting his findings. She thanked the staff at Withum. The CRA engaged with Withum when Hema Kailasam, the previous Director of Finance and Operations, left the CRA. Withum has been a tremendous help in preparing documents for this audit, especially regarding the new government accounting reporting standards required for the Bishop Allen and the Foundry leases.

Mr. Roselli presented a draft Management Letter. He explained that a document was needed to create a final version. That document has been received. The final version has no changes from the draft. Mr. Roselli said that this is the first year where there were no findings to report. Some minor accounting items were discussed with the staff but they are not worth publicizing in a management letter. He summarized the informational items that were included in the Management Letter.

Mr. Evans said that the current year budget plans to put about \$400,000 into the OPEB fund to get to a 50% obligation. This will occur once the CRA receives fees from the sale of development rights, which should happen in the next few weeks.

Mr. Bator was pleased to see how uncomplicated and straightforward the letter is, considering the status at the beginning of the current Board's installation. The CRA has come a long way.

Mr. Roselli presented the 2022 Financial Statement. The operating income of negative \$5.2 million primarily reflects the payments made to the City of Cambridge as part of the Foundry agreement. In addition, the investment income was not as great as the prior year because of the market. However, the funds are being managed well in a diversified portfolio. Looking at the balance sheet, there is about \$33 million in liquid assets. This is a very strong financial position as the budget is much smaller in relation to the assets. This year, with the help of Withum consultants, GASB 87 was implemented which allows the posting of the receivables for all leases or the amount that is expected from all the leases over the life of the lease agreements. The accounts receivable amount of \$2.9 million is the stimulus loans made to outside entities during the pandemic. Some of this will be paid off over time and some may end up being forgiven. The largest liability is the long-term note, now at about \$6.4 million, on the 99 Bishop Allen Drive building. The net position is \$51.7 million. The unrestricted portion is \$29 million, the KSTEP restricted portion is \$6.6 million, and \$2 million for the Foundry.

Ms. Shore said that this audit will be sent to the City so they can complete their end-of-year reporting. It will also be sent to the Massachusetts Department of Housing and Community Development.

6. Monthly Financial Report

Gardy Laurent, Director of Finance and Operations, presented the monthly financial report as of August 31st, which highlighted portions of the report in the Board packet. The two projects where most expenses fall are for the Foundry and Bishop Allen buildings. With regards to Bishop Allen, the negative change in net assets is due to the existing budget not accounting for the depreciation for the building. The Foundry's negative change in net assets is due to the vacant tenancy.

Ms. Reznick asked if the Bishop Allen loan was a fixed-rate loan. Mr. Laurent confirmed that the loan is a fixed-rate mortgage. Mr. Evans added that it is actually fixed for 15 years, so it will be readjusted in 13 years from now. He explained that this has to do with the Mass Development tax-exempt bond issuance. The decision to refinance or payout the remaining principal to remove the liability will be addressed at that time.

Projects and Programs

7. Design Review Signage Update

Joel Smith, CRA Project Manager, summarized the memo in the Board packet regarding the Kendall Barbers signage at 355 Main Street. Emily Ediger, Boston Properties (BXP) Marketing Coordinator, explained the revisions that were made after receiving feedback at the design review meeting.

A motion was moved by Mr. Zevin approving the tenant identification signage for Kendall Barbers at 355 Main Street, Kendall Square Urban Redevelopment Plan, Parcel Four. A roll call was taken by Mr. Evans.

Chris Bator - yes

Kathy Born – yes

Conrad Crawford – yes

Lauren Reznick - yes

Barry Zevin – yes

The motion carried.

Mr. Zevin asked how the postal service finds 355 Main Street since it's in the back of the building. Ms. Ediger said that she would address this question tomorrow when she meets with the barbershop.

Mr. Smith then summarized the process for the Green Garage real-time parking information sign. Jeff Lowenberg, from BXP, gave more details that were all reviewed and approved at the design review committee meeting. This system will also exist in the Yellow Garage.

In response to Ms. Reznick, Mr. Lowenberg confirmed that the plantings and the trees would remain in place.

Ms. Born asked how drivers who are coming down Broadway would be alerted if the lot is full and avoid a situation where they make the turn and then have to back out. Mr. Lowenberg said that the sign would indicate that the lot is full. A sandwich board would also be placed in front of the driveway entrance. Ms. Born asked how many parking spaces are available to the public on a daily basis. Mr. Lowenberg said that the number varies. The monthly leases are monitored. BXP has experience with its many garages and ensures they can accommodate all the monthly parkers. Mr. Evans added that another practice is BXP valet parking from the top floor when a lot is full and the monthly spaces are getting tight. Ms. Born emphasized her concern with cars lining up to park and then needing to back out across the sidewalk. Mr. Lowenberg said that there are personnel at the garages to handle those situations, if they were to occur. However, the garage isn't getting to full capacity very often. It is also possible to drive in and exit within 10 minutes without paying.

Mr. Crawford asked if BXP was able to provide a monthly or weekly read out of parking usage. Mr. Lowenberg said that the system does collect data and he would follow up with BXP's property management on how that could get reported. Mr. Evans said that the parking data is collected as part of the CRA's annual transportation report. This might be aggregated across all the garages but it does show the time-of-usage data.

A motion was moved by Ms. Reznick approving the real-time parking information sign on the Green Garage at 90 Broadway, Kendall Square Urban Redevelopment Plan, Parcel Four. A roll call was taken by Mr. Evans.

Chris Bator - yes

Kathy Born – yes

Conrad Crawford – yes

Lauren Reznick - yes

Barry Zevin – yes

The motion carried.

8. Foundry Office Space Design Services

Matthew Heller-Trulli, CRA Senior Asset Manager, summarized the memo in the Board packet. Cambridge Seven, the architect for the Foundry's renovation, is currently under a house doctor contract with the CRA to provide on-

call design services. Their contract amount needs to be increased to broaden their scope for analyzing various subdivision options for the third-floor office space, as recommended by CRA broker Newmark.

Mr. Bator asked if both Ms. Born and Mr. Zevin approved. Mr. Zevin confirmed.

Ms. Born asked if the product will be construction drawings that would then enable the CRA Board to vote on whether the subdivision should proceed. She also asked if the designs would be part of the negotiations for leasing.

Mr. Evans said that the first phase is to provide an access corridor, which would be required regardless of how the space is configured. The construction bid package will be set up so that additions can be made to the scope. As bids come in for the corridor, alternatives could be added, if desired. The work could increase with further tenant improvements on that contract, or a future tenant could negotiate these. It is likely that only changes to the base building will be done while holding onto the designs for future tenant improvements depending on tenant needs as they come up. This could be a two-stage construction project.

Mr. Heller-Trulli emphasized that the architects worked on the initial Foundry design so they have the knowledge of the building and the design requirements.

A motion was moved by Mr. Zevin authorizing the Executive Director to increase the contract value of the design services contract with Cambridge Seven to \$130,000, an increase of \$50,000, to the original contract, to facilitate an alternative design option for subdividing commercial office space at the Foundry. A roll call was taken by Mr. Evans.

Chris Bator - yes

Kathy Born – yes

Conrad Crawford – yes

Lauren Reznick - yes

Barry Zevin – yes

The motion carried.

Other Business

At 7:00 p.m. Ms. Born said that the Board will now enter into Executive Session to discuss real estate negotiations related to the acquisition of property for an economic development opportunity. The Board is entering into executive session because discussion of this opportunity in an open meaning could compromise the CRA's leverage to negotiate the transaction. The Board has concluded all the business that was set forth on the regular agenda, and therefore, will not be reconvening in open session at the conclusion of the executive session. She explained that the Board will sign out of this meeting and get a new Zoom link for the Executive Session, which will start at 7:15 p.m.

A motion was moved by Mr. Crawford to enter into Executive Session to consider terms of potential real estate transactions for commercial property for affordable community-based retail program. A roll call was taken by Mr. Evans.

Chris Bator - yes

Kathy Born – yes

Conrad Crawford – yes

Lauren Reznick - yes

Barry Zevin – yes

The motion carried.