



Regular Board Meeting
Cambridge Redevelopment Authority

Wednesday, March 17, 2021 at 5:30pm

Due to the COVID-19 pandemic, this meeting was held virtually via Zoom

APPROVED Meeting Minutes

A quorum was reached at 5:45pm.

At 5:45 p.m., Alex Levering read the opening statement:

In response to the current COVID-19 situation, the Governor has suspended certain provisions of the Open Meeting Law allowing government bodies to meet using remote participation. In accordance, the CRA is holding this meeting via Zoom webinar. In a webinar format, all attendees, except panelists, will have their videos suspended and be muted unless specifically unmuted by the host. There will be opportunities for public comment at the start of this meeting and at the discretion of the Chair. To provide public comment, please press the "raise hand" icon at the bottom of your screen and you will be called upon to speak. Once you are called upon, you will need to press unmute. After stating your comment or question, you will be re-muted.

Alternatively, you can use the Q&A function to type a question or a comment. If you are calling in via phone and have no access to a computer or smart phone, you can call the CRA's main line at 617-492-6800, extension 11 to bypass the opening messages or you can email planning@CambridgeRedevelopment.org.

Board meeting materials can be found on the CRA's next meeting webpage. This meeting is being recorded by the CRA, including all audio, video, and QA messages.

Call Roll

Chair Kathleen Born called the meeting. A roll call of Board members and a confirmation that the meeting was audible to them was taken.

Vice Chair Conrad Crawford – not present yet
Treasurer Christopher Bator – present and audible
Assistant Treasurer Barry Zevin – present and audible
Assistant Secretary Margaret Drury – present and audible

There is a quorum so the meeting will begin.

CRA Executive Director Tom Evans was in attendance along with other staff members.

As this is a remote meeting, all votes will be taken by roll call and Mr. Evans will repeat the responses for the record.

Public Comment

As requested in past meetings, Ms. Shore stated that there are 15 attendees, who are not on the panel, five of whom are staff members.

James Williamson said that in contrast to Ms. Hoffman's request for one link to all the agenda items, he prefers individual links to each item. Regarding the bus shelter, he is unhappy with the commercialized bus shelters installed throughout the City. Sitting or standing next to an illuminated advertisement is inhospitable. He prefers wooden seat slats rather than metal. When one is standing in the bus shelter, one should be protected from the elements. He understands the reason for bench bars but some people need to be seated while waiting.

Ms. Born noted that there are openings so that the structure won't be picked up by a strong wind.

Raffi Mardirosian said that he has lived in Central Square for ten years. The loss of cultural institutions due to gentrification has been pushed to the brink by the Covid pandemic. He asked that the CRA take an active role to save the Middle East as a music venue but also to build a cultural space. Private developers won't do this on their own accord. Strong active public sector intervention is needed. He has done a feasibility analysis and has an economic model for a new cultural center that has five to six stories of cultural space with housing on top. The project needs some financial backing and technical support. In response to Ms. Born, Mr. Mardirosian said that the Middle East is currently for sale. The owners have received multiple offers in the past few weeks to convert the building into a boutique hotel or luxury housing.

Mr. Crawford joined the meeting at 5:55 p.m.

Nicola Williams supports Mr. Mardirosian. The Middle East is the cultural heart of Central Square. As president of the Cambridge Carnival, she said that the venue and the family have been supportive of the event. Prior to Covid, the City of Cambridge had committed to space in Central Square for a Caribbean cultural center. She hopes the CRA can offer similar assistance as it did for Nonprofit Row. She is appreciative of the continuing CRA support for small businesses. She suggested that future Covid assistance focus on shuttered venue as they are the last to open and won't see relief for months. Startups also have no relief because they haven't been in business long enough.

Mr. Bator responded to Mr. Mardirosian's statement in the chat, "...CRA has done phenomenal work for Kendall Square, e.g., with the Foundry, but the Cultural District itself needs intervention directly now, and the CRA is well positioned to help." Mr. Bator stated that the CRA has spent significant dollars citywide, not just in Kendall, and will continue to do so. In terms of Covid support, the CRA has provided some citywide support but focused its response based on the City's request to assist the East Cambridge community where federal funds were not available.

There were no other requests for public comment.

A motion was moved by Ms. Drury to close public comment. A roll call was taken by Mr. Evans, upon which he repeated each member's vote.

Mr. Bator – yes

Ms. Born – yes

Mr. Crawford – yes

Ms. Drury - yes

Mr. Zevin – yes

The motion carried unanimously.

Minutes

1. Motion: To accept the minutes of the Annual Meeting of the Board on February 17, 2021*

This motion was accidentally skipped over. [It was realized after agenda item #7]

Communications

2. February 17, 2021 Letter from Cambridge Community Center regarding COVID-19 PPE Grant

Ms. Born thanked Darrin Korte and the Cambridge Community Center for their letter.

There were no other communications.

A motion was made by Ms. Drury to close the communications agenda item and put the communications on file. A roll call was taken by Mr. Evans, upon which he repeated each member's vote.

Mr. Bator – yes

Ms. Born – yes
Mr. Crawford – yes
Ms. Drury - yes
Mr. Zevin – yes
The motion carried unanimously.

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

There were no other written communications received.

Reports, Motions, and Discussion Items

4. Monthly Staff Report

Ms. Born said that staff is doing so much work that she asked for this report to move to the front of the agenda so that it gets the attention and the acknowledgement it deserves.

Mr. Evans said that a review of CRA investments will be coming to the Board. With regards to Bishop Allen, a review of the leases and an amendment to the owner representative contract will be needed. On tonight's agenda are discussions related to solar for the building. Staff is also working through many technical details regarding submission of a revised Infill Development Concept Plan to host the Eversource substation. At the end of this month and the beginning of next month there is a series of public meetings to look at the design: design review committee on March 30, a community open house on March 31, and office hours on the following day. There is some flexibility in the design but the substation imposes substantial technical constraints.

In response to Ms. Born's question about the potential for hybrid remote/onsite board meetings, Mr. Evans said that staff have discussed this subject for community meetings as well. Data has shown that the virtual meeting format has increased participation for some meetings. He said that there is a mixture of outcomes from towns and commissions in the state on the various formats. He does not expect to return to in-person meetings until restrictions on gatherings are lifted. In addition, he noted that other venues for Board meetings are being explored since some members of the public are not comfortable going to a police station. Mr. Bator said that there are currently limitations regarding indoor gatherings. Mr. Evans said that when the emergency order is lifted, the Open Meeting Law (OML) dictates the standard format. It is unclear what the state will issue at that time. The goal of the CRA is to maintain participation and transparency. Mr. Bator stressed maintaining safety for staff, the Board, and the public. Ms. Born said that it is obvious that remote meetings have advantages and disadvantages. There was a discussion of the City's setup for meetings. Mr. Evans said that there are levels of hybrid meetings in other jurisdictions with the Board members themselves meeting in-person and with the public's participation taking place remotely. For Board meetings, OML has provisions for remote Board participation under certain conditions. Ms. Born stressed her desire to accommodate in-person and remote participation. Mr. Bator stated that pre-Covid, the OML required that a quorum of board members be present onsite.

Mr. Evans noted that the 2021 Forward Fund is now open and live and can be found on the CRA website. Mr. Peralta's contact information is in the report. He has set up office hours for anyone who wants to discuss a particular project or the application in general.

Mr. Zevin said that the Margaret Fuller Neighborhood House presents an interesting opportunity to do an exemplary case study of the affordable housing overlay as it is not constrained by the normal commercial development constraints. This should balance the needs of the neighbors and the need for housing. Mr. Evans agreed and said that the context of the project changed when the Affordable Housing Overlay zoning passed last fall. Staff is re-analyzing the MFNH proforma to see if it can fit some of the MXD requirement.

A motion was made by Ms. Drury to place the staff report on file. A roll call was taken by Mr. Evans, upon which he repeated each member's vote.

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

Mr. Zevin – yes
The motion carried unanimously

Mr. Evans clarified that the staff report and the monthly financials are two separate reports but part of the same agenda item. Mr. Evans said that the finances are now being reported on for the month ending 1.5 months ago rather than just ending to allow the books to fully close. Ms. Kailasam explained that these financials show the expenses for the month of January compared to the 2021 budget. She noted that this shows that the running cost of the CRA for staff and office overhead is about \$125,000, as there wasn't much in professional fees in the month of January. The \$200,000 deficit includes the investment loss of about \$80,000. A streamline procedure for wiring payments for Bishop Allen to the general contractor directly from the investment account was discussed and agreed to in a meeting with the Treasurer and Assistant Treasurer earlier this month. The first payment to the GC has been made accordingly. She noted that the federal government announced today that rates will be at zero for an indefinite period of time which means that earnings will be lower. A broader investment strategy is being researched by staff.

Mr. Bator said that given the reasonable likelihood of the CRA's financial growth, additional planning is needed to handle the expected funds.

A motion was made by Mr. Bator to place the financial report on file. A roll call was taken by Mr. Evans, upon which he repeated each member's vote.

Mr. Bator – yes

Ms. Born – yes

Mr. Crawford – yes

Ms. Drury - yes

Mr. Zevin – yes

The motion carried unanimously

5. COVID Recovery Grant Program

Motion: Authorizing the Executive Director to coordinate a 2021 Small Business COVID-19 Recovery Grant Program in combination with the Mayor's Disaster Relief Fund for the creation of a City-wide small business relief program to be managed by the City of Cambridge, utilizing \$200,000 of CRA funds identified for COVID relief in the 2021 budget.

Mr. Peralta said that in the spring of 2020, in response to the pandemic, the City provided grants with federal dollars only to businesses that were located in specific geographical areas. The CRA Board approved a separate grant program which mirrored the City program to provide funds to East Cambridge and Kendall Square businesses. The two similar programs were confusing to those requesting support and required a lot of staff time. The CRA also provided a PPP relief grant. These two CRA grants provided over \$250,000 in relief funds. The CRA also coordinated with the City by creating a CRA zero-interest loan program, with \$1.5 million provided by the CRA. This loan program was not federally funded so there were no geographic restrictions.

Mr. Peralta continued stating that businesses still need support today. The City has requested another partnership with the CRA. Mr. Peralta said that the \$200,000 in the 2021 CRA budget for Covid-relief could be added to the Mayor's Disaster Relief Fund to create a 2021 relief program without geographical restrictions, that would be managed by the City. Conversations with the City are ongoing to define the grant criteria.

Mr. Crawford said he is concerned about the number of businesses that have closed. He noted Ms. Williams comment earlier tonight regarding startups and suggested that entrepreneurs be considered as these grant programs are established. Mr. Peralta said that he will bring the issue to the next meeting with the City and report back at the next Board meeting.

In response to Mr. Zevin, Mr. Peralta said that the City has done a survey with the first round of their grant recipients. The CRA is creating its own survey now to gather similar data. Ms. Born read several comments in the chat by Ms. Williams: "State funding is not for startups as far as I know. You have to be in business before Feb 2020 and affected by reduction in revenue more than 25%. Same with Federal grant relief programs." There was a discussion about the probability of the City being less restrictive.

The motion was moved by Mr. Bator to authorizing the Executive Director to coordinate a 2021 Small Business COVID-19 Recovery Grant Program in combination with the Mayor's Disaster Relief Fund for the creation of a City-wide small business relief program to be managed by the City of Cambridge, utilizing \$200,000 of CRA funds identified for COVID relief in the 2021 budget. A roll call was taken by Mr. Evans, upon which he repeated each member's vote.

Mr. Bator – yes

Ms. Born – yes

Mr. Crawford – yes

Ms. Drury - yes

Mr. Zevin – yes

The motion carried unanimously

6. New Five-Year Strategic Planning Process

Kathryn Madden said that the strategic planning process actually started February 2020 when discussions were held with staff and the Board, and the last six years of annual reports were analyzed to document past activities. The process stopped due to the pandemic and recently began again in January 2021. The timing is important now as we consider how much the world has shifted over the last year, as well as the evolution of the CRA since 2014 when there was only one and half staff members to now when there are seven and half.

Similar to what was done last time, the process will include an evaluation of strengths, challenges, gaps in services that can be addressed, partner relationships, staff capacity, mechanisms to establish project decisions, and financial considerations. The entire staff is engaged in this process. Ms. Madden outlined four elements to evaluate:

1. external activities and projects including existing and potential projects.
2. internal operations that support the agency, such as staff and policies.
3. financial considerations with regards to budgets and asset planning.
4. learning and growth which includes outreach, connecting with constituencies and partners, staff professional development, and monitoring success in all these efforts.

All of this needs to be aligned with the CRA mission. The mission could also be edited. Work that is currently being done regarding DEI, the Forward Fund's evaluation, and possible investment policy changes will be incorporated into the new strategic plan.

The memo in the Board packet includes a schedule. February and March are the discovery phase, followed by outreach and mission alignment phases of work. Key decisions for the next five years will be addressed. A process for making decisions on selecting projects is needed given the agency's aspirations, its mission, and staff expertise and capacity. Updates on the process will be brought to the Board through June and July with an end-goal of summer. Staff plan to interview Board members to gather feedback on the knowledge of the organization as well as connections within the City.

As discussed among staff and with some Board members, Mr. Evans mentioned an advisory body for staff in the strategic planning process to provide another set of voices and to fill gaps in expertise at the staff or at the Board level. This would not be a one-time community engagement group but a well-informed body that understands what the CRA is or does and helps the agency push the legal constraints and boundaries of what development authorities have done in the past. The overall governance would remain with the Board. Mr. Evans noted that the timeline is aggressive, but it could be extended if needed.

Ms. Born said that this plan includes a lot of outreach to various interest groups within the City to hear what they would like the CRA to do. However, given the expected growth in assets from the redevelopment of the Eversource site, a decision needs to be made on whether the CRA will be an endowed institution that has an ongoing budget in perpetuity coming from its investment earnings or one that will spend down those assets.

Mr. Bator said that a responsible Board should not make this decision definitively at a particular moment in time which would then govern its activities for a long time thereafter. Circumstances and urgencies of citywide needs change. The CRA will want to be able to respond and perhaps alter previous plans marginally or significantly. Managing that issue is the most important ongoing issue that a Board has to address. It could be necessary to

make one-time expenditures that reduce the total capacity or budget of the institution which alters its longer-term existence. He suggested that the CRA have a provisional view that governs what the CRA does. He is proud of CRA's nimbleness and its ability to react to urgent circumstances and hopes this continues. The competing principle is for the CRA to preserve its existence so that it can continue to do just that in the future. The balance of this trade-off is crucial. Mr. Bator emphasized that a financial plan should clearly reflect these two opposing goals. He also added that given the likelihood of increasingly complex projects, auxiliary subcommittees with expertise in specific areas might become necessary. Five members is a small Board.

Ms. Drury agreed that an in-depth evaluation and review of the CRA mission is an appropriate step to take. She is impressed with the draft work plan for strategic plan. In response to Ms. Drury, Ms. Madden explained that the balanced scorecard considers four key areas that should align with and advance the central mission – external activities, internal operations, finance considerations, and learning and outreach. Mr. Evans showed a graphic from the 2014 Strategic Plan document that showed a diagram of this approach.

Mr. Crawford said that combining the exploration done this past year of determining what constitutes a crisis with an examination of the agency's risk tolerance will help the agency prepare for the future.

Ms. Drury liked the phrase "discussing opportunities across topics."

Mr. Evans noted that through participation in the Kendall Square Association's Inclusion Drives Innovation process, staff is particularly focused on equity, diversity and inclusion in all elements of CRA work being done internally and externally. Although the 2014 mission statement reflects this goal, there is now an even greater reckoning driven by COVID and the Black Lives Matter movement. The CRA can find a strategic niche and work to creatively solve problems for the City.

Mr. Bator said that there will be some problems that the CRA cannot solve for Cambridge. It is possible though that the CRA might create a model to be replicated, such as the affordable condominium project that the CRA is exploring. However, he added that choosing significant projects can affect the ability to do other projects that might come to the CRA the next day.

Mr. Evans said that the CRA can be financially strategic in selecting projects. Projects can be self-supporting or provide returns to the CRA budget but need not reap market-rate profits. A project with a net loss could be considered if it achieves a mission-based goal. On the other hand, not all projects need to be grants. Mr. Bator said the CRA is fortunate to be able to do take on some projects with a financial net loss and these need to be balanced with the long-term existence of the CRA.

Mr. Zevin said that the climate change and sea level is a crisis and deserves thought. This is as important as transit improvements. Ms. Born said that the CRA couldn't shoulder the necessity of an entire City's response.

Ms. Madden thanked the Board for their thoughts. These are the types of question that will come into play when the mission is evaluated.

7. Foundry Update

Motion: To authorize the Executive Director to execute an amendment to the Memorandum of Understanding with the Foundry Consortium, modifying the schedule due to construction delays and refining property management responsibilities.

Mr. Evans said that there is no MOU document for consideration tonight. He explained that a strikethrough font is not an option on the website so parentheses were used instead.

Ms. Schwarz said that conversations are still ongoing with the Foundry Consortium to update the MOU language with respect to the current construction timeline and the responsibilities of each party in the pre-opening phase. She expects to present the MOU amendment to the Board in April. She showed some photos of the construction progress on the Foundry building. The first photo was taken on the Rogers side of the building, and showed the nearly completed structural steel in the main building, which is now complete. The next one showed the concrete on the third floor over the theater. The next photo showed cleaning and restoration work on the Bent Street

exterior. The last picture shows the structural steel going up on the new addition that replaced the structurally unsound old addition. That work is still underway. There was some discussion of the photos. Ms. Schwarz said she is adding photos to the Foundry website, along with regular construction updates.

Ms. Born said that it is nice to see the building unfold. Mr. Zevin said that the outside brickwork looks great.

Ms. Schwarz said that the masonry restoration is ongoing, the structural steel in the addition is nearly complete, they have completed the concrete slab on the third floor and are moving down to the other floors.

As of last week, there were 38 responses for the Executive Director position. Phone screens have started. It is a strong pool. First interviews are being scheduled but the application period is still open as it is a rolling process.

The CRA is starting to look into options for brokers for leasing the office space. Marketing is expected to start this summer. Based on conversations with various brokers, she was happy to report that the conservative financial model on the expected office rent still seems achievable, even with Covid.

Staff is having conversations with the City to amend the lease because of the construction timeline. There is a pre-lease period that is not aligned with the actual construction and timeline. This also needs to align with the Cooperation Agreement. The next Foundry Advisory Committee meeting is April 9.

Mr. Evans reiterated that the motion is not relevant because the MOU is not ready.

Mr. Bator said that it is noteworthy and remarkable that this project, given Covid and its effect on the commercial market, will meet the leasing model. He sent kudos to all those who had the foresight to plan a conservative model.

There was a discussion of the market forecast for Kendall Square. Ms. Schwarz said that the brokers she spoke to agreed that Kendall Square has retained its value for certain kinds of tenants. The Foundry doesn't have a massive amount of office space and the office space can be designed for smaller entities. Mr. Evans added that large office holdings are looking to reduce footprints so having smaller spaces is not a bad thing. The Foundry has a boutique component for offices of 2,000 to 10,000 square feet which might suit tenants who are growing out of a CIC or WeWork environment and are ready to take the next step, although the Foundry might not have all of what CIC offers. There are rent expectations in order to make the numbers for the building work but the rents are negotiated on a tenant-by-tenant basis. More will be known once marketing begins sometime this summer.

Ms. Born noted that the minutes hadn't been approved.

1. Motion: *To accept the minutes of the Annual Meeting of the Board on February 17, 2021*

A motion was made by Ms. Drury to place the minutes on file. A roll call was taken by Mr. Evans, upon which he repeated each member's vote.

Mr. Bator – yes

Ms. Born – yes

Mr. Crawford – yes

Ms. Drury - yes

Mr. Zevin – yes

The motion carried unanimously

8. KSTEP Bus Shelter Contract

Motion: Authorizing the Chair to enter into a construction contract with Bond Construction, selected pursuant to Chapter 30 Section 39M of M.G.L., as the General Contractor for the installation of a bus shelter located at 500 Main Street, and funded through the Kendall Square Transit Enhancement Program.

Ms. Levering said that a contractor is being procured for the 500 Main Street bus shelter. The Kendall Square Transit Enhancement Program (KSTEP) funding proposal came was approved last year by the CRA Board, the KSTEP working group committee, and the City Manager.

Over the last few months, work has been done to finalize the concrete pad engineering documents and to resolve the utility conflicts with Verizon. On February 23, a request for proposals was released to find contractors for this work. Advertisements were published and a number of vendors were contacted. Three responses were received on March 10 – Bond Civil & Utility Construction, Dagle Electrical Construction Corporation, and Unified Contracting. All three submissions were complete under Chapter 30 Section 39M of Mass General Laws. The lowest bidder was Bond Civil & Utility Construction at \$32,046. Bond is the contractor who is completing the street work for Boston Properties at Galileo Way-Broadway and they are also the construction firm doing the Infiltration & Inflow work in Broadway, both of which are more complex projects than this bus shelter project. They used to have the contract with JCDecaux to install all of the MBTA bus shelters. There is no subcontracting work involved.

In the Board approved funding proposal of last year, this construction work was budgeted at \$36,000 so Bond's price is slightly lower.

Mr. Zevin questioned why the rendering in the RFP shows the front partially enclosure while the working drawing shows it open. He added that the drawing from Daytech is an exact duplicate of the shelter that is in front of Proto which has a completely open front. He did not think an open front was a good idea given the wind on that corner. Ms. Levering said that the Daytech quote, which is in the document in the packet, without the front glass panel had been chosen because it matches the style of the shelter at 88 Ames Street (Proto).

Mr. Evans said that he sees the source of the confusion and staff will confirm with Bond so that they know what is being installed. Mr. Evans explained that the shelter on Ames, which was purposely being copied for this location, actually has more restricted access because it is a floating bus stop, so it didn't have much room for maneuvering. He wasn't sure if wind loads or structure drove that design. He added that the site on Main is more constrained than meets the eye due to utilities underneath. The structural plans for the shelter were modified to avoid utility conflicts but that didn't change the shelter. He said that any changes now might require that the whole project be rebid. It has taken nine months to get this far. He can look to see if it would involve just a change order. Mr. Zevin noted that the roof print is similar but the post locations are different. Mr. Evans reflected on Mr. Williamson's comment earlier in the meeting. The function of a bus shelter can be a shelter but also signals that there is a bus stop. Bus shelters don't usually have the most comfortable benches. He can check to see if there's a wind load structural issue but didn't think there would be one. Mr. Zevin commended staff on the choice of manufacturer who has the handsomest style of the three different styles of bus shelters in the MXD. It is better made than the one at 145 Binney St / Galileo which is not so good. Mr. Evans said that he thought that shelter was getting replaced. Mr. Zevin said that as a symbol for a bus stop, it would be helpful if they all had similar forms. Mr. Evans added that this is not an MBTA shelter and the MBTA wants signage clearly indicating this to avoid confusion. This shelter is a pilot project of KSTEP.

A motion was moved by Ms. Drury, authorizing the Chair to enter into a construction contract with Bond Construction, selected pursuant to Chapter 30 Section 39M of M.G.L., as the General Contractor for the installation of a bus shelter located at 500 Main Street, and funded through the Kendall Square Transit Enhancement Program. A roll call was taken by Mr. Evans, upon which he repeated each member's vote.

Mr. Bator – yes

Ms. Born – yes

Mr. Crawford – yes

Ms. Drury - yes

Mr. Zevin – yes

The motion carried unanimously

9. 93-99 Bishop Allen Drive – Renovation Update

Ms. Schwarz showed a picture of the construction fence and signage around the building. The building permit has not been received yet. There is a demolition permit so the contractor has been able to accomplish work according to the schedule. The third-floor asbestos tile abatement is completed and the second-floor abatement is underway.

There has been significant masonry cutting completed to date. After yesterday's site visit with Charlie Sullivan of the Cambridge Historical Commission, Mr. Sullivan sent a letter saying he was pleased with the quality of the masonry cutting. He also approved brick samples so these can now be ordered by the contractor. Ms. Schwarz said that the scan code on the sign can be used to access the website where there is more information about the project.

Ms. Schwarz explained that the Board had approved the addition of solar to the property and have it be a separate project from the major renovation now underway. As described in her memo, there are two ways to add solar – power purchase agreement and hybrid ownership. With the power purchase option, the roof is essentially rented out. The CRA would not own the solar panels but would get a reduced energy rate. The hybrid option is more financially advantageous. The CRA owns the panels and enters into an agreement with a financier who subsidizes 10% of the cost and gets a federal tax break for doing so. The CRA gets the all of the energy output and a financial benefit from the State's SMART program, resulting in a reduction of operating costs. Estimates show that approximately 40% of the building's electrical costs could be covered by solar. Ms. Schwarz's memo shows that the net cost, which includes purchasing and installing the panels, financially favors the hybrid option. The break-even point of the hybrid option is seven years.

Staff is working with Resonant Energy to help manage the solar aspect of the project. This company is a mission-driven B-corporation who is also contracted with the City of Cambridge to expand the solar energy usage throughout Cambridge. The memo includes a letter of intent that lists the "soup-to-nuts" tasks of the project from finalizing the schematic design through operation. The intent is to sign a \$5,000 contract with Resonant Energy. There will need to be a procurement process for an installer and financier that would come to the Board for approval. The installation cost is expected to be \$85,000 after the 10% discount on the installation cost.

Maddie Barr, from Resonant Energy, was present to answer questions.

Mr. Zevin asked if the panel design needs to be done before the roof gets put on so that all the penetrations and fastening points don't have to be retrofitted into a brand-new roof. Ms. Schwarz said that the schematic design was done before the bid went out so the contractor is aware of the solar project. The goal is to get Resonant onboard now so that designs can advance. Ms. Barr added that Resonant Energy would coordinate with the construction team. Regardless of the timeline, work usually waits until the roof is complete to ensure that any attachments and penetrations are fully flashed and sealed. There is a 25-year warranty. Mr. Evans said that the building was designed with the panel loads so there is a structural retrofit to the roof. The cost is included in the budget that was presented to the Board in January.

In response to Ms. Born, Ms. Schwarz explained that with affordable housing tax credits, the contract is usually for 15 years, whereas this is for five years. She added that the financier gets their tax credit immediately so it is a much shorter relationship. Ms. Barr said that there are no approvals needed by the government for the tax credits. She added that the recapture period is five years but the tax investor is technically involved for six years and they are only involved for those tax benefits. Although the financier is legally an owner of the system, the CRA will be the recipient of the state incentives and the electricity savings. For the projects that are done with the hybrid ownership structure, there is often a portfolio for a financier's investments and this building would be added to that portfolio. This solar incentive program is called SMART (Solar Massachusetts Renewable Target). It is more straightforward than the Solar Renewable Energy Credit Program because brokers and aggregators are not involved. Resonant applies to the program on behalf of the CRA. The program is sponsored by the utilities and managed by the DOER. The CRA is locked into a rate which is guaranteed for a ten-year duration.

Ms Born noted that the material says that the estimated lifespan on the equipment is 25 years. Ms. Barr said that the investors get their return early in the process.

With regards to the elevator, Ms. Schwarz summarized that only one sub-bid was received for the elevator but it was rejected due to some irregularities in the response. The approved general contractor GVW held aside \$260,000 in their contract, which was the estimate for the elevator. Over the last several weeks, the GVW and owner's rep STV have worked on soliciting responses. Although this is GVW's process to fill, the CRA is staying involved to ensure alignment. Four responses were received, one of which was from Otis Elevator. Otis had the lowest price and could complete the project closest to the project's timeline. The project's completion date might need to be extended, however. The three other responders would either start much later or they were much more

expensive. GVW has issued a Notice to Proceed to Otis for a \$260,000 value, while they finalize the actual contract price, which will be higher. Their bid was \$330,324 and that will likely adjust up. However, because their completion date was better than the others, this is still the better choice since it avoids extra costs for storage, the loss of rental income, and tenant inconvenience this is still the best choice

Ms. Schwarz said that this will be the first change order in the contract for GVW because the cost for the elevator will be higher than what was set aside for the elevator. The exact amount will be known once STV and STA complete their analysis of Otis' bid and additional expenses. Mr. Evans said that even with this cost overrun, it still fits within the carried project contingency so it is not a budget overage. The rejected initial sub-bid response was over \$500,000. He noted that there is an Otis elevator in the building today. The existing elevator shaft is being retrofitted to fit a bigger cab.

Mr. Evans explained that a contract amendment is needed for each change order, which could occur monthly. The Board could authorize staff to make contract amendments within a certain scope or every contract amendment can come to the Board. In response to Mr. Bator, Mr. Evans said that according to the CRA bylaws, the Chair signs all contracts over \$10,000. He added that most change orders will be more than \$10,000. The first change order is over \$100,000. Ms. Born said that there is an accumulative aspect to consider as well.

Mr. Evans said that Ms Born will be signing the first change order so he will come to the Board with a proposal for future change orders. An amendment with the elevator change order will be sent to Ms. Born within the week. Her digital signature is acceptable to proceed.

10. Kendall Square Urban Redevelopment Plan – Approval Update

Ms. Levering said the Board packet contains a draft letter to the Department of Housing and Community Development (DHCD). The goal is to submit the letter with the enclosures by the end of the week. As the regulatory authority over urban renewal programs, they need to approve any minor or major amendments. The submittal includes the letter which gives a high-level overview, the Amendment 11 to the Kendall Square Urban Renewal Plan approved by the City Council on February 3, the resolution that the CRA Board voted on in September, the recommendation made to the Planning Board on November 19, and a comprehensive list of the community engagement meetings held over the last year. DHCD's review looks for compliance with MEPA. Boston Properties and VHB are working on a Notice of Project Change. The approval will be conditioned upon receiving a certificate from MEPA. The letter is being sent to the Undersecretary but staff already met with Maggie Schmitt, the Massachusetts Urban Renewal and Relocation Coordinator, a few months ago to inform DCHD of the project so DHCD is expecting the submission.

Mr. Evans said the next project decision for the Board will be on the Infill Development Concept Plan. The dual hearing process is expected sometime early summer. Ms. Born said that there is a design review committee meeting coming up and some members of the Planning Board will be participating.

Adjournment of CRA Board Meeting

A motion was moved by Ms. Drury to adjourn the meeting. A roll call was taken by Mr. Evans, upon which he repeated each member's vote.

Mr. Bator – yes

Ms. Born – yes

Mr. Crawford – yes

Ms. Drury - yes

Mr. Zevin – yes

The motion carried unanimously at 8:15 p.m.