

Regular Board Meeting
Cambridge Redevelopment Authority

Wednesday, December 19, 2018 5:30pm
Robert Healy Public Safety Center / Cambridge Police Station / Community Room
125 Sixth Street, Cambridge, MA

APPROVED Meeting Minutes

Before the regular Board Meeting, a Design Review Committee meeting was held to discuss the schematic design proposal for the commercial building B of the Infill Development Concept Plan, located at 325 Main Street, Kendall Square Urban Renewal Plan. Besides CRA representatives, there were attendees from Cambridge Community Development, the Cambridge Planning Board, Boston Properties, and Lemon Brooke.

Call

After the Design Review Committee meeting ended, Chair Kathleen Born called the regular CRA Board meeting to order at 5:59 p.m. The meeting was recorded by the CRA, John Hawkinson, and Marc Levy of the Cambridge Day newspaper. Other Board members present were Treasurer Christopher Bator, Assistant Treasurer Conrad Crawford, and Assistant Secretary Barry Zevin. Vice Chair Margaret Drury was unable to attend. Executive Director Tom Evans and other CRA staff members, Ellen Shore, Jason Zogg, Carlos Peralta, Alex Levering, and Erica Schwarz were also in attendance.

Public Comment

Robert Simha provided some history of the 93-99 Bishop Allen Drive property being discussed tonight. About 40 years ago, when he was the director and treasurer of the Cambridge Community Services (CCS), he and the chairman, decided to sell the CCS headquarters that was located in a prime real estate section of Harvard Square. The reason was to move the services of the CCS closer to the client base in Central Square. He urged the CRA Board to help this organization continue its mission.

There were no other comments.

The motion to close public comment carried unanimously.

Minutes

1. **Motion: To accept the minutes of the Regular Meeting of the Board on October 17, 2018**
2. **Motion: To accept the minutes of the Executive Session of the Board from October 17, 2018**
3. **Motion: To accept the minutes of the Regular Meeting of the Board on November 14, 2018**

Ms. Born said that the Executive Session was held with board members of the Margaret Fuller Neighborhood House and will be discussed with agenda item #7 later tonight.

There were no comments.

The motion to approve all three sets of minutes carried unanimously.

Communications

4. Magazine Beach Partners Thank You Letter regarding Forward Fund Grant

There were no comments.

The motion to place this letter on file carried unanimously.

Reports, Motions, and Discussion Items

5. Presentation: Kendall Square Urban Renewal Project Implementation Plan 2018 Progress Report

Mr. Zogg said that the Kendall Square Urban Renewal Project (KSURP) Implementation Plan was created in 2016. This document encompasses all of the Kendall Square work that the CRA, Boston Properties, the City and other parties would be doing independently or collaboratively from 2016 through 2020. The items in the plan are based on feedback received on the K2C2 plan, the Mixed-Use District (MXD) and KSURP rezoning, and the CRA strategic plan. Ms. Levering had assembled the data for this midway update on the plan. In addition to the document in the Board packet, Ms. Levering gave a presentation highlighting the metrics for each of the five focus areas – transportation, open space, economic development, sustainability, and housing/neighborhood. A new column in the project timeline was added to the report which indicates the progress of each project – complete, partial completion, underway, under consideration, or to be determined. Any italicized text in a project's explanation indicates that this is a modification to the project since the original plan. The metrics used in 2018 for each focus area are included in the report and more detail about those metrics is provided in the back of the report.

Using her presentation, Ms. Levering started with highlights for the transportation focus area. Phase 1 of the Grand Junction Path is completed which brings the path from Main Street to Broadway. Phase 2 will be completed with the Binney Street Park. Even though the Ames Street streetscape and the cycle track are indicated as complete, she noted that the certificate of completion has not yet been issued by the CRA. The Alta redesign work of the Galileo/Broadway/Binney streetscape was completed this year with 25% construction drawings. The number of bike share stations in the KSURP area has increased. Parcel 6 has a Blue Bike station. There are also stations on Binney Street and Main Street. The Ames Street project will have a bike station and there will be two more added with the buildings at 145 Broadway and 325 Main Street. The metrics used showed 50,450 daily vehicle trips for 2018 as of September 2018. The mode share obtained from the 2018 Parking Transportation Demand Management (PTDM) report, showed 11% cyclists, 13% walkers, and 47% taking transit. The annual number of bike share trips was provided by Blue Bike. The data indicate daily rebalancing of bikes is needed as there were twice as many bikes arriving in Kendall Square as leaving Kendall Square. Another metric was the number of police-reported traffic incidents resulting in injuries for 2017. (The report in the packet incorrectly stated that the data was for two years.) In response to Mr. Crawford, Ms. Levering said that future reports from VHB will look at ride hailing metrics. Mr. Zogg said that the number will include pick-up and drop-off totals but not whether they are Lyft, Uber, cabs, or private. While Blue Bikes shares their information, Uber and Lyft do not. Ms. Levering added that this data might be included in future PTDM surveys.

Regarding the focus area of open space, Ms. Levering said that a major highlight is the increased activation of the Third and Binney Street site (Parcel 6) with public art installations, raised garden beds, a bike-share station, a food truck program, and a new holiday event this year. Although the project is indicated as completed, the CRA will continue to fine-tune the site. The renovations at Galaxy Park were completed a few years ago. Pioneer Way is also completed. The Sixth Street Walkway which re-opened just months ago, has an improved walkway and amenities, as well as a new cycle track. The MXD has 237,293 square feet of public open space owned by the CRA or the City, or protected by a covenant or a deed. The qualitative park survey data was presented to the Board in a past meeting. The summary of that data can be found in the back of the document included in the Board packet and the full data report is posted on the CRA website. The average daily activity on Kendall Plaza was determined from the detected count of people walking by the Soofa bench during the month of May. \$3,750,000 has been invested in park upgrades between 2016 and 2018.

A highlight for the economic development projects is the Foundry redevelopment. There has been significant advancement in the project such as approving the Demonstration Plan, finding an operator, and getting architects and a construction management team on board. Office and R&D expansion is underway with 145 Broadway under construction and design review for 325 Main Street occurring soon. Market rate and below market rate innovation space is partially completed as CIC has opened three of their floors (2nd, 3rd, and 4th) in 245 Main Street and is scheduled to open the top two floors in January. The below market rate innovation space on the 8th floor of 255 Main Street is scheduled to open next year. Broadway retail expansion includes space in 145 Broadway as well as in two buildings identified in the Infill Development Concept Plan (IDCP) - 105 Broadway and the current Akamai headquarters building. In regards to participation with the Kendall Square Association, Mr. Evans is on the KSA Board, Mr. Zogg and Mr. Evans co-chair its Transportation Committee, Ms. Schwarz is on its Diversity Equity and Inclusion Learning Community, and Mr. Zogg is on its Place-making Committee. Using data from Boston Properties as well as others, the total employment number as of 2018 is calculated to be 6,526. A retail survey done this past summer, indicated that there are 16 retail establishments in the MXD as of today, not including banks. The square footage of innovation space includes the three currently occupied floors of 245 Main Street which is managed by the Cambridge Innovation Center (CIC). According to CIC, there are 11 start-up companies - those with less than 15 people, owned by a sole proprietor, and less than seven years old.

The sustainability highlights focused on tenant guidelines for sustainable fit-out. This is called green leasing and is a requirement of the IDCP. With respect to the EcoDistrict learning community and energy study, Ms. Levering attends bi-monthly meetings. A few years ago, the group completed a district wide energy study for the whole area. All new buildings need to be LEED Gold and solar ready as part of the MXD zoning. Design and install resiliency measures for the MBTA station will be looked at further in the construction of 325 Main Street. Data for the energy use per square foot of commercial space metric was provided by the City's Building Energy Use Disclosure Ordinance (BEUDO). For the MXD, the average weather-normalized energy use was 233,000 BTUs per square feet. Ms. Levering corrected the number for the average total greenhouse gas (GHG) emissions to be 23.19 kg of CO² or equivalent per square foot. The energy from Biogen's cogeneration plant on Parcel 2 avoids 36,000 metric tons of GHG emissions annually. Additional data will be collected on GHG emissions reduction from Whitehead's recent connection to Veolia's waste energy system. Ms. Levering hasn't yet received data from DPW on increased storm water capacity in the area. According to the City's GIS shared file, there are 418 trees in the MXD.

For the housing and neighborhood identity focus area, the Main Street reconstruction was completed in 2016. The Kendall wayfinding kiosks have been implemented in a number of locations in the MXD. The Ames Street residences, called Proto, are open, giving the MXD its first residents. The Community Arts Center has installed two public art installations on Parcel 6. The Looking Glass sculpture will be installed in Galaxy Park in 2019. The highly desired grocery store and pharmacy will part of MITIMCO's NoMa-SoMa project. There are 280 housing units in 88 Ames Street, 36 of those are considered below market-rate housing. The Proto office supplied a breakdown of the unit sizes. The 754 participants in planning activities was determined from sign-in sheets from CRA Board meetings, Planning Board meetings, Parking Day, or other events related to work being done in the KSURP area. The 209 educational and cultural events were determined with data from Google, the Broad Institute, and the City. Ms. Levering ended by saying that this implementation plan is intended to be a living and working document. The next step would be to give this document a web presence for updates throughout the year.

The Board was pleased with the work being done and the presentation. Ms. Born suggested using this in the Annual report. Mr. Zogg noted that these are just the Kendall work items.

Heather Hoffman requested to speak. With respect to energy sustainability, she began a discussion about the Eversource power substation being built in East Cambridge, next to the MetPipe site. Mr. Evans said that the existing substations are insufficient for demand. The Veolia-run power station was also brought into the conversation. There was a discussion on the demand from current and future development and the supply from various sources.

6. Update: Foundry Redevelopment Demonstration Project

Motion: Authorizing the Executive Director to executive a Memorandum of Understanding with the

Lemelson-MIT Program, on behalf of the Foundry Consortium, which will provide up to \$200,000 of funds from the Foundry Reserve for the development of specific operation plans for the Foundry Building.

Ms. Madden, the CRA strategic planner, noted that Ms. Schwarz is now the day-to-day project manager on the Foundry project. Ms. Born recognized the Foundry Consortium and Lemelson-MIT (L-MIT) staff members Stephanie Couch, Betsy Boyle, and Leigh Estabrooks, who represent the Foundry Operator. Ms. Madden said that CRA staff and the Operator team have been meeting regularly. A Memorandum of Understanding (MOU) between the CRA and the Operator has been created that lays out the expectations of each group for the coming year with the goal of setting up an independent nonprofit by the fall of 2019. There is a component of immediate funding needed from the committed CRA operational funds to help get that work done over the next year. As part of the MOU, the CRA will have an initial task of finding a property manager while L-MIT will be focusing on programmatic aspects of the building. Ms. Schwarz has created a draft property management RFP that is expected to be released in early 2019. In the last several months, and in collaboration with the CRA, the L-MIT team has hosted focus groups to discuss workforce, theatre, and makerspace program elements. This past month, the discussions have been about the arts and the artist studio spaces with a recent meeting on November 26, 2018. The Cambridge Arts Council (CAC) is leading a process around a permanent art installation for the Foundry. CAC held a public meeting on December 11 with the shortlist of artists under consideration to create art installation(s) for the site. The Foundry Advisory Committee (FAC) has provided helpful feedback on the MOU. The next FAC meeting is January 11, 2019. Mr. Evans announced that the CRA is working with the City to open a call for a FAC member to replace one member who is stepping down. The Foundry design process is moving ahead to complete the feasibility study. The FAC and the Consortium each had working meetings to provide programming input for the design team. Also, L-MIT has received a \$10,000 grant from Rec-to-Tech to address stem education and equity.

Mr. Bator recalled that past meetings had emphasized the importance of getting facility management input early in the design phase. Ms. Madden said that the RFP is going out in January 2019. Ms. Madden said that facility management feedback also will be beneficial to the business plan, which is being refined with assistance from the Columbia Group. In response to a question posed by Ms. Born, the audience for the RFP was discussed. Ms. Madden said that, like the operator RFP, we are looking for a knowledgeable and experienced partner at the table; there aren't many buildings exactly like the Foundry. In response to Mr. Bator, Ms. Madden said that Ms. Schwarz drafted the scope so that phase 1 would be consulting and phase 2 would be managing the building for three years. With respect to design and construction, W.T. Rich was selected as the construction manager at risk and has signed a contract with the City. The City and its team are evaluating costs, foundation, environmental and structural issues, and coordinating with the neighbors, Equity and Verizon. The goal is for some construction tasks to begin this summer as design proceeds, with base building completion expected in 2020 and a projected opening around February 2021.

Ms. Madden said the CRA/Operator MOU includes the project purpose, background, and a project timeline. The MOU breaks down obligations for the Operator (L-MIT representing the Foundry Consortium) and for the CRA. L-MIT is coordinating with other members of the Foundry Consortium to meet their obligations. The main task for the Operator is to form a nonprofit entity by October 2019. The Operator will participate in the design process and facility management procurement and is leading the community outreach, leasing strategy, and fundraising strategy. The Operator's work on program coordination and scheduling protocol will be the basis for ongoing reporting on use and activities and will ensure that the building complies with its mission.

The CRA obligations include providing technical advisory services around the business plan, working with the FAC to generate "good neighbor" principles and input on the community use reporting system, drafting model sub-lease and license agreements, developing a building systems operations handbook, and advising on public procurement. There is proposed pre-formation financial support, which would be drawn from the funds committed by the CRA to Foundry operations; these funds totaled \$2 million, including \$1 million for startup and \$1 million as a backstop operational reserve. Once the building is operational, the revenues from building operations will replenish these funds. The plan being proposed is to allocate \$200,000 from the initial startup reserve to L-MIT and the Consortium for the tasks outlined in the MOU. The MOU includes a schedule and budget and a procedure for how L-MIT and the Consortium would invoice the CRA.

In response to Mr. Bator, Ms. Madden said that the \$200,000 is consistent with expected expenditures. The first year of operations is often a challenge so keeping a significant portion of the reserve is important. Mr. Bator said that if the demand for additional funding is greater than anticipated, the CRA Board needs to know sooner rather than later. Mr. Crawford agreed that this is an appropriate and timely expenditure of these funds. Ms. Madden said that the money will be managed and that useful products will be delivered along the way. Mr. Evans noted that the design process needs to preserve the 60/40 split of community-based to market-rate uses to support the building operations.

In response to Ms. Born, Ms. Madden explained that the Foundry Consortium exists as an ad-hoc body. L-MIT is signing the MOU because the Consortium is not a legal entity. Over the course of the next year, the governance system for the nonprofit will be created through the work of the L-MIT and the Consortium as outlined in the MOU. The new nonprofit organization will eventually employ the property management entity, but the CRA will be hiring them in the interim.

In response to Mr. Zevin, the CRA continues to participate in the design process, which is being led by the City.

The motion authorizing the Executive Director to execute a Memorandum of Understanding with the Lemelson-MIT Program, on behalf of the Foundry Consortium, which will provide up to \$200,000 of funds from the CRA's Foundry Reserve for the development of specific operation plans for the Foundry Building was seconded and a roll call vote was taken.

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

Ms. Drury was absent. The motion passed with four yes votes.

Ms. Couch thanked the CRA Board for approving the motion. She thanked the CRA staff, the City staff, and Cambridge Seven for a respectful process that is making great progress.

7. Proposal: Margaret Fuller Neighborhood House Loan Agreement

Motion: Authorizing the Chair and Executive Director to enter into a mortgage loan agreement with the Margaret Fuller Neighborhood House for an amount not to exceed \$200,000, substantially in the form of the loan agreement as presented, for the purpose of implementing a CRA Housing and Community Improvement Plan

Mr. Evans explained that the original letter agreement was slightly modified by the Margaret Fuller Neighborhood House (MFNH) Board. After discussions with CRA legal counsel, this is the new letter of agreement which includes the loan terms as an exhibit. The MFNH voted to approve this letter and the terms as outlined on the last page. Although the actual term documents are still being worked through, these are the general terms. The loan is up to \$200,000 as a line of credit whereby the MFNH, through its Executive Director, would request funds in \$25,000 increments. The interest would be tied to the prime rate. The loan is secured by a mortgage where the CRA would be third in line. MFNH has a first mortgage and the second is an equity line that has been maxed out. Mr. Evans said that there is \$400,000 of debt on the land. An extremely conservative appraisal was conducted and valued just the parking lot at \$1 million. The mortgage is on the full property and the CRA would be securing the whole parcel. The MFNH is interested in looking at the child care center as part of a comprehensive planning process for redevelopment. There is nothing historic about the child care facility. The redevelopment plan could subdivide the land into the parking lot and the child care site. The CRA has paid Foley Hoag to write a series of legal documents but some of the closing costs would be paid by the borrower. Staff is looking to close the loan on January 15. It had been planned for December but MFNH received some City funds which allowed the process to occur after the holidays. Another change to the body of the document is for a decision point to occur within one year of loan closure rather than the initial six-month timeframe. At that time, if the CRA is not proceeding with the project in a joint venture or on its own, the loan would become a standard long-term loan. If MFNH decides to sell

the property in a market sale, the loan would come due immediately. The aim, however, is to work together on a long-term redevelopment project. Initial schemes and feasibilities would be tested in January-February timeframe. There will be community conversations with neighbors about the right density of housing, the affordability element, and the ownership structure. A rental project could provide funding to reimburse the CRA but also provide long-term funding to the MFNH. Mr. Evans will give monthly updates on the project to the Board.

Mr. Bator is glad to be doing this. Ms. Born was concerned about a default situation if something were to happen to the MFNH. Mr. Evans said that the property would go to Eastern Bank who would probably sell it in its entirety or subdivide it to sell the parking lot, pay themselves, and then pay the CRA. The CRA would not be the entity actually foreclosing on the MFNH. Mr. Evans said that the loan would be booked as an asset, similar to that done for the Just-A-Start (JAS) loan. The interest expected would appear as interest income. With the Just-A-Start scenario, the CRA is seventh in line and has a low expectation for getting that money back. With the MFNH loan, the CRA is placed in a potential property owner position. Mr. Bator said that the CRA is relying on the value of the location and the price of commercial property. Mr. Evans confirmed that Foley Hoag drafted the agreement letter and all the loan documents. Even as a third position, the value of the land is more than sufficient to cover the CRA. Mr. Evans added that the Cambridge Health Alliance has a leasehold on the parking lot which is ending this year.

Ms. Born is willing to go ahead with the proposal since she trusts Foley Hoag and Mr. Evans. She noted that she hadn't seen an operating budget or a financial statement for MFNH. Mr. Evans said that their Board has been very transparent. They asked their Executive Director to resign. The past year did not show reasonable budgetary discipline. Ms. Born would like to see the MFNH budget but would not block the process. Mr. Evans said that the allocation of money to the MFNH in increments of \$25,000 will help to monitor the expenses. Mr. Bator thought that it would be prudent for updates to be given to the CRA Board regarding the reorganization to ensure that it is proceeding at an appropriate pace. Ms. Shore noted that documentation would be included with each request for funds. Mr. Crawford said that there is language to that effect in the letter agreement but he wasn't sure if this was characterized as a review. Mr. Evans said that the CRA shouldn't manage MFNH's finances. In addition to the new Executive Director, there is a new president as of May. Mr. Evans also met their new fiscal director, who is a recent hire. Regarding their documents, Mr. Evans said the CRA needs to be thoughtful in its requests for financials as this would then become a public document. He emphasized that the CRA wants MFNH to be successful and to go into a venture with them. Mr. Crawford said that this arrangement affects the overall housing improvement plan. Mr. Evans said that the City is interested in the housing delivery. However, there is a balance between the City's affordable housing goals and the funds needed to sustain the MFNH. The MFNH depends on the profitability of the housing. While this parcel will never solve the affordable housing issues for Cambridge, it could resolve the MFNH issues. Mr. Bator said that both of those principles are appropriate uses for CRA funds. Mr. Zevin added that as a redevelopment site, it is a relatively easy project and a wonderful opportunity.

Ms. Born noted that the second to last line of item #5 should be edited to ".....shall be confirmed...."

The motion authorizing the Chair and Executive Director to enter into a mortgage loan agreement with the Margaret Fuller Neighborhood House for an amount not to exceed \$200,000, substantially in the form of the loan agreement as presented, for the purpose of implementing a CRA Housing and Community Improvement Plan was seconded and a roll call vote was taken.

Mr. Zevin – yes

Ms. Born – yes

Mr. Crawford – yes

Ms. Bator – yes

Ms. Drury was absent. The motion passed with four yes votes.

8. Proposal: Forward Fund Program Revisions

Motion: Authorizing the commitment of \$300,000 toward the revised Forward Fund program to expand the community infrastructure grant program.

Mr. Peralta said that the Fund, which started in 2015, is a micro-grant program that reinvests development revenue generated in the KSURA into citywide civic experimentation projects and community infrastructure projects. In the past few years, Mr. Peralta said that a majority of the proposals submitted are for physical improvements for nonprofit facilities. Because of this, he would like to recommend changes to continue to improve the submissions that are received from the community. From 2015 to 2018, the overall budget for the program increased from \$40,000 to \$125,000. The maximum award size changed from \$10,000 to \$25,000. There were also some program refinements and process improvements. The original Planning & Design type grant was discontinued to increase the number of “ready-to-build” projects.” The addition of the Civic Experimentation type grant brought in physical innovation projects associated with open space improvements such as the Flycycle, the Looking Glass, and the Vertical Garden. Mr. Peralta said that even with these changes, the majority of requests are still for community infrastructure funding.

For 2019, Mr. Peralta recommends realigning the Forward Fund to use the City’s goals and action plans of Envision Cambridge and the Community Needs Assessment. Applicants will need to provide a clear narrative of how their projects align with these missions. Another modification to the program would allow “rolling” applications throughout the year rather than on a single date. This creates a more flexible application timeline and gives staff more opportunities to market the program. The applications would be reviewed quarterly by the selection committee, whose makeup might also change. Exhibit B lists a draft of eligibility and evaluation criteria guidelines. There will be a new grant type called a Technical Assistant Grant. This grant is up to \$25,000 and will fund architectural and engineering studies, business plans and market research, or comprehensive facility maintenance planning. This grant type will help nonprofits prepare for construction, repairs, renovation, rehabilitation, open space, and landscape improvements.

Since the plan’s inception, \$350,000 has been allocated with more than half awarded to community infrastructure projects. Mr. Peralta is requesting a \$300,000 budget for the 2019 Forward Fund which will focus strictly on community infrastructure projects. Staff is in the process of developing a new pilot program that will focus on public art and place-making improvements in certain locations throughout the City. The locations will be chosen with the help of CDD staff. There have also been discussions for a larger initiative focused on a housing and community improvement plan. As these two pilot programs solidify, updates will be provided to the Board.

Mr. Evans added that the Community Benefit Fund which is primarily funded by the MITIMCO redevelopment projects provides funding for three years of operating support for programs that are tied to the needs assessment. However, that funding source prohibits its use for capital so the CRA grant would be the capital companion of that fund.

Mr. Peralta agreed with Mr. Bator that some selection committee members might be unable to meet more than once per year. Mr. Peralta said that he will be speaking with the members about the rolling application process. Mr. Evans said that staff from the Department of Human Services will be asked to join the committee. Mr. Evans confirmed that the technical assistance grant would fund requests that are not easily obtained by nonprofits for site and environmental reviews. Mr. Evans explained that formalizing a housing and community improvement plan would include funding for projects like the three agenda items in tonight’s meeting. He has had discussions with counsel about creating this under the state’s statute for redevelopment authorities and relating it directly to the City’s community needs assessment and economic opportunities.

Ms. Born said this funding is possible because of the revenue received from the sale of development rights in the MXD district. There is still one more cash infusion expected from the upcoming commercial building at 325 Main Street and the residential building at 135 Broadway. This is a good example of taking the development in Kendall Square and spreading the community benefits. In response to Ms. Born, Mr. Evans said that he plans to meet with the CRA Treasurer and Assistant Treasurer about implementing a more sophisticated method for tracking the various projects and funds.

Mr. Bator is pleased with this natural and positive development and evolution of this program.

A motion authorizing the commitment of \$300,000 toward the revised Forward Fund program to expand the community infrastructure grant program was seconded and a roll call was taken.

*Mr. Zevin – yes
Ms. Born – yes
Mr. Crawford – yes
Ms. Bator – yes*

Ms. Drury was absent. The motion passed with four yes votes.

9. Proposal: Non--Profit Office Building Preservation Initiative for 93--99 Bishop Allen Drive

Motion: Authorizing the Executive Director to enter into a Memorandum of Understanding with the Cambridge Community Foundation to collectively explore options for the purchase and preservation of 93--99 Bishop Allen Drive to provide office space for Cambridge non--profit organizations.

Mr. Evans said that, as just discussed, this is another example of a need for a broader program that can assist in housing and neighborhood facilities so that resources can be made available when things come up that fit within the CRA's mission. The Cambridge Community Foundation (CCF), represented tonight by several members and the Executive Director, asked CRA staff for help to preserve a property in Central Square that houses a number of nonprofits that serve Cambridge. The request is for a commitment of staff and consulting resources to determine what can be done to save the property in a short timeframe before the property owner sells the building. The building is just less than 20,000 square feet, located at 93-99 Bishop Allen Drive. The building houses a large collection of nonprofits, the longest tenant being the CCF. This seems central to the CRA's mission central even though it is not in Kendall Square. The packet contains an agreement that the two organizations would think about together.

Andus Baker, from CCF, said that he learned in late September that that Cambridge Community Services, now Enroute, was planning to sell the building, which has housed nonprofits since 1965. Enroute said they would like to retain it as a home for nonprofits and have extended leases for three years. All of the tenants are nonprofits. There is a time constraint since they are asking for market offers by March 31. CCF lacks real estate expertise. A large part of CCF's mission is to make Cambridge a better place to live by funding nonprofits, which they have done for over 100 years. Last year, they gave over \$1 million to over 135 nonprofits. Mr. Baker said that it is critical to keep this property for nonprofits. He introduced President Geeta Pradhan and Board Chair Richard Harriman. Mr. Evans said that the CRA would enlist the services of HR&A immediately. CCF would gather information about the current status of the building and its tenants. The result would be a determination of an attractive offer to Enroute, the creation of long-term business plan for rent revenue & operational costs, and an ownership-management structure. The building will need some capital improvements in the near future.

Mr. Evan explained that HR&A is a NY based real estate firm that has done work for the CRA for the past three years. They and Columbia Group both have on-call contracts with the CRA via a public procurement process. HR&A has done some work on the Foundry, on the City's Envision Cambridge process, and as the lead on Boston's general plan update. Ms. Born added that HR&A have also worked on valuing the potential development in Kendall Square and the relative values between commercial R&D development and housing development. They've also done an analysis of the financial impacts of the CRA's proposed inclusionary zoning changes. An analysis of the tolerances of nonprofit rent is needed – what's being paid and what can be paid. Nonprofit market rents must sustain the building and there is a need to find the right number so that the nonprofits can sustain themselves and continue to do their business. A governance structure for the building will be created after gathering feedback from the tenants. This would be incorporated into a business plan. The goal is to find a solution fit as many of the existing tenants as possible, while preserving the building for nonprofits in the future. Some of the nonprofits have subleases. Mr. Evans said that the CRA recently joined the national Nonprofit Center Coalition which helps organizations think through these issues for shared nonprofit resources. Mr. Crawford said that there are other models local to this region and discussed a particular situation. Mr. Evans said that the CRA is working with another organization, the NonProfit Center, with respect to the Opportunity Space on the eighth floor of 255 Main Street. Mr. Evans explained that the analysis needs to be done quickly.

Mr. Evans confirmed the CRA would pay HR&A, and possibly others, for various services such as building assessments, appraisals, etc. The CRA has on-call house doctor contracts for an appraiser, a cost estimator, and

a legal team. Mr. Evans said that this is a technical assistance agreement but it also contemplates the possibility of a more significant involvement by the CRA in the future, which at this time, is not reflected in the 2019 budget.

Ms. Pradhan added that this project is an excellent case in point of spreading the wealth of Kendall Square to nonprofits in other parts of the City.

A motion authorizing the Executive Director to enter into a memorandum of understanding with the Cambridge Community Foundation to collectively explore options for the purchase and preservation of 93-99 Bishop Allen Drive to provide office space for Cambridge non-profit organizations was seconded and carried unanimously.

The Board recessed for 10 minutes.

10. Update: 2019 Budget

Motion: Approving the proposed 2019 Budget for the Cambridge Redevelopment Authority

Mr. Evans said that a proposed 2019 budget is shown along the right side the 2018 budget vs. actuals chart. A few line items have reached their budgeted amount. Although there are some line items that slightly exceeded the budgeted amount, all broader based categories remain within budget. A draft version of the 2019 budget, shown to the Board in November, included income of \$431,000 from the sale of development rights for 88 Ames Street. This amount will be received annually for ten years, including 2019. The updated budget adds close to \$25 million in income for the sale of development rights for a building at 325 Main Street and a \$900,000 carry-over for the Broad's M1 development that did not occur in 2018. There is also income expected from a lot license agreement with Boston Properties for their use of the CRA-owned Main Street sidewalk, in much the same way that DPW charges a monthly fee of two dollars per square foot to companies that do construction over a City-owned sidewalk. The CRA also expects rental income from the food truck program. Other income comes from dividends and interest earned from the investment portfolios. This adds up to just over \$26,680,000 in operating income. As noted in the past, the CRA has a "lumpy" budget due to intermittent fluxes of income. This will be one of the organization's last big lumps of income. With regards to expenses, the personnel budget represents an increase in staff. There was a discussion of the increase in pension in account #6133. Mr. Evans explained that this is due to the increase in staff and reflects the age of the hires. With respect to office expenses, Mr. Evans said that he expects a lot of outreach related to the MFNH project. He said that the CRA is joining more group associations for insight and idea exchanges. In response to Mr. Bator, Ms. Shore said that each CRA employee pays 25% of their health insurance premium and the CRA pays the other 75%. Mr. Evans added that the Group Insurance Commission covers health insurance for most government workers. Municipal employees get some benefits that are not provided to CRA employees. The CRA self-insures a dental plan for its employees.

Looking at the insurance line items on the second page, staff is getting quotes to add an Errors & Omissions insurance policy. The Looking Glass installation in Galaxy Park will require more Inland Marine (art) insurance. There was a discussion of liability insurance. When the CRA moved from the fourth floor to the eighth floor, there was a reduction in rent to compensate for the inconvenience of moving. The CRA is moving from a leasing relationship with Boston Properties to a termed license agreement with the NonProfit Center (NPC). Negotiations are occurring to remain in the same space for the same amount of money. The NPC will run the entire Opportunity Space for the various nonprofits and will provide some services in the co-working space. CRA will fold into that space and possibly share resources, thereby decreasing office expenses. A records archiving project is underway that will reduce the expense of rental space in the offsite storage facilities in Somerville and Iron Mountain, but this is a long-range expectation. At this time, it is undecided if the CRA will use NPC's telecommunications services. The property management expense includes a large budget for snow removal and a commitment to pay prevailing wages in the landscape maintenance contract when deemed appropriate. With regards to professional services, no need is forecast for construction management expertise although this might change. Landscape architecture work in Parcel 3's interstitial spaces is planned for 2019 following a kick-off meeting a few weeks ago. Legal services are usually needed for new projects. There is a robust budget line for real estate work for HR&A and Columbia. Planning and policy expenses would be used for MFNH. The accounting budget is level. The marketing budget decreased as the Central Square work is almost completed although there might be a need for CRA graphic work. The transportation budget line item decreased drastically as the streetscape design work is completed. The CRA is transitioning from transportation and engineering work

to real estate and planning work. Ms. Born was pleased to see a reasonable budget for legal services. Mr. Bator said that the time might come for the CRA to have inside counsel in addition to outside counsel depending on future CRA projects. Mr. Evans said that the redevelopment category included the \$300,000 for the 2019 Forward Fund, a carry-over from 2018 of the \$2 million for the Foundry, and \$200,000 for operator support for the Foundry. Although there is a line item for Foundry construction, Mr. Evans expects the \$1M to the City to be a 2020 expense. There is \$300,000 in the budget for the affordable housing loan with Just-A-Start. He hopes to begin work on KSTEP implementation. The property investment number represents a place holder for the appraised value of the MFNH parking lot of \$1M. This line item would come back to the Board for a budget increase if the 93-99 Bishop Allen project moves forward.

Mr. Bator was pleased to see the interest and dividend income. The funds have been invested for the long term to ride out the volatility in today's market.

A motion to approve the proposed 2019 Budget for the Cambridge Redevelopment Authority was seconded and a roll call was taken.

Mr. Zevin – yes

Ms. Born – yes

Mr. Crawford – yes

Ms. Bator – yes

The motion carried unanimously with four 'yes' votes. Ms. Drury was absent.

11. Staff Report and Monthly Financial Update

Motion: Authorizing the Chair to enter into a short-term lease extension with Boston Properties for administrative office space at 255 Main Street, Kendall Square Urban Renewal Project

Motion: Approving the proposed 2019 Calendar of Regular CRA Board Meetings

In Mr. Evans requested feedback on the staff report. In response to Mr. Zevin, the Alexandria Real Estate Proposal (ARE) for Metropolitan Pipe Site forward calendar agenda item is a presentation explaining their big development project as it abuts the KSURP area. This affects the streetscape design for that intersection and there might be possible modifications for their access plan. Mr. Zevin is glad to see that ARE proposes to extend the Grand Junction bike path to Cambridge Street. Mr. Evans said that the CRA has been a steward of the bike path in various capacities. Mr. Crawford asked staff for a data point for the number of parking spots in Kendall Square to help with the larger discussions around mobility. Mr. Bator is looking forward to the signage guideline amendment, hoping it will lessen the Board's review time. Mr. Zevin thanked Mr. Peralta and staff regarding the activation of Parcel 6. Mr. Crawford said that the Christmas tree vendor created a lot of positive buzz within his neighborhood.

Mr. Evans restated that the CRA office space is moving towards a license agreement with the NonProfit Center. However, the current lease with Boston Properties expires on December 31. He requested authorization to do a short-term extension of the current lease (a seventh amendment) to last through January, possibly longer, until there is a license agreement. Mr. Evans said that the CRA has been in the current building for 17 to 18 years. Mr. Evans said that David Provost is the signatory on leasing for Boston Properties. If the NPC agreement were to fold, this amendment would cover the CRA until May 2019.

The motion authorizing the Chair to enter into a short-term lease extension with Boston Properties for administrative office space at 255 Main Street, Kendall Square Urban Renewal Project was seconded and a roll call was taken.

Mr. Zevin – yes

Ms. Born – yes

Mr. Crawford – yes

Ms. Bator – yes

The motion carried unanimously with four 'yes' votes. Ms. Drury was absent.

Regarding the 2019 calendar dates for regular CRA Board meetings, it was confirmed that these dates all fall on the third Wednesday of the month except for the dates in February and April, which fall on the second Wednesday. There was a discussion of the location of Board meetings. CRA Board meetings will remain at the Police Station. Mr. Evans added that there will be a joint meeting with the Planning Board on a Tuesday sometime in early February

The motion approving the proposed 2019 Calendar of Regular CRA Board meetings carried unanimously.

Ms. Shore will send calendar invites to the Board and staff. Mr. Zogg said that Boston Properties is planning on submitting their residential building in Q1 of next year so he will start scheduling design reviews for February and March. There was a discussion of the timing for future design review meetings.

Mr. Bator ended the meeting by saying that he was proud of the work being done by the CRA. The other Board members agreed.

Adjournment

A motion to adjourn the meeting carried unanimously at 8:57 p.m.