

Annual CRA Board Meeting  
Cambridge Redevelopment Authority

Wednesday, February 13, 2019, 5:30pm  
Robert Healy Public Safety Center / Cambridge Police Station / Community Room  
125 Sixth Street, Cambridge, MA

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APPROVED Meeting Minutes

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### Call

Kathleen Born, Chair of the CRA Board called the meeting at 5:37 p.m. Other Board members present were Vice Chair Margaret Drury, Treasurer Christopher Bator, Assistant Treasurer Conrad Crawford, and Assistant Secretary Barry Zevin. Executive Director Tom Evans and other CRA staff members, Ellen Shore, Jason Zogg, Carlos Peralta, Alex Levering, and Erica Schwarz were also in attendance.

Ms. Born recognized Jason Zogg, who is leaving the CRA. On behalf of the Board, she expressed appreciation and affection. Mr. Zogg spoke about his role in the new division of the Ford Motor company in Detroit, Michigan. Mr. Bator agreed that the opportunity was worthy of Mr. Zogg's talents.

The meeting was recorded by the CRA.

### Public Comment

*Heather Hoffman* said that since the CRA's MXD signage rules are more liberal than those in the rest of City, businesses close to the MXD district want to follow CRA's rules, creating issues for citizens of Cambridge who have been working for years to convince the Planning Board and the Board of Zoning Appeal that the City ordinance sets out fair and reasonable rules that should be abided by. Although she trusts the aesthetic decisions of the CRA, this difference creates more work.

*Stephen Kaiser* said that the CRA website includes annual transportation reports from 2004 to 2015, but since then less and less has been done and no more reports have been issued. With a new report structure coming, he hopes to see a strong transit focus. He liked the Kendall Square Mobility Task Force report that was produced a year and a half ago. Mr. Kaiser requested that the CRA stress the importance of transit. He added that the Envision Cambridge plans fails when it comes to transit infrastructure, especially at Alewife. Regarding the archive situation, he is pleased to see the CRA plan. He has been involved with the organization of the 1946-1975 Planning Board's archives. There is a lot of CRA history in some of those boxes. Mr. Evans replied that during the closure of Longfellow Bridge, data was collected although no report was generated. The CRA has used that time to reevaluate the format of the report, which is an EIR mitigation. VHB has been hired to compose a more robust report that includes traffic, parking, transit, and other forms of mobility. This report is expected to be published late 2019 - early 2020 and will include an expanded modal scope and geographic scope.

No one else offered to comment.

*The motion to close public comment carried unanimously.*

### Minutes

**1. Motion: To accept the minutes of the Regular Meeting of the Board on January 16, 2019**

There were no comments.

*The motion to accept the minutes of the Regular Meeting of the Board on January 16, 2019 and place them on file carried unanimously.*

## **Communications**

### **2. Letter from Commonwealth Kitchen Kendall regarding Forward Fund January 18, 2019**

Ms. Born was please to get the letter.

*The motion to place the letter on file carried unanimously.*

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

### **3. Election of Officers**

Ms. Drury proposed the slate of Barry Zevin for Assistant Secretary, Kathy Born for Chair, Conrad Crawford for Assistant Treasurer, Christopher Bator for Treasurer, and Margaret Drury for Vice Chair.

*The motion to accept the slate proposed was seconded and a roll call was taken*

*Barry Zevin - yes*

*Conrad Crawford - yes*

*Kathy Born - yes*

*Margaret Drury - yes*

*Christopher Bator - yes*

*The motion carried unanimously.*

### **4. Presentation: 2018 Annual Report**

Alex Levering presented the CRA 62<sup>nd</sup> Annual Report which explains the projects and accomplishments in 2018. She noted the highlights of the report. The report will be posted on the CRA website.

In 2018, with respect to Kendall Square, the CRA and the Cambridge Planning Board approved a major amendment to Phase 2 of the Infill Development Concept Plan, moving office gross floor area (GFA) from 250 Binney Street to 325 Main Street. This will expedite housing at 135 Broadway. 88 Ames Street welcomed the first MXD district residents in the spring. The building provides 280 units of housing with 36 below-market rate units. At the end of 2018, Akamai's headquarters was topped-off. Regarding open space projects, the Third & Binney location continues to be an active space thanks to the food truck program which had 20,000 customers. A new partnership with Urban Farmers Institute to vend Christmas trees and other holiday accessories was well-received. As a public benefit tied to the 145 Broadway commercial building, Boston Properties completed improvements to the Sixth Street Walkway which included a refurbished concrete path, added amenities, and a cycle track parallel to the walkway. Finally, the Binney Street Park, aka "The Porkchop," was transferred to the City; it will include a dog park and an extension of the Grand Junction Path.

Regarding transportation, the CRA finished 25% engineering drawings for the Broadway-Galileo-Binney streetscapes in conjunction with Alta Planning + Design. VHB was hired as a consultant to produce the next generation traffic report spoken about earlier. The Cambridge Innovation Center opened two floors at 245 Main Street at the end of 2018. Two more floors have been opened in 2019. The CRA also partnered with Boston Properties and the Non-Profit Center to run the 8<sup>th</sup> floor below-market Opportunity Center. The CRA assisted the Central Square Business Association (CSBA) with logo creation and branding assistance in their quest to form a BID.

With respect to the Foundry, through an RFP process, the CRA and the City selected the Foundry Consortium as the Foundry operator. This is led by Lemelson-MIT and Lesley University. There are many other community groups that are part of the Consortium. Cambridge Seven was selected as the architect, WT Rich was selected as the Construction Manager-at-Risk, and the building was landmarked. Construction is slated to start in 2019.

The CRA Forward Fund awarded eight grants in 2018, allocating \$153,000 to a range of projects all over Cambridge. The CRA conducted and participated in many community engagement meetings to refine the design, programming, and operations strategy of the Foundry. The CRA completed a new interactive development map which shows the development of Kendall Square from 1980 through today. Internally, Erica Schwarz was hired as a Community Project Manager to help with the Foundry, the Opportunity Space, and other forthcoming projects. Staff is in the process of creating a Housing and Community Improvement Plan to respond to challenges and potential opportunities city-wide. The CRA is in a stable financial situation with a glowing 2017 audit report that had no deficiencies.

Mr. Zevin noted that the CRA snow removal process is much better than the picture of the Grand Junction would let one believe. In response to Ms. Drury, Mr. Zogg said that the CSBA is in the process of finalizing the legal documents to gather signatures. He added that CSBA Executive Director Michael Monestime is confident that there are enough votes to create the BID, thanks to their "Taste of the BID" program.

Ms. Drury said that she loved the report. Ms. Born added that the website is excellent as well. She thanked the staff.

*The motion to accept the 2018 Annual Report and place it on file was seconded and carried unanimously.*

Mr. Evans said that per new State redevelopment guidelines, the report will be sent to the City Manager, Assistant Manager, City Council and the State's DHCD. The CRA received State approval to submit its annual report in February, rather than January.

## **5. Continued: Kendall Square MXD Signage Guidelines and Review Policy Draft Amendment**

**Motion: Approving the proposed amendments to the MXD Signage Guidelines and Review Policy**

**Motion: Approving a 6-month extension of the temporary leasing signage program for the Proto building at 88 Ames Street, Kendall Square Urban Renewal Area**

Ms. Born noted that there were barely any signage guidelines when the current board was seated. Although the CRA and the MXD have a different concept on signage, Ms. Born considers it vigorous and appropriate for the scale of development in Kendall Square which reflects the robust economic activity very nicely.

Ms. Born said that Mr. Hawkinson is recording the meeting.

Mr. Peralta thanked Mr. Zevin who has worked with staff. He said that the blue lines in the document are changes that were made from feedback at the last meeting. Ms. Drury asked to remove the instances of "would" and "might." Mr. Peralta said that the word changed from "may" to "might" at the bottom of page 2, per Mr. Zevin's request. Ms. Drury said that it is helpful to know if a sign is unlikely to be approved. Mr. Peralta said that the policy says that proponents should meet with staff before presenting their proposal to the Board. Ms. Drury said that the policy is clearer than in its original form. There was a discussion to decide whether to approve the document or approve it with conditions or hold it. Mr. Bator said that it could be approved but that staff could come back to the Board if an amendment was needed.

Mr. Zevin said that "is not" and "is" in the flowchart should be switched for permanent signage. Ms. Levering agreed. Ms. Born said that the document is very detailed, more so than the City's zoning ordinance. Since much time has been spent reviewing and editing this document, she suggested moving it forward. Following up on Ms. Drury's comments regarding section 2.3, Mr. Evans suggested adding a sentence before the list of signage

unlikely to be approved by the Board or staff. Mr. Bator suggested adding the phrase “rebuttable presumption.” Mr. Evans said that he expects a sign to come to the Board in March that will test this scenario.

Ms. Drury wants the document to be understood by those who request signage. Mr. Bator emphasized that it is difficult to enumerate every example. Mr. Bator suggested keeping a list with pictures of approved and discouraged signs over time. Mr. Zevin noted that there might be a distinction that is missing in the guidelines regarding translucent backlit signs as some have been approved in the past. Mr. Zevin suggested using a different picture of a translucent backlit sign as an example. Ms. Born said that she likes that these guidelines have aspirational statements. Mr. Crawford said that the document is serviceable and operational; ongoing amendments from staff should come to the Board if needed.

*The motion to approval the proposed amendments to the MXD Signage Guidelines and Review Policy, with the addition of a fix to the flowchart in the appendix as referenced, was seconded and carried unanimously.*

With respect to the Akamai signage, Mr. Peralta said that the motion should say three months not six months. The original signage approval was for six months, expiring January 31st. Mr. Peralta said that the extension can only be for 90 days. Mr. Evans suggested an extension with an end-date of June 30. Mr. Evans said that there was a large set of temporary signs that needed approval because of their scale. Boston Properties would like to extend just the column wraps portion of the previously approved signage. David Stewart said that the extension is only for any remaining column wraps. As vendors occupy the space, the column wraps come down, except for the three wraps that are flanking the lobby of the Proto building, which will stay through June 30. In response to Mr. Bator, Mr. Stewart said that the Merrill Lynch logo sign should be going up soon since the bank plans to open in March. He added that a large percentage of new renters have come to Proto because of the pedestrian level signage. Proto is 65% leased and the goal is to get to 95% by June.

*The motion approving an extension until June 30, 2019 of the temporary leasing signage program for the Proto building at 88 Ames Street, Kendall Square Urban Renewal Area was seconded and carried unanimously.*

## **6. Update: Non-Profit Office Building Preservation Initiative for 93-99 Bishop Allen Drive**

Ms. Levering spoke about the work that has been done with the Cambridge Community Foundation (CCF). Since the Memorandum of Understanding was signed in December, staff has been exploring the feasibility of acquiring the property to maintain it as nonprofit offices. Ms. Levering introduced Rick Harriman, Board Chair of CCF. The CRA has used its on-call contractors to help expedite this process. Daedalus has helped create a cost estimate to understand the capital needs to acquire the building, which include improving accessibility and safety. HR&A has analyzed what is needed to maintain a building for nonprofits. They have also done interviews with current tenants regarding their current and future space needs and their intentions of staying in the building. HR&A has created a business model that balances affordable rents but ensures competitiveness on the regular market. A full appraisal report was received by Joseph Blake to understand the market-rate valuation of the building. Staff have also worked with the Non-Profit Center Network, another consultant who understands what is needed for buildings to become nonprofit centers. They will help with the business plan, as well as the infrastructure needed for maintenance, operations, and governance. Staff is compiling all this information and honing the business plan while considering finances.

Mr. Harriman expressed his thanks for the quality expertise and speedy responsiveness of the CRA.

In response to Mr. Bator, Mr. Evans said the Board will be discussing this topic in tonight’s executive session. He has had conversations with Cambridge Trust and Mass Development regarding financing. A rough outline will be reviewed in a second executive session in March for submitting a proposal. Staff expects that the building owner will be posting the bid documents in a week and will be accepting proposals at the end of March. If the CRA’s offer is accepted, a public discussion will occur regarding a purchase and sale agreement.

## **7. Update: Foundry Redevelopment Demonstration Project**

Erica Schwarz gave an update. Stephanie Couch, from the Foundry Consortium was in attendance. Ms. Couch explained that the Lemelson-MIT program and Lesley University continue to play the lead role but many others are involved. The Consortium received pro-bono help with legal papers to become an independent non-profit and expects that to occur in November, the latest, although they are trying to speed that up. She was appreciative of the assistance from CRA staff.

Ms. Schwarz said that the Foundry Advisory Committee now has two open seats. Deborah Ruhe is retiring but will stay until her seat is replaced. Folakemi Alalade is stepping down immediately. The City Manager's office will be posting a process for filling the vacancies which the CRA will help to publicize. The Cambridge Arts Council's public event discussing the three draft proposals for the permanent art installation in the Foundry has been rescheduled again to February 26 at the Police Station from 6 – 8 p.m. The Selection Committee, which includes the CRA, will meet on February 28 to make a final selection. The feasibility study of the building is complete. The budget is within the contingencies. The City is moving into the schematic design phase with Cambridge Seven. The CRA is focused on the fit-out design considerations related to the uses that have been prioritized. The City is focused on the structure and efficient systems. Ms. Schwarz expects to have four responses to the property management RFP's deadline of tomorrow. Lemelson/MIT and the CRA will be reviewing the proposals, conducting interviews, and making a selection. The selected candidate will be advising during the schematic design phase. Lemelson, Lesley, and the Consortium are moving forward to form a nonprofit, develop by-laws, and create a process to select board members.

In response to Ms. Born, Ms. Schwarz said that there will definitely be market-rate space. There will be a rebuilt addition. The number of stories and its width are still being discussed. Ms. Schwarz said that the landmark decision has affected some decisions but the architects have come up with creative options. Mr. Evans said that external modifications are limited to the side facing Verizon, which is structurally deficient.

In response to Mr. Crawford, a geothermal heating system cannot be used because of the toxic soil making it cost prohibitive to excavate. There was a discussion of variable refrigerant flow as a viable alternative. The goal is still a "net zero" building but it will be an all-electric building. In response to Mr. Bator, Ms. Couch said that Kirkland & Ellis is providing the pro bono work for the nonprofit. Another organization, called Process Research and Optimization, is doing pro bono work by helping to create a business model for operations and metric generation.

## **8. Update: Opportunity Space Program at 255 Main Street**

### ***Motion: Authorizing the Chair to the enter into a license agreement with the Non--Profit Center for administrative office space at 255 Main Street, Kendall Square Urban Renewal Project***

Construction is on schedule to be completed by March 1st. At that time, the operator, Non-Profit Center of Third Sector New England (NPC) will officially run the space. NPC just hired an experienced facility coordinator. The governance group is drafting a document to guide decisions with respect to tenant selection so that it is fair and transparent and follows established goals. Per Scholas, an IT support training program, has signed a license agreement. This will be their Boston location with classes starting in April. NPC is in process with other groups, notably one that will do assessments of job seekers, to build connections with employers, and help link the two. Mr. Evans spoke with the Kendall Square Association's Board of Directors which was very well received. Several representatives expressed interest in participating with full-time hires, internships, or in other ways. Finally, a name and branding of the space is being developed. Boston Properties hired a firm to help with that process. A ribbon cutting is expected in March or April.

Mr. Evans noted that the new Google building will provide pilot funding for a tech talent exchange program, which will redefine tech job placement to focus on a skills-based assessment rather than an educational degree.

Related to this topic is the office space that the CRA occupies. The CRA has been leasing space from Boston Properties on the 8<sup>th</sup> floor for a little over a year since the office was moved from the 4<sup>th</sup> floor to make room for CIC. A lease extension was executed in December to run until NPC takes over the space. The CRA office is now transitioning to be tenants of NPC. The office costs would remain the same and the CRA would have a license agreement rather than a lease. The draft in the packet is a template of the license agreement. Negotiations are

still in process, including a correction to the area in the red circle on page 9 of the agreement. Mr. Evans would like Board authorization to enter into a license agreement.

Mr. Zevin said that a hard disc on a shared copier might be a security concern. Mr. Evans said that all personnel and financial items use a private printer but the CRA could maintain its own printer for all printing needs. Ms. Schwarz said that she would talk to NPC about how they have dealt with this issue in their other locations. Mr. Evans noted that most of the CRA documents are public documents. It hasn't been determined whether the NPC copier will be sufficient. Both options will be available to evaluate. In response to Mr. Zevin, Mr. Evans said that the kitchen and the large conference room will be shared and the license agreement will denote that.

In response to Ms. Born, Mr. Evans said that the NPC and Third Sector New England are independent 501c3 organizations. Mr. Evans said that the CRA's legal recourse might not be as strong as having a lease. In response to Ms. Born, Mr. Evans said that the CRA can enter into a license agreement, outside the procurement process, within the urban renewal area. Mr. Evans said that he has spoken to counsel about the arrangement but they have not seen the actual document. The Board asked Mr. Evans to have legal counsel review the document with regards to procurement. Mr. Evans said that it needs to be done within the next three weeks.

*The motion authorizing the Chair to enter into a license agreement with the Non-Profit Center for administrative office space at 255 Main Street, Kendall Square Urban Renewal Project pending approval from legal counsel was seconded and carried unanimously.*

## **9. Update: Investment Policy and Account Changes**

**Motion: Authorizing the Treasurer and the Executive Director to open a U.S. Bank third-party holding account and transfer all non-OPEB monies held by Morgan Stanley into this U.S. Bank account.**

Mr. Evans distributed a memo. He explained that CRA holds a substantial amount of investment funds with Morgan Stanley (MS). This decision was based on discussions three years ago with the financial administration of the City, which also uses Morgan Stanley as its investment advisor. Due to the restrictive nature of Massachusetts General Law (MGL) for public funds, MS is closing most of its local government accounts, with the exception of a few clients with sizable investment portfolios, including the City of Cambridge and the CRA. MS is reorganizing its structure so that they function only as advisors and the money is held by a third-party custodian. Mr. Bator clarified that most institutions that have similar sized funds have custodians. MS is also adding another layer of external review of MGL combined with the CRA investment policy. David Javaheri, from MS, would continue as the CRA's investment advisor but the custodian would now be U.S. Bank which would execute MS directives. The CRA will need to open a new bank account with US Bank, which holds a Massachusetts charter. The ESG investment policies will still be upheld. In response to Ms. Born, Mr. Evans said that Morgan Stanley works with U.S. Bank and did not provide an alternative choice. The fee will be five basis points less. The financial reports will have a U.S. bank letterhead. Ms. Shore added that there will be a greater amount of review of CRA investments with relation to MGL laws and the Massachusetts list of legal investments.

*The motion authorizing the Treasurer and the Executive Director to open a U.S. Bank third-party holding account and transfer all non-OPEB monies held by Morgan Stanley into this U.S. Bank account was seconded and carried unanimously.*

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

With regard to the 2018 budget, Mr. Evans said that the line item for property investment didn't come up in the total when the Board approved the budget. Ms. Shore said that the \$1.2M expense in account 8700 (Property Investment) was not included in the total of account 8000 (Redevelopment Investments). Mr. Evans said that this line item will likely be increased due to the previous conversation about property purchases.

On the forward calendar is a design review of the 135 Broadway residential building, review of the development agreement for the Broad's M1 expansion which is in the hands of their lawyers, a presentation by Boston

Properties on their Adapter design (the store-front food retail area in place of the current louvers at 255 Main Street), and a signage review for the previously discussed backlit sign.

Staff is working on scheduling a joint meeting with the Planning Board to review the schematic design for the Google office building at 325 Main Street. Staff is reviewing the revised pink book. Board members have received this third version. More materials are expected from the architect. The March 5<sup>th</sup> date is no longer being considered. The new date and time being proposed are February 26 at 8:30pm.

Last month, staff presented a concept for a popup retail component in Galaxy Park. This didn't happen for Valentine's Day but it is planned now for Mother's Day. Staff just received approval from the MBTA for the Innovators-For-Purpose "Looking Glass" art and signage installation to be placed near the Red Line tunnel. A process for the 2019 Forward Fund applications and outreach are being finalized. The 2019 food truck application is due later this week and the season is expected to begin in April. The garden program with Boston Properties will also continue this year.

The Opportunity Space is under construction. A few partners have already joined the program. Other workforce development-related nonprofits are being sought to live in the space or use it on a temporary basis to run classes or rent it for events.

Frequent meetings have been held with Margaret Fuller House (MFH) personnel to look into a structure for assisting them financially by purchasing the parking lot, building housing on it, and combining that with a new facility for the MFH child care center. Their board is deliberating internally on their long-term vision of their space and needs. If they give the go-ahead, CRA will begin feasibility studies and financial analysis of options. In response to Ms. Born, Mr. Evans said that the \$200,000 loan has not been executed. Once executed, if MFH sells the property to an entity other than the CRA, the loan would come due and become a second mortgage on the property. The rate of the loan is tied to the prime rate. Mr. Evans added that the MFH is no longer running a deficit like they were in November. Ms. Born is concerned about possible negative feedback if it has to collect on the loan. In response to Mr. Bator, Mr. Evans said that at the time of the execution of the mortgage, the Board might not know how MFH intends to go forward. The mortgage agreement requires a total payoff by December 2019 but if MFH decides to go with a broker for a market-rate sale, the process might take longer making it more challenging for MFH to pay the CRA back in time. Mr. Evans confirmed that there is enough equity in the property to protect the CRA's financial interest. Mr. Bator said that the CRA could exercise forbearance until the property is sold before collecting on the total mortgage. It could just collect on the interest. The CRA is working in good faith with the MFH Board and their staff for a resolution.

Regarding the CRA budget of 2019, the year has just started. The insurance is paid in full. The negative income is due to the market value of the fixed income assets. There will be an earlier modification to the budget if the property agreements spoken about tonight go forward. Looking at the charts on the last page, the expenses are mostly staff work and closing out 2017 Forward Fund projects.

*The motion to place the staff report and the monthly financial report on file was seconded and carried unanimously.*

At 7:50 p.m., the Board had concluded all of the business set forth on the regular agenda. Ms. Born said that the Board will convene in executive session at 8:00 p.m. for the purpose of discussing a potential real estate transaction for property at 93-99 Bishop Allen Drive, the open discussion of which might compromise future negotiations. The Board will not reconvene in open session thereafter.

A motion to convene in executive session was seconded and a roll call was taken.

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

The regular meeting was adjourned at 7:53 p.m.