

Regular Board Meeting  
Cambridge Redevelopment Authority

Wednesday, April 10, 2019, 5:30pm  
Robert Healy Public Safety Center / Cambridge Police Station / Community Room  
125 Sixth Street, Cambridge, MA

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FINAL Meeting Minutes

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Before the regular Board Meeting, a Design Review Committee meeting was held. The first discussion was about the Adaptor storefront design at 255 Main Street with representatives from Boston Properties and Sasaki. This was followed by a discussion with Akamai representatives about their signage package at 145 Broadway. No votes are taken at review meetings.

**Call**

After the Design Review Committee meeting ended, Chair Kathleen Born called the regular CRA Board meeting to order at 5:38 p.m. The meeting was recorded by the CRA. 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, Carlos Peralta, Alex Levering, and Erica Schwarz were also in attendance.

**Public Comment**

Heather Hoffman said she would like to see the perforated metal option for the Adapter. Regarding the Akamai signage, she detests top-of-the-building multistory billboards. There already are too many bright signs in the night sky. She said that the architecture is improving thanks to this CRA Board but a lot more can be done. She is not pleased at all with what is happening with the roof garden. The fact that a solar-powered Soofa bench exists in the presentation is amusing as it needs sun to operate and there won't be any.

No other people wished to comment.

The motion to close the public comment section of the meeting carried unanimously.

**Minutes**

**1. Motion: To accept the minutes of the Joint Meeting of the CRA Board and the Cambridge Planning Board on March 12, 2019**

There were no comments. The motion to accept the minutes and place them on file carried unanimously.

**2. Motion: To accept the minutes of the Regular Meeting of the CRA Board on March 20, 2019 Communications**

Ms. Born said that she phoned-in small changes which were incorporated. One change replaced the word "would" with the word "could" in the first paragraph of agenda item #4 so that it now reads "Mr. Evans said that the approval of the Infill Development Concept Plan amendment had a condition that the design for 135 Broadway would go before the design review committee by March 2019 and if that were not possible, an update would be presented to the Board. Another change was underlining the words that were added to the motion in agenda item #4.

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

### **Communications**

There were no communications.

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

#### **3. Continuation: Adaptor Retail Space Design – 255 Main Street**

**Motion: Approving the schematic design of the Adaptor project, and amending the Infill Development Concept Plan condition for the Phase One Commercial project, to allow the occupancy of 145 Broadway conditioned on the initiation of construction of the Adaptor project at 255 Main St - Kendall Square Urban Renewal Project, Parcel Four.**

Ms. Born said that a design review was held before this Board meeting. Mike Tilford, from Boston Properties (BXP), spoke about the construction timing. Pending tonight's approval, BXP would submit a set of permits to ISD and finish the drawings. There are a lot of intricate design considerations being explored. BXP is looking to be under construction by late summer – early fall. If given the time requested, the end-product will be better.

In response to Ms. Born, Mr. Evans said that this motion would amend the agreement. This was a condition of the Infill Development Concept Plan and the motion amends that condition. This is only a CRA condition and not associated with the special permit. The condition for occupancy was dependent on the completion of the Adapter project but would now be dependent on construction starting.

There was a discussion of the metal materials and the color in different lighting.

***A motion approving the schematic design of the Adaptor project, and amending the Infill Development Concept Plan condition for the Phase One Commercial project, to allow the occupancy of 145 Broadway conditioned on the initiation of construction of the Adaptor project at 255 Main St - Kendall Square Urban Renewal Project, Parcel Four carried unanimously.***

#### **4. Report: Design Review Committee Signage Review**

**Motion: Approving the temporary building signage for Akamai at 145 Broadway**

Mr. Evans said that the design review committee looked at a series of components. In addition to having the Board weigh in on the graphic wall component, Board approval is needed for the second-floor banner as it will be posted longer than 90 days. Victor Vizgaitis, from Sasaki, said that the sign is to be adhered to the glass on the corner of Broadway and Binney, under the overhang. The sign would remain up for about eight months until Akamai occupies the building, currently planned for November 1, 2019.

A suggestion was made to amend the motion with a timeframe.

***A motion approving the temporary building signage for Akamai at 145 Broadway, valid until November 1, 2019, carried unanimously.***

In response to Mr. Zevin, Mr. Tilford said that there has been interest in the first-floor retail component. There was a discussion about possibilities and the timing of the leases as well as the increased activity expected in that area.

#### **5. Presentation: Cambridge Workforce Development UMass Research**

Mr. Evans said that this agenda item is being postponed. The City requested a further review of the data that was to be presented.

The Board also approved a request by Mr. Evans to move agenda item #8 forward since the presenters for agenda item #6 were en route.

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

### **Motion: Authorizing the Executive Director to enter into a professional service contracts with the NonProfit Center and Artisan's Asylum to provide consulting advice to the Cambridge Redevelopment Authority and future operational service work to the Foundry Consortium**

Ms. Schwarz distributed an updated memorandum that summarized the process that CRA staff and Lemelson-MIT (representing the Foundry Consortium) used to decide on the recommendation for consulting services for property management during the design and construction phase. The memo states the reasons for the choice and the list of places where the RFP was advertised. There was a walk-through of the property in January. Seven entities inquired about the project, three responded, and there were three interviews. Since two of the three interviewees had unique expertise which would benefit the process, it was agreed that contracts should be offered to both entities to leverage those strengths.

Third Sector New England (TSNE Mission Works) has a division called the Nonprofit Center which handles their property management. The Nonprofit Center is also the property manager of the new Link space on the eighth floor of 255 Main Street. The Artisan Asylum runs the successful makerspace building in Somerville. Her memo stated the qualifications for both entities, which are complementary to each other.

The RFP was divided into choosing an entity for consulting services during the design/construction phase and managing the building once it is operational. At this time, however, there are unknowns still to be formalized before the management portion can be offered. The recommendation is to scope contracts with each entity based on their expertise for the design/construction phase only.

In response to Ms. Drury, Ms. Schwarz confirmed that TSNE does not work with makerspaces. There was a discussion of the two entities. Ms. Schwarz noted that both groups have the mindset of building connections and networking. In response to Ms. Born, the two groups have not worked with each other but are excited to do so. In response to Ms. Born, Mr. Evans confirmed that the Artisan Asylum was involved with the Friends of Foundry, who responded to the first Foundry RFP.

In response to Ms. Born, Mr. Evans explained that a feasibility study occurred before the schematic design. The design of the addition is still in flux with respect to the schematic design and discussions with the Historical Commission staff. Approval is needed from the Historical Commission (hopefully happening this summer) and the Planning Board. An early June community meeting regarding the new design is anticipated. The design would be brought to a number of different venues as well.

### ***A motion authorizing the Executive Director to enter into professional service contracts with TSNE's NonProfit Center and with the Artisan's Asylum to provide property management consulting advice to the Cambridge Redevelopment Authority and the Foundry Consortium carried unanimously.***

The regular order of business resumed with agenda item #6.

## **6. Presentation: Boston Properties 2019 Plaza and Roof Garden Program Plan (Mr. Peralta)**

Mr. Peralta introduced Laura Sesody, from Boston Properties. Ms. Sesody discussed programming plans for Kendall Center but explained that since her coordinator left the position, some programs are in flux. Another presentation will be provided when a new coordinator is on board. The presentation contained the 2018 stats and 2019 goals. BXP hopes to maintain programming, especially the farmers market, during construction. Ms. Sesody was hopeful that construction would cease during the lunch hour and end before the evening events begin. Proposal for adding artwork to the new parklets on Ames Street near Legal Sea Foods and Mead Hall, will come to the CRA Board in the future. The Monday market was not very successful last year for various reasons. Until construction is completed, interested parties will be folded into the Wednesday market. BXP will continue to support the Green City Growers program at 3<sup>rd</sup> & Binney space. Social channels are used to promote the programs.

Mr. Zevin said that construction can be a spectator sport and urged the use of informative construction fencing and viewing holes. He suggested explanations of the process and statistics on the progress. There will be a camera on the top of the Marriott. Ms. Born suggested advertising how to view the camera footage. There was a discussion about the farmer's market. Access to parking for this program is being explored. It is not sponsored; farmers pay the coordinator. Mr. Evans suggested stretching the market's hours since there is more housing in the area. Mr. Crawford suggested a mix of music in addition to jazz.

## **7. Update: 135 Broadway – Phase Two Residential Development**

Ms. Levering said that both Dave Stewart and George Needs, from Boston Properties (BXP), could not attend so Mike Tilford would be the BXP representative tonight. Mr. Tilford, from BXP, said that the 325 Main Street project is joined with the 135 Broadway project. At this time, there is no materially different information than what was provided at the last CRA Board meeting three weeks ago. He understands that housing is a priority. In response to Mr. Crawford, BXP is still weighing a full condo structure versus the zoning-mandated condo/rental ratio. Ms. Hoffman suggested that BXP look at the 303 Third Street condo/rental distribution.

## **9. Update: Margaret Fuller Neighborhood House Cooperation Agreement**

### **Motion: Authorizing the Executive Director to enter into a Cooperation Agreement with the Margaret Fuller Neighborhood House (MFNH) in order to implement a mission-driven development project on the property owned by MFNH at 71 Cherry Street in Cambridge**

Mike Tilford said that Laura Sesody joined the Margaret Fuller Neighborhood House (MFNH).

Ms. Schwarz said that the cooperation agreement language approved by the MFNH Board is included in the Board packet. The "Context" section on the first page explains why the CRA is involved in the project, which the CRA has been discussing for the past several months. The next section on page 2, "Goals" states the big picture goals at the top of the page followed by more specifics in items 'a' through 'e.' The motion set before the Board focuses on the next section "Obligations of Each Party During Feasibility Phase." The MFNH would develop a capital campaign plan to analyze how much money they could raise, targeting ten percent of the total project cost. The CRA would undertake a feasibility analysis in the very near term to identify design, cost, and financing for the project to include developing housing on the lot in the back, improving the child care and pantry, and improving the historic home and office space that they currently occupy. The section "Potential Structures to be Considered during Feasibility Phase" anticipates potential situations while protecting both parties. For example, it considers MFNH selling the parking lot to make the project work, as well as not selling it. The section "Obligations after Completion of the Feasibility Analysis" contains wording for a possible scenario where the CRA allocates resources for a feasibility analysis but the MFNH decides not to pursue the project. In this case, 50% of the soft costs spent on consultants would get wrapped into the line of credit already approved for the MFNH. At the end of the agreement, the section "Additional Obligations of Each Party" lists other items ensuring that this is a partnership.

In the back of the agreement there is a zoning analysis that Ms. Levering had done. Ms. Schwarz said that the page "Staff Vision" was an internal MFNH document which no longer needed to be referenced so it can be ignored. The page at the end lists potential financing sources for the project that fund childcare centers or facilities that serve low-income people. An anticipated timeline is also included. If the motion passes, the feasibility analysis would start immediately.

Mr. Tilford thanked the CRA board on behalf of the MFNH for the support and creativity of the CRA Board and staff. The MFNH has run six community meetings. Moderate scale housing that helps the MFNH has been well received. Affordable housing would need to be studied within the feasibility analysis since income is needed to help the MFNH. A moderate scale affordable housing project doesn't have the same funding sources as a 20-to-60-unit affordable housing project. Various scenarios will be tested.

Mr. Bator noted that the word "failure" in the 2<sup>nd</sup> sentence of item 5c was missing. It should read, "In the event of a CRA failure to perform...."

In response to Ms. Drury, Mr. Tilford confirmed that the MFNH would prefer to retain ownership of the parking lot rather than having it be sold to a developer but that this would be somewhat dependent on the success of the capital campaign. Fundraising for a tangible capital upgrade to a house is easier than fundraising for nonprofit operations. MFNH would like to retire the debt on the house and emerge with an income producing asset that could support operations. Mr. Evans noted that the building can't go beyond four stories.

Mr. Zevin noted that the first few goals implicitly assume that everything stays where it is programmatically but this might not be wise. Rehabbing the old house might not be the best way to get a better daycare center. Mr. Evans said that the feasibility study will look at all options. Mr. Zevin said that given the move in City Council to pass the overlay district, this would be an interesting site on which to test the proposed new height and density parameters. The site is relatively unencumbered being on the corner and next to a park. Mr. Evans agreed that the feasibility study should look at this. There was a discussion of zoning and inclusionary concepts.

In response to Ms. Born, Mr. Tilford said that a majority of the MFNH Board is supportive. In response to Mr. Bator's concern about any potential volatility of the MFNH Board makeup with respect to its support for this project, Mr. Tilford felt that changes to the MFNH Board should not negatively affect the project. In response to Ms. Born, Mr. Tilford explained the significant community outreach process. There have been active discussions and the MFNH has not heard any major objections. Mr. Evans added that offers have been made to discuss the project with the City Administration and each City Councilor. He added that the City is supportive. In response to Ms. Born, Mr. Evans said that the agreement has been vetted by the CRA's attorney. They have also looked at the loan agreement and the closing documents related to that. After the feasibility stage, a Housing and Community Improvement Plan needs to be developed to include loan such as this and similar projects.

Ms. Born is supportive of this project but, as a responsible Board member, she said that the CRA needs to protect itself if the economy goes bad. Mr. Evans said that the liability for MFNH is capped at \$50,000. He estimates the cost of getting through the feasibility study to be between \$100- \$120K. Ms. Born said that the \$200,000 line of credit might already have been drawn so there needs to be a change in the loan agreement or the line of credit for the possible \$50,000 in soft costs if the relationship ends. Mr. Evans said that after the feasibility study, a development deal would be drafted to move forward. Ms. Schwarz noted that item #9 states that both Boards need to approve moving forward. Ms. Born would not want to put the CRA in a position of trying to collect \$50,000 from an organization that doesn't have it. Mr. Evans said that the amount withdrawn against the line of credit comes back to the CRA if the development is sold to another entity. Mr. Evans noted that the CRA has not closed on the line of credit so that could change. He noted that the Forward Fund offers up to \$20,000 in funds for feasibility studies with no conditions.

Mr. Bator would agree to amend the motion to allow the Executive Director to come back to the Board for any necessary amendment. Ms. Born suggested that Mr. Evans contact counsel for added language but didn't want to delay the process. Mr. Evans said that the MFNH Board approved the current agreement and they don't meet again until the last Thursday in April. Mr. Evans would like to start a procurement process via an RFQ next week for a design team to do a feasibility study. While that is happening, wording with counsel can be discussed. No soft cost expenses are expected for a month. Mr. Tilford said that the MFNH is doing better and doesn't expect a draw-down on the line of credit for operations until Q3. Mr. Evans suggested modifying the motion to instruct the CRA to hold \$50,000 of the line of credit and come back to the Board if that amount is needed. This would not require a change to the agreement. Other suggestions were made.

**A motion authorizing the Executive Director to enter into a Cooperation Agreement with the Margaret Fuller Neighborhood House (MFNH) in order to implement a mission-driven development project on the property owned by MFNH at 71 Cherry Street in Cambridge was moved and seconded.**

A roll call was taken.

Mr. Zevin – yes

Mr. Crawford – yes

Ms. Born – yes

Ms. Drury – yes

Mr. Bator - yes

**The motion carried unanimously.**

## **10. Report: Morgan Stanley Investment Account Annual Update**

Ms. Shore said that as part of the CRA Investment Policy, our investment advisors are asked to report to the Board on an annual basis. David Javaheri, from Morgan Stanley (MS), is here this month and Cambridge Trust representatives will be attending the May Board meeting.

Mr. Javaheri said that there are two items in the packet – an executive summary and a performance report. He started with a quick update of the recent changes at MS as it relates to the CRA. Over the course of 18 months, MS decided to extend a legal review of general laws across the country and thus have changed the guidelines by which they do business with government entities. As a result, there are many government entities which are no longer MS clients. Upgraded services are provided to the remaining clients. Three things have been implemented. The assets are no longer held by MS but rather by a third-party custodian, US Bank. US Bank is on the Mass list of Massachusetts authorized depositories and do monthly reporting and act as a vessel for many communities in Massachusetts, including Cambridge. A continued monitoring of the CRA investment policy will be done by Clearwater Analytics. In the past three months, the market improvements caused the percentage of equity in the CRA portfolio to increase to 33% which was noted as being 3% higher than what is stated in the CRA policy. There will be ongoing MGL monitoring and review.

In response to Ms. Born, Mr. Javaheri said that if a compliance violation is received, the investment policy would determine what to do. The policy would need to state the course of action if equities declined to some low level. Mr. Javaheri monitors and acts accordingly. He would call the Executive Director if things got really out of balance.

Mr. Javaheri said that the executive summary is dated 1/31/19 because this was the last performance data before transferring to US Bank. Mr. Javaheri noted the projected dividends and interest is the expected income without touching principal. He emphasized the robust and strict research team who use ESG screens to analyze the 32 companies which comprise the 33% equity in the CRA portfolio. He expects some changes soon and will send around a research report justifying the changes. The other 67% fixed income portion is mostly government agencies, World Bank, and a select few corporations. He noted that virtually all of the money is due within the next three years to keep the yield as high as possible and not be exposed to interest rate risk. Money comes due regularly to be redeployed or reinvested.

Regarding the weighted performance summary page, the third column notes the position of the last 12 months. The return percentage is 3.3%. The following lines show that the active management of the equities is working. The bonds are paying 2-2.5%. The principal risk is low.

Mr. Crawford started a discussion about ESG screening and risk of climate change screening. The ESG has more volatility than blue chip entities. Mr. Javaheri said that given the policy and the conservative nature of the portfolio, a 3% target projection is a realistic expectation. A performance report is being developed that integrates US Bank reporting. The fee structure slightly decreased from 50 to 46 basis points.

Mr. Javaheri said that the OPEB account is not able to remain with Morgan Stanley so it needs to move. Mr. Evans explained that a meeting to open a new OPEB Trust account requires the CRA OPEB Board to notice a public meeting. It cannot be part of the regular CRA Board meeting. It will be a short meeting.

In response to Mr. Bator, Mr. Javaheri would not recommend rebalancing the equities at this time just to get it back to 30%. A rebalance might be needed if it gets to 35-40%. Mr. Javaheri noted that if the organization's needs

are modest, he wouldn't suggest increasing the risk. If the Board wanted to increase the percentage, a stress test should be done to understand the Board's reaction to a potential major market value decrease.

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

Due to the time and the need to go into executive session, Mr. Evans highlighted two items on the staff report. A copy of the Transport Kendall report was distributed to the meeting attendees. Mr. Evans said that this is a project that the CRA managed on behalf of a group of nine companies, including the CRA, who each contributed money to put this document together. This is a report of all the transportation priorities that came out of the Kendall Square Mobility Task Force. The City is funding the printing costs. CRA staff did a lot of work on this to push forward an increase transit investment.

The other item is a new program at 3<sup>rd</sup> & Binney. Mr. Peralta said that due to the success of its Christmas tree market last December on the site, Little Brook Farm and Garden has requested use of the site for a weekend farmers market May 4 through the end of October, from 10-3pm. There would not be any prepared food. Mr. Peralta is working with the charter school that is involved with the Green City Growers project to see if they want to sell their produce at the market. Mr. Evans said that this is a youth development program and, as such, no fee will be charged.

Mr. Evans said that Ms. Levering will be taking the role as project manager of the Kendall Square Urban Renewal design review process and Infill Development Concept Plan implementation. The description of the new project planner position has been completed and will be posted next week.

With regards to the quarterly financial report, Mr. Evans said that the much of the work is staff and consulting work. The expenses for redevelopment have not occurred yet. There are a few budget items that need to be re-aligned in May, which is earlier than expected mainly due to the archiving project and the results of the topic being discussed tonight in executive session. In response to Mr. Crawford, Ms. Shore explained that the check for snow removal was processed in the beginning of April which doesn't show up in the Q1 report.

**A motion was made for the Board to convene in executive session 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 has concluded all of the business set forth on the regular agenda by this time so it will not reconvene in open session thereafter.**

**A roll call was taken.**

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

The regular Board meeting was adjourned and the Board moved into executive session at 8:20 p.m.