



Regular Board Meeting
Cambridge Redevelopment Authority

Wednesday, November 15, 2017, 5:30pm
Robert Healy Public Safety Center / Cambridge Police Station / Community Room
125 Sixth Street, Cambridge, MA

APPROVED Meeting Minutes

Call

Chair Kathleen Born called the meeting at 5:36 PM. Other Board members present were Vice Chair Margaret Drury, Treasurer Christopher Bator and Assistant Secretary Barry Zevin. Assistant Treasurer Conrad Crawford was absent. Executive Director Tom Evans and other CRA staff members were also present.

The meeting is being recorded by the CRA and John Hawkinson.

Public Comment

No one requested to speak at this time.

The motion to close public comment carried unanimously.

Minutes

1. Motion: To accept the minutes of the Regular Meeting of the Board October 18, 2017

There were no comments made.

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

Communications

There were no communications.

Reports, Motions, and Discussion Items

2. Update: 88 Ames Street Retail Space

Mr. Evans introduced Mr. David Stewart from Boston Properties (BP) who gave an update on the retail component of the project. As mentioned in his last presentation to the Board, there are three retailers for the space. He said that Cava Grill is the Mediterranean grill restaurant. Bank of America (BoA) is the financial institution and will be taking the entire second floor as well as a small portion of the ground floor space. The third retailer is a coffee shop, whose name is not ready to be announced. Representatives from BoA were in attendance as there are some changes to the space that are being proposed tonight.

The project is on track to open the building in June of 2018. The building was topped off today. BP intends to get the building closed-in before bad weather hits and to start the interior construction. They are finalizing the retail deals for July occupancy with vendor build-outs. Openings of the spaces would depend on the complexity of the build-outs.

Mr. Stewart said that representatives from BoA will talk about their intentions for the space and the services that will benefit the community. He added that BP is not adding a new banking space as this space is a relocation of their Main Street space that MIT is redeveloping. Matthew Haringa, the Cambridge market manager for BoA, said that there are 11 financial centers. He spoke about the evolution of the bank in Kendall Square. The current space on Main Street is a restricted space. The new larger location provides space for specialists from their eight lines of business, a small business center and a seminar space. On a monthly basis, he said that the Kendall Square BoA services 2500-3000 business clients, including 300 small businesses, and about 10,000 ATM visits. He also discussed the various charitable ways they support the general area.

Ms. Julie Reker, from Gensler Architects, discussed the space layout, via a PowerPoint presentation. The main issue is designing for a successful second floor presence while minimizing the ground floor of a banking center which simply provides the convenience of an 24/7 ATM and directs traffic to the extensive second floor banking center. The yellow area on the map shows the double door entrance to the two ATMs and night-drop vestibule area. This area leads to the orange area which is the stairway and elevator access to the upstairs. The width of the frontage entrance was reduced to be in line with the neighboring retail spaces. In red are the BoA private employee spaces, the traditional banking center, and a seminar room. In blue is the Merrill Lynch (ML) business which is new to the Kendall Square branch in response to the growth of technology businesses in the area. One can walk from one area to the other. There are also shared areas for both businesses. She said that there is a door into the garage for residents and after-hours access for ML customers. She noted that the edges of the floor were kept open. With respect to signage, she showed a rendered view of the BoA entrance. In keeping with other BP signage methodology, there is a small awning with a horizontal band overhead, and two vertical banners at the second floor level on either side of the entrance. There will also be illuminated signage on the ceiling of the second floor which will be seen from the street. She proposed a series of interior screens positioned along the top of the second floor windows of the Merrill Lynch corner conference room that can be seen from Main Street. These monitors would have changing content such as the time and weather. They could also display the BoA or ML logos or could have varying Cambridge scenes. At the other end of the space in the banking center, in a less prominent area and positioned further back from the window, would be another LCD screen that can be seen from the outside and would also have rotating content.

Ms. Drury liked the ceiling signs. There was a discussion about the position of the screens. In response to Mr. Zevin's concern regarding the potential flickering reflective annoyance of changing content at night, Ms. Reker said that the timing and dimming of the screens can be addressed. BoA is open from 9-4 on weekdays with reduced hours on Saturdays. ML has the option to meet with clients during off-hours since appointments are based on customer availability. ML offers two platform services - individual wealth and retail banking. In response to Mr. Bator, Ms. Reker said that they would like the bowl and the flag to be lit as much as possible without negatively affecting the residents. Mr. Zevin said that the banners make sense but they have the potential to brand the entire building. Mr. Stewart reminded the group that the original idea was to have banners everywhere but reducing it to the portal area is logical. Although the double height entrance is nice, Mr. Zevin was dismayed that a brand-new floor had to be demolished. Mr. Stewart said that there is other work needed and that this construction and reconstruction was unfortunately the nature of retail business. Ms. Drury said that the vertical banners make sense but they compete with the beautiful entrance to the building. Mr. Zevin noted that the entrance color should be more saturated than depicted in the slide which was confirmed by Mr. Stewart. The other retailers were not given the option for vertical banners. Mr. Evans said that an approval is not an action for tonight's meeting but it is helpful to have a finding of consistency of the retail use with the development plan, knowing that signage will come later. Mr. Bator said that he would like to see an updated rendering with truer colors. Ms. Reker said that there are no ML specific banners and that, unknown to many, the blue in the vertical banners represents ML. Ms. Born started a discussion regarding the content visibility on the screens and the need for banners when everyone has cellphones. The ability to actually see the ceiling signage was also discussed. Ms. Born emphasized that she and the Board appreciate that the frontage was minimized.

Mr. Evans said that the signage component will come back to the CRA Board. It also needs to go to the Planning Board for a use change.

Ms. Born opened the discussion to the public. In response to Mr. John Hawkinson, Mr. Stewart said that the signage for the residential component (Proto) would be minimal and does not include banners. There will be a three-faced canopy saying Proto and a decal on the glass that says 88 Ames Street.

Ms. Heather Hoffman said that the signage is humongous overkill and she is tempted to file a zoning petition to remove the MXD district's exemption from Article 7. The ceiling "signage" has some merit as it's different.

The sense of the Board was understood. No action was needed.

3. Presentation: Marriott Antennae Installation

Motion: To approve the installation of an FM Antennae alongside the mechanical penthouse of the Marriot Hotel Building at 50 Broadway, Kendall Square Urban Renewal Area Parcel Four

Mr. Evans explained that antennas and communication devices are allowed in the MXD district but without a CRA specific design approval policy, these requests are being brought to the Board on a case-by-case basis. Mr. Michael O'Hearn from Boston Properties gave a PowerPoint presentation. He explained that Salem Media Group requested approval to place an antenna on the top of the Marriott for rebroadcasting their radio signal. The location will be on top of the existing cooling tower's screened wall. It will not be easily seen from the street but may be seen further back in the neighborhoods. He showed a picture of the antenna and the new range. Mr. Zevin asked for BP to investigate the need for a new aircraft beacon. Mr. Zevin requested that the broken "R" be fixed while the workers are up there. This is the first antenna on the building. Mr. O'Hearn could not confirm from where the antenna was being moved.

Mr. Hawkinson suggested that future taller buildings will affect the performance. He noted that the dimensions given in the documentation add up to 14 feet. He also assumes that the coloring is exactly as depicted in the presentation as opposed to a red-white alternating pattern, similar to the antenna on East Gate.

The motion to approve the installation of an FM Antennae alongside the mechanical penthouse of the Marriot Hotel Building at 50 Broadway, Kendall Square Urban Renewal Area Parcel Four was seconded and carried unanimously.

4. Update: Foundry Redevelopment Project

Mr. Evans noted that the Board will go into Executive Session later tonight to discuss an amendment to the lease with the City. Dramatic changes are not being proposed. A key component of the process is the Cooperation Agreement which defines the responsibilities and money aspects of the process. He hopes to get resolution quickly on a number of items so that the lease is amended before the CRA issues an RFP for an operator. The CRA issued an RFI in August and received over a dozen responses to the September deadline. Now staff is interviewing these respondents. There have been lots of thoughtful feedback from the arts, workforce development, and STEAM education components. However, none of respondents, so far, can do everything that is needed and they acknowledge the need to seek out others to do it all. One of the suggestions received was that the operator not be in charge of any one of the programs but should oversee all the elements. Staff is writing an RFP that sets up a team approach.

Once drafted, the RFP will need to be reviewed by the City. The initial goal was to release the RFP in December which might not occur. The RFQ for the designer closed last Thursday with an overwhelming amount of responses. Mr. Evans said that this will not be an easy choice. The goal is to conduct joint interviews with the City before end of this year.

In the interim, the City is using the Foundry building for construction staging for the building next door, for a temporary location for the carpentry unit of DPW, and the police and fire departments are using it for emergency exercises, and as a staging site for Puerto Rico disaster relief supply shipment.

There might be a need for a special meeting to approve the lease before the December 20 Board meeting.

5. Discussion: 2018 Forward Fund

Ms. Born mentioned the uplifting event at the Cambridge Community Center, a CRA Forward Fund recipient, which celebrated their facility's newly constructed media lab.

Mr. Carlos Peralta gave a PowerPoint presentation on the status of the 2017 Forward Fund. This year, the Board approved \$125,000 for projects. Mr. Peralta showed a map with the locations of the nine recipients selected by the committee which included Mr. Peralta and City staff members. Over 24 projects have been awarded since the program started in 2015. There has been an effort to grant these monies to areas other than Kendall Square. In 2017, there were two grants types - civic experimentation (CE) and community infrastructure (CI). The nonprofit communities seem to know about the CI grant. For reasons unknown, there seems to be less awareness or interest in the CE grant. Mr. Peralta showed slides and gave a status summary of each of recipients. Four of the nine projects are completed – Moses Youth Center Vertical Garden (Carolyn L. Arts), Fort Agassiz Annex (Agassiz Baldwin Community), Cambridge Street Beautification (East Cambridge Business Association), Building Modernization Project Cambridge Community Center. The other five projects are still in progress - Tunnel of Light (Friends of the Greenway, Inc.), Wayfinders – Connecting 2 the Innovation Economy (Innovators for Purpose), Suitsculptures (ROLO), ROLO, Building Pillar 1: Child & Teen Services (Margaret Fuller Neighborhood House), Port Kiosk (Community Art Center). Although the deadline for completion is April 2018, Mr. Peralta expects that some organizations will ask for extensions due to various circumstances.

Mr. Peralta then discussed the lessons learned regarding the project. The marketing for this program needs to be expanded, especially to small business associations. Many organizations need more time to complete their projects. Some organization require more CRA staff time in their planning. The application process needs to be appropriate to the size of the project so that smaller grants and projects have a simpler process. Larger grants don't always determine the most impactful project. Creating deadlines for non-profits does not make them work faster or create a better project.

Mr. Peralta asked the Board for feedback regarding the future for the Forward Fund. There was a discussion about some ideas and changes. Mr. Bator said that he is pleased to hear that the Forward Fund is a known opportunity for capital improvements in the nonprofit sector. However, when creating another aspect to expand the program, he doesn't want it to be driven by a public arts program. He is okay with increasing staff or paying to use other resources. In response to Ms. Drury, Mr. Evans said that the Forward Fund Planning Grant was dropped to focus on implementing projects. However, there could be a combination of the two aspects to avoid a full second application process. Mr. Peralta suggested starting a public realm program on CRA owned property to prove a concept and then move out of the MXD. Mr. Bator said this is Kendall-centric. Ms. Born said that it's okay to give back to the location where the money has been generated. Mr. Bator feels strongly about the humanitarian aspect. Ms. Drury would welcome opportunities, like the media lab renovations, that connect kids outside of the Kendall "bubble." In response to Ms. Drury, Mr. Evans said that the wording on the City's Percent for Art program is vague. Mr. Evans added that there are also public realm construction projects done by others that do not trigger the art program. Ms. Born said that there is room for public art in the Forward Fund. There was a discussion about the Arts Council process. Mr. Peralta said that he wants to research similar City programs, meet with the Non-Profit Coalition, and the Small Business Association to inform them of the program, as well as analyze some of the takeaways from the conferences that he and Mr. Zogg attended this year. Mr. Zevin suggested investigating parcels where the CRA could help with a small monetary intervention to jumpstart a stalled rehab project. Mr. Bator suggested filling in the money gap when CDBG funds can't provide money for planning in the affordable housing world.

6. Discussion: Future CRA Economic Development Programs

- **Small Business / Retail Loan Fund**
- **Workforce Development / Kendall Job Connection Program**

Mr. Evans said that this is another topic about potential economic development programs that the CRA might want to investigate further. He had hoped to write two documents but only got to the first one.

Staff has been looking into whether the CRA should do some local investments through a lending program. Mr. Evans did some research regarding small business loans with a focus on retail opportunities. The City also released a report from a consultant hired to do an analysis study of the retail environment in Cambridge. The general conclusion of the report is that Cambridge is in a good position with respect to retail but there are some procedural challenges to sustaining a retail business in Cambridge. The report mentioned the need to improve access to capital. The City has a successful grant program through CDGB funds but there are limits since the funds are for small dollar amounts, have geographic limits, and are mostly for façade improvements. The CD runs a small business assistance program that helps with marketing and technical assistance, also funded by CDBG, but in order to get access to these funds, a business needs an accessible store-front. The City now has a universal access program.

Mr. Evans said that there are different structures for retail loan programs around the country with most of them having bank partnerships. Mr. Evans said that a loan program takes a lot of work and for a longer period of time than a grant program. He has spoken to banks for potential partnerships and has come up with three different structures. The first is a fee for service structure where the CRA could hire bank services to loan CRA money. However, a bank needs to follow their own rules which aren't necessarily CRA rules for lending. That being said, LISC does something similar with their Northeastern program, although LISC isn't a bank. Another concept would be if CRA money were used like a second mortgage so that the entity seeking a loan can get to the 20-35% down payment barrier to get a bank loan. A third model would be for the CRA to act as a cosigner to a bank loan.

This concept would function as an investment program with risk. There seems to be an interest from local financial organizations to continue the conversation but it will take a lot of work to create such a program. There could also be a consortium of local banks that might want to help. Mr. Bator suggested contacting Capital One. He also suggested that the Board be approached if personnel capacity is a barrier. Mr. Evans said that in addition to the "capacity" question, he would like the Board to address the "direction" question. Mr. Evans said that answers to the questions at the end of his memo will help staff create the right program. Ms. Born noted that the program could have a physical goal of making better places, better retail corridors, improving neighborhoods, or adding life to degraded storefronts. The program could alternatively have a social goal by enabling individuals to be successful at building businesses. Mr. Evans said that Cambridge doesn't need to fill retail spaces because the retail vacancy is about 5% which is normal turnover. The focus should be on new startups or preservation of existing businesses by giving small businesses a one-time access to capital. There was a discussion of various retail areas. Ms. Born said that the retail entity should either serve the everyday needs of the community or attract other people to shop at neighboring establishments. Mr. Evans said that rather than targeting a geographic area, the focus could target a specific type of investment such as fire protection or energy conservation. Ms. Kathryn Madden said that supporting and sustaining business as the surrounding community changes is a need. She added that investing in the façade and infrastructure benefits the property owner not necessarily the business itself. Mr. Evans said that it is easier to target the retention of existing businesses rather than the development of new businesses since there would not be an issue with permitting. Mr. Evans explained that the CRA would seek a community reinvestment banking partner to screen the loan requests. Mr. Bator said that the CRA would be expanding the universe that would have access to small business loans. Ms. Drury suggested having a goal of making places livable and walkable. Mr. Evans suggested a scoring system for requests before they move to the finance institution. Mr. Evans said that this is not something that can be done instantly but asked the Board for ideas on the scoring.

Mr. Evans changed the subject to the status of the workforce development front. Staff is researching where there are gaps in City and State programs in the nonprofit center where the CRA could make an impact. This issue is very Kendall focused. Rather than waiting for the Foundry, the CRA is looking at this now. This also came up in the Volpe discussions. After speaking with the City Human Services Department and KSA leadership, there is a bridge to be built between City programs, the employment base of Kendall Square, and a real interest of businesses to find better connections with the local neighborhood. Mr. Evans would like to invest in consulting and neighborhood outreach to understand the relationship between the entry

points into Kendall Square businesses and a job training program. This has been discussed with Just-A-Start (JAS) who has recently expanded their biomedical career program. Ms. Madden said that the Kendall Square businesses that are doing the hiring don't have time to find the programs. Mr. Evans said that the KSA does not have financial resources to make this happen. Mr. Evans suggested that the CRA seed fund this program. Mr. Bator suggested these businesses connect with the high schools. There was a discussion on that topic. Mr. Evans noted that that many of the high school students are in a better situation than many adults, including the Just-A-Start target community that needed to be reskilled.

The Board agreed that this effort should be investigated more by the CRA.

7. Discussion: 2018 Budget

Mr. Evans said that there are four main budget categories. The draft budget shows two years of actual income/expenses against the respective year's budget. The middle two columns are also in the monthly financial report. The bright yellow is a draft budget proposal for 2018.

The year 2017 was a good year for the CRA regarding revenue. The main revenue in 2018, assumes that 88 Ames Street will reach occupancy which triggers ten years of annual funding of \$431,000 from Boston Properties. The other 2018 revenue is a \$255,000 grant from the Community Preservation Act which would be used towards the external façade renovation work at 105 Windsor Street. It is undecided if the exterior work will be done immediately or wait until the interior is designed so that all the work could be done together. The former approach is more likely. The money might be released through a reimbursement grant. Due to Veolia tearing up the Grand Junction Park, the CRA expects to be reimbursed for the work needed to repair the property. A small source of income will be generated from the food truck rental program. There will be less land access fees in 2018 as the use of the Sixth Street Walkway will not be allowed for construction staging since there will be a new bike path and a better park space will be created. A substantial amount of income will be generated from dividends and interest from the investments with Morgan Stanley and Cambridge Trust. The Ames Street project and the investment income can sustain the CRA's basic operating expenses.

Mr. Evans then spoke about the expenses. Personnel expenses have grown over the years. Last year, the CRA did not reach the 2017 budgeted employment amount since it took longer than expected to hire a new planner. The Cambridge Retirement System (CRS) amount is an estimate since its calculation is based on the CRA's percentage of personnel increase, the age of the participants, and a relation to the percentage of CRA personnel to the overall number of total CRS participants. Office expenses are a significant part of the overall expenses due to rent. This is the last year of the lease in the current office space. The lease has had a one percent escalation every year. The hope is for rent to decrease in the future so the office space for 2018 will be higher than following years. A new updated VOIP phone system might be purchased and tied into the move. The largest variables in the budget are the expenses for professional services which depend on the planned projects. Most of the professional expenses for 2017 have been legal fees with the Foundry and transportation planning for the Binney Streetscape design work. There will be an ongoing transportation planning responsibility through the MEPA obligation to do a traffic report which is being defined with the City. Staff has finally written a scope for hiring an archivist which will hopefully help limit the amount of papers that need to be moved and stored. The planning and policy line item is for a consultant to help create some of the economic development programs discussed tonight. There might also be a need for hiring a real estate finance consultant to evaluate other properties within the City. The legal expenses are optimistically expected to be less once the Foundry documents are finalized. There is a desire to design a plan for the public realm "mock up area" by coordinating multiple property owners on Parcel 3 of the Kendall Square Urban Renewal Area. On Windsor Street, there is a need for some engineering design consultation for specs on the façade renovation since CPA funds cannot be used for design work. In addition, an owner's rep might be hired to help manage the contractor's work on behalf of the CRA.

In the last category of redevelopment investments, the number will change from \$210,000 to \$255,000 for the Windsor Street renovation since none of this money can be used for design. The Forward Fund amount is a place holder. The \$2 million dollar payment to the City for the soft costs for the Foundry is scheduled to occur in September when the City appropriates the rest of the capital.

A fully flushed out budget will come back to the Board for approval in December.

8. Update: Monthly Staff Report

Mr. Evans added pictures to the staff report to make it more interesting.

The CRA audit is dependent on the audit of the Cambridge Retirement System (CRS). Unless the CRA changes its fiscal year to match that of the CRS, this 11-month time delay will be the norm. There is the option to change the fiscal year. Mr. Evans noted that the CRA posts financial reports on a monthly basis. A consulting company, Achieve Mission, was hired to help define personnel organizational structure so there is a clear succession plan for all levels. All staff members have enrolled in the Gallup Strength Finder program and evaluation.

Parcel 6 had a wonderful My Totem unveiling celebratory event with the Community Arts Center and their students. Unfortunately, the Christmas tree vendor fell through. Mr. Peralta may be able to extend the food truck season if the weather holds out. The staff report showed a picture of the trench that was carved through the Grand Junction Park by Veolia. The one benefit of the work will be a slightly larger park because the fence will be moved closer to the property line. There have been lots of conversations about the path and the transit corridor. There is a growing coalition in the City and with regional partners to ensure that the path continues from Somerville to Boston. The CRA is working on finalizing the Just-A-Start loan which will hopefully be done by December. Regarding 105 Windsor Street, there is interest in moving forward with the exterior renovations. There have also been conversations with the Port Leaders, primarily Margaret Fuller House, Tutoring Plus, and the Community Arts Center, about helping them with a community planning process to decide what to do. Mr. Evans expects the Broad to come back to the Board in December to discuss some revised plans for their DNatrium on Main Street. The 25% design documents for the Binney streetscape design are in first draft. The goal is to give this to Boston Properties by the end of the year in order for them to complete the design which will then allow them to occupy the Akamai building. Boston Properties will soon be making a substantial investment in the Sixth Street Walkway area so construction staging will no longer be allowed in this area. Boston Properties is producing 75% design documents. The lighting plan is being reevaluated since new light poles and bases could negatively affect the trees roots. The Walkway would most likely need to be closed when the new bike path is installed so construction might wait until Ames Street is opened up. Boston Properties will be coming to the Board for temporary signage for a leasing center at 90 Broadway.

Since public discussion of the Foundry lease real estate negotiations is disadvantageous in an open setting, the Board will now vote to go into executive session. A motion was made and seconded to convene in executive session for the purpose of discussing revisions to the 50-year lease of the Foundry Building at 101 Rogers Street from the City of Cambridge, to facilitate the redevelopment of the Foundry building through the Foundry Demonstration Project Plan. The Board has concluded all of the business set forth on the regular agenda so the Board will not reconvene in open session thereafter.

A role call was taken.

Mr. Zevin –yes

Ms. Born – yes

Ms. Drury – yes

Mr. Bator – yes

Mr. Crawford was absent.

Before anyone left, Mr. Evans said that a current Board member has a meeting conflict on the third Wednesday of every month. Five years ago, it was decided that the third Wednesday wouldn't conflict with the East Cambridge Planning Team's second and fourth Wednesday of the month meetings. The first Wednesday might be possible if the room is available. The Board will discuss this more at the next meeting. The Board did not want to change the time of the meeting.

The Board went into executive session at 9:06pm.