



Strategic Plan Excerpt - DRAFT

February 15, 2023

AGENDA

1. Overview of Strategic Plan
2. Financial Considerations
3. External Activities and Projects
4. Internal Operations
5. Learning and Engagement
6. Next Steps



Dance class at the Foundry

UPDATE ON PROGRESS OF STRATEGIC PLAN

- 1.0 INTRODUCTION**.....
- 2.0 VISION**
 - Geography and Scale of Impact
 - Innovation and Growth.....
 - Stewardship
 - Engagement and Partnerships
 - Priority Topics of Interest.....
- 3.0 MISSION**.....
- 4.0 CONTEXT**.....
 - Urban Redevelopment Entities
 - CRA’s Evolving Identity
 - Current Issues and Opportunities
- 5.0 EXTERNAL ACTIVITIES**.....
 - Strategic Priorities 2022-2027.....
- 6.0 INTERNAL OPERATIONS**.....
- 7.0 FINANCIAL CONSIDERATIONS**.....
 - Financial Status
 - Planning Considerations
 - Long Term Strategic Financial Planning
- 8.0 LEARNING, GROWTH, AND ENGAGEMENT**
 - Partners, Stakeholders, and Constituencies
 - Strategic Advisory Group
 - Professional Development.....
- APPENDIX A. STRATEGIC PLAN PROCESS**
- APPENDIX B. CRA PROJECTS 2013-2022**.....
- APPENDIX C. CONTEXT OF CURRENT CAMBRIDGE TOPICS**

SCHEDULE		
Feb 2023	Board Meeting	Financial Considerations External Activities
Mar 2023	Board Meeting	Review Final
Mar 2023	SAG Meeting	Review Final

STRATEGIC PLAN TIMELINE 2021-2023

DISCOVERY

Identify partners and outreach processes; analyze recent projects and decision-making; identify staff goals, review organization structure; establish financial status and scenarios

PRIORITIES

Review strategic priorities; discuss Strategic Advisory Group, go/no go evaluation, and outreach; revise organization structure; draft preliminary findings and outline of plan

OUTREACH/ MISSION

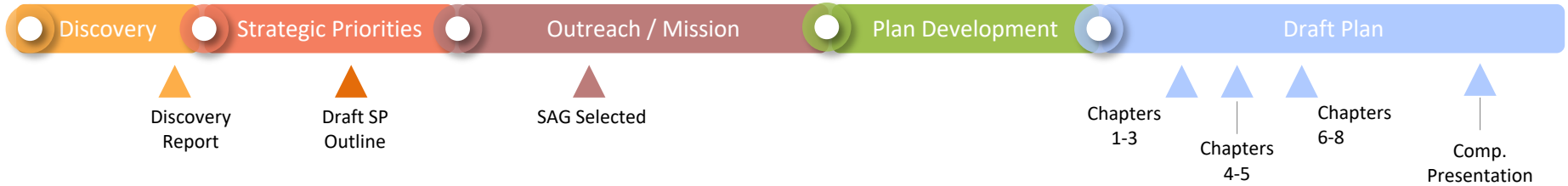
Establish Strategy Advisory Committee; workshops on Mission; discuss values and organization purpose

PLAN DEVELOPMENT

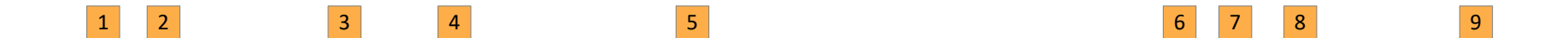
Coordinate with the SAG to review CRA activities and discuss external projects; focus on internal operations

DRAFT /FINAL PLAN

Finalize mission; engage SAG; establish project priorities; balance external, internal, financial, and outreach strategies; draft and discuss plan; finalize strategic plan



Board Meetings



SAG Meetings



Ongoing Coordination and Collaboration Among the Staff / City Coordination

2021

F | M | A | M | J | J | A | S | O | N | D

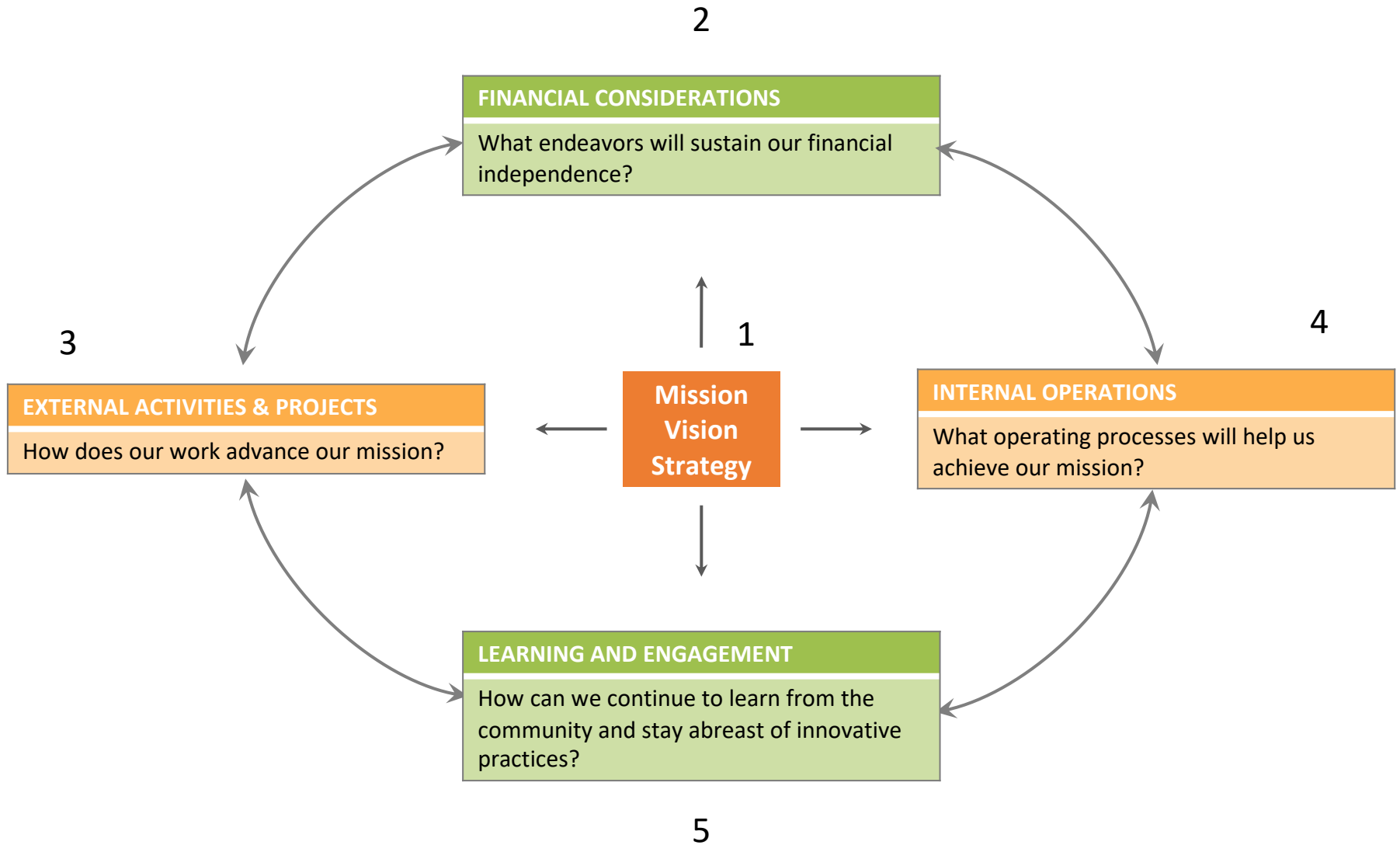
2022

J | F | M | A | M | J | J | A | S | O | N | D

2023

J | F | M

STRATEGIC PLAN FRAMEWORK



2023 MISSION

The Cambridge Redevelopment Authority is committed to implementing **creative development** projects and initiatives that promote **social equity** and **environmental sustainability**. As a **real estate** entity that works in the **public interest**, we offer distinctive public investment tools and a human dimension to our projects and **partnerships** throughout the city.



Bishop Allen Project Launch



Foundry Community Hall



Parcel 6 Improvements

2023 VISION

Diversity, Equity, and Inclusion

- Anti-racist
- Board and staff representation
- Outreach to underrepresented

Geography and Scale of Impact

- Pressing needs, where gaps exist citywide
- Partnerships to scale up impact
- Replicable models

Innovation and Growth

- Responsive and strategic
- From start-up to more mature organization
- Research, community relationships and needs

Engagement and Partnerships

- Quasi-public entity with autonomy
- Work with CDCs, non-profits, private developers, City, other public and quasi-public agencies
- Build trust through mission focus and commitment to equity and transparency



Margaret Fuller Pantry

2023 VISION

Stewardship: Long Term Obligations

- Responsible authority for KSURP and its agreements and mitigation plans
- Foundry long-term lease and oversight of operations
- Bishop Allen ownership and property management
- Employee retirement obligations

CRA Existing Long-Term Obligations (sorted by end term)

Initiative	Begin Term	End Term	Notes
MXD / IDCP	2017	~ 2028	Amended 2019, projected 3 phases
Eversource	2021	2028	Affordable home ownership obligation
KSURP	1965	2035	Development agreements and design review
MEPA/Transportation Report	1994	2035	KSURP review w/amendments
KSTEP	2019	2035	KSURP mitigation, until funds dispersed
Foundry	2022	2072	Long term lease
Open Space	1965	-	Galaxy, Grand Junction, 6 th Street
Bishop Allen	2021	-	Ownership of commercial property

2023 VISION

Priority Topics of Interest

1. Creative Development Opportunities

- Housing development support
- Community infrastructure
- Cultural facilities

2. Economic Opportunity

- Workforce programs and research
- LINK
- Foundry skill-based programs
- Support for entrepreneurs

3. Climate Change Adaptations

- Sustainable, compact development
- Active mobility
- Open space and tree canopy



Grand Junction Park

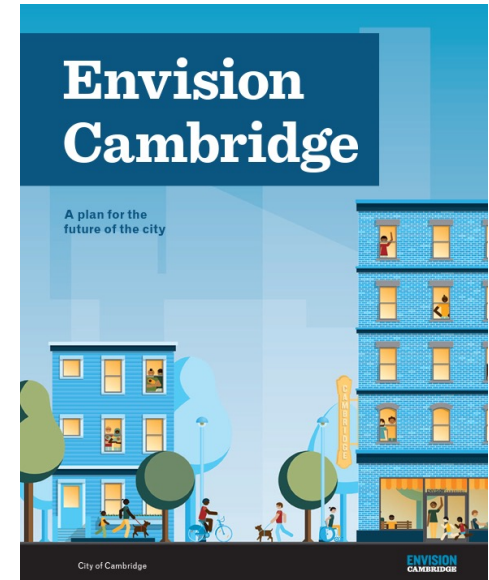


New bus shelter

CONTEXT FOR AN ACTION PLAN

Current Issues and Opportunities

- City of Cambridge resources and active city initiatives and programs
- Active non-profit sector
- Wealth disparities
- Pandemic affects on urban living and working
- **Ongoing urban topics:** mobility, green infrastructure, housing, affordable non-profit and retail space, job training....



How can we build on existing community input and better align with city initiatives?



Envision Cambridge planning topics.

CRA CAPABILITIES: VALUE PROPOSITION

Staff Expertise

Creative planning and real estate development strategy, especially

- **Design Review**
- **Open Space**
- **Mobility**
- **Economic Development**
- **Community Engagement**

Redevelopment Tools

- **Financial:** receive loans and grants; borrow money; invest funds
- **Management:** independent board; manage urban renewal plan; enter into contracts, etc.
- **Real Estate and Development:** acquire and hold real estate; sell, lease, and/or improve properties; demonstration projects
- **Planning and Research:** prepare plans and programs; conduct studies; develop and test methods

Financial Resources



Ames Street Residences Design Review and Open Space

FINANCIAL CONSIDERATIONS: FINANCIAL STATUS

Assets			Liabilities	
Current As of 2022	Cash and investments	\$20.0 M	Account payable	-
	BPX Letter of Credit	\$1.4 M	Short-term debt, credit cards	-
	KSTEP funds	\$7.0 M		
Long Term As of 2022	88 Ames Dev Fees	\$2.0 M	OPEB	\$0.6 M
			99 Bishop Allen mortgage	\$7.0 M
			Pension and medical benefits	-
			Foundry Operating Lease	-
Fixed As of 2022	99 Bishop Allen	\$18.0 M		
	Misc. land parcels	\$1.0 M		
Expected By 2024	Development fees	\$111.0 M		

Notes:

- Significant development fees from 135 Broadway, 250 Binney, and 290 Binney are expected over next few years
- Ames Street development fees of \$400,00/year have a term from from 2017 to 2028
- Assets are relatively liquid (liquidity 52x; debt to equity ratio at 14.4%)

FINANCIAL RESOURCES / STRATEGY

Spend Down	Revenue Neutral	Revenue Generating
KSURP stewardship projects Open space improvements Grant programs (Forward Fund) Upfront capital investment (Foundry, 99 Bishop Allen) Research Studies + Initiatives	Cross-subsidized asset management (Foundry, 99 Bishop Allen) Loans (low interest)	KSURP development agreements Loans (moderate interest) Real estate investments (mission-based, with a return)

Partnerships have allowed us to leverage our financial resources especially for capital investment projects

FINANCIAL RESOURCES / STRATEGY

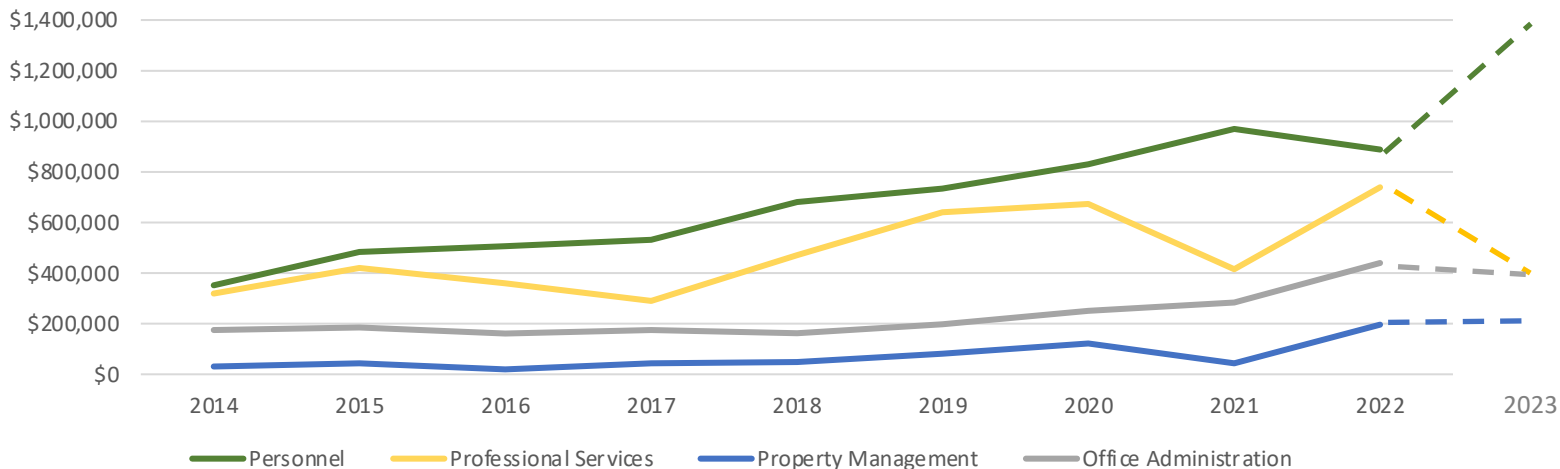
Projected Annual Operating Expenses

Expenses	Average 2020-2022	Budget 2023	Projected
Personnel	\$896,078	\$1,402,000	\$1,400,000
Professional Services	\$608,967	\$793,000	\$400,000
Office Administration	\$120,439	\$377,000	\$400,000
Property Management	\$324,986	\$66,000	\$200,000
TOTAL	\$1,950,469	\$2,638,000	\$2,400,000

Assumptions:

- Growth in staff (finance manager, project manager, project planner)
- Careful management of professional services (legal, real estate, transportation, design, etc.)
- Development of separate project budgets
- Recent office increases reflect allocation of retirees' medical and pension costs

CRA Expenses without Redevelopment Investments



FINANCIAL RESOURCES / STRATEGY

1. Sustain long-term **stewardship** role through 2072 with an endowment
2. Continue **spend-down** and revenue neutral activities
 - Open space and other community-based initiatives
 - Forward Fund
 - Research initiatives
 - Housing commitment
3. Invest in two or three significant projects that could **generate revenues**
 - Modest returns to cover costs
 - Capital projects if able to leverage other financial resources through partnerships



Open space stewardship



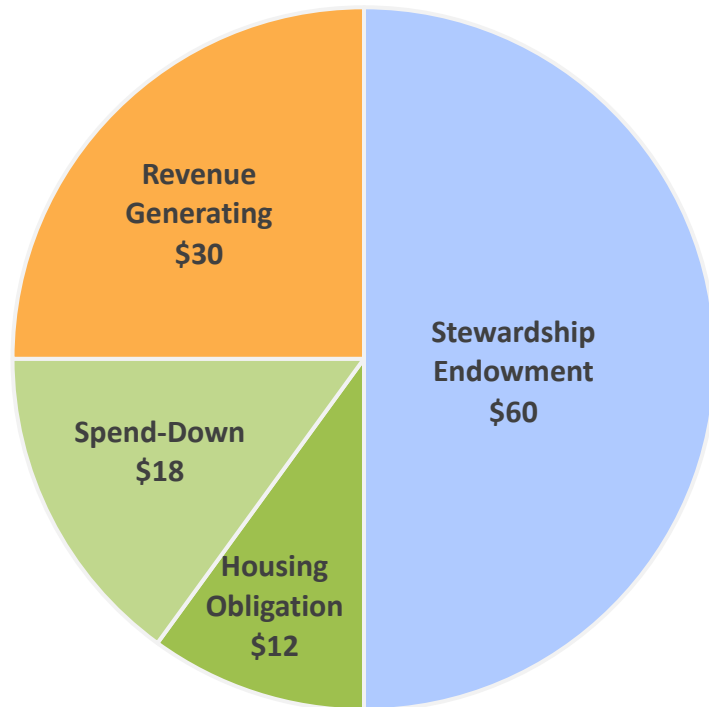
Spend down grants



Capital projects through partnerships

FINANCIAL RESOURCES / STRATEGY

Resource Allocation (\$ millions)



1. Stewardship Endowment

- Sustains CRA annual operating budget of \$2.1 to \$2.7 million over 50 years

2. Spend-Down Funds

- \$12 million for affordable housing
- Forward Fund and other grants
- Open space design and construction
- Research and policy initiatives
- Real estate investment project(s)

3. Revenue Generating

- Real estate investment projects(s)

Notes:

- Annual operating expenses include personnel salaries and pension; office rent, materials and equipment; property management; and professional services assigned to overhead
- Every \$25 million set aside, generates \$1 million income at 4%
- Housing obligation is 20,000 sf estimated at net projects cost of \$600/sf = \$12 million

EXTERNAL ACTIVITIES: CRA CAPABILITIES

How can the CRA be more effective?

1. Identify gaps in existing services and expertise currently available (*“avoid redundancy”*)
2. Establish a strategic vision of our working priorities and invest in research and action on those topics (*“don’t just be nimble, focus!”*)
3. Practice more due diligence in making go/no go decisions when new opportunities arise (*“don’t just react to whatever comes up”*)

The CRA can’t do it all, all at once - there is a need to prioritize, use resource wisely, and leverage funding as the CRA seeks to create value and fulfil its mission.

(draft Strategic Plan)

Blue comments reflect input from the SAG from the November 2022 Work Session

EXTERNAL ACTIVITIES: PARTNERS

- Convene others, provide strategic focus; provide research and thought leadership
- Amplify our impact, scale up and replicate initiatives
- Learn from others + build capacity in others

(SAG, November 2022)

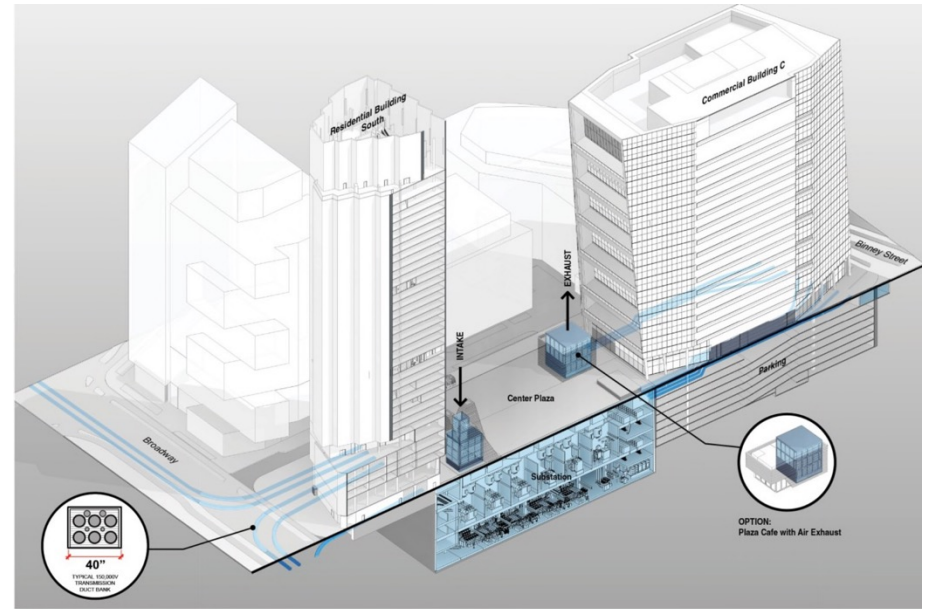
- High
- ◐ Moderate
- Low

Benefits Types of Partners	Mission Alignment	Financial Resources	Development Expertise	Land/ Facilities	Political/ Community Support
Public Sector: City, state, quasi-public agencies	●	●	●	●	●
Civic Organizations: Service and charitable organizations	●	○	○	◐	●
Non-Profit Developers: CDCs, institutions	●	◐	●	◐	◐
For-Profit Developers: Private real estate developers	◐	●	●	●	○

EXTERNAL ACTIVITIES: LONG TERM STEWARDSHIP

Oversight and Asset Management

- KSURP development review and signage approvals
- KSURP MEPA and IDCP mitigations obligations: KSTEP, Annual Transportation Plan
- Open space design of parks and streets for the public good
- Open space property management: Galaxy Park, Grand Junction Park, 6th Street Walkway
- Design review of projects within the KSURP
- Foundry Operations and Leasing
- Bishop Allen



Kendall Square MXD Substation



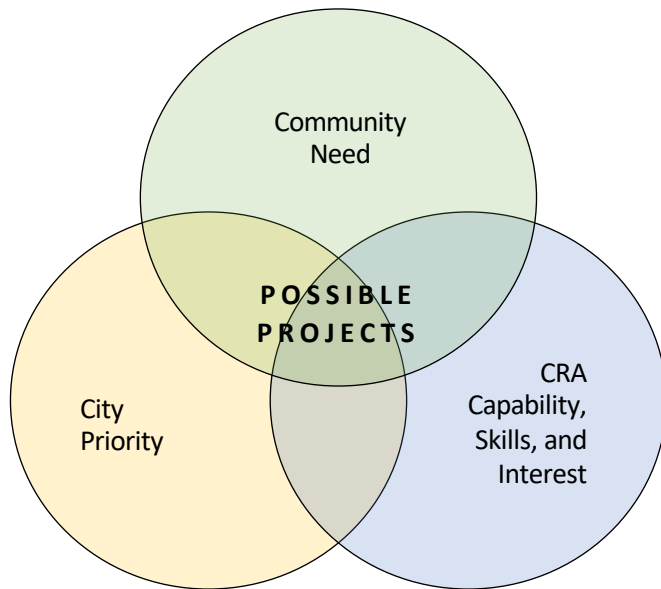
325 Main Street Redevelopment

EXTERNAL ACTIVITIES: PRIORITIES BASED ON BOARD VISION

1. Creative Development Opportunities
2. Economic Opportunity and Mobility
3. Climate Change Adaptations

Translate Vision into Action

- What is the CRA's role and who would our partners be?
- How will this advance diversity, equity, and inclusion?
- How would we measure success?



EXTERNAL ACTIVITIES: POSSIBLE PROJECTS IDENTIFIED

Creative Development Opportunities: Industrial and Commercial	Establish flexible light industrial spaces for production, design, prototyping, and incubation
	Purchase existing industrial buildings to preserve use and/or tenants
	Study feasibility of establishing industrial land trust
	Assemble land in Alewife to pursue mixed-use development models
	Establish network of ground-floor spaces that cultivate locally-owned businesses
	Facilitate success of BIPOC-owned businesses through space, financial, and technical support



CommonWealth Kitchen, Boston



Seven Cycles Manufacturing, Watertown

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Assist in retail space acquisition and leasing



Incubators + Pop-up retail: Melrose Collective

EXTERNAL ACTIVITIES: POSSIBLE PROJECTS IDENTIFIED

Creative Development Opportunities: Cultural and Housing	Support development of Central Square Branch Library site into a mixed-use development
	Support development of public gathering, arts space, and pop-up installations beyond Kendall Square
	Develop affordable and middle-income homeownership opportunities
	Develop affordable live-work spaces for artists, makers, and other creatives
	Support delivery of family-oriented services and amenities near affordable housing
	Support delivery of mixed-income housing through creative public-private partnerships



Art Installation, Kendall Square



Community Gatherings, Codman Square

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Infill housing, Cambridge

[Davis Square Architects](#); [MassLive](#)



Live-work space, Boston artist cooperative

EXTERNAL ACTIVITIES: POSSIBLE PROJECTS IDENTIFIED

Economic Opportunity and Mobility	Support partnerships to help Cambridge residents obtain family-sustaining jobs in growth industries (e.g. STEAM, light industry, real estate)
	Tailor Forward Fund initiative to support skill acquisition and entrepreneurship
	Construct multi-use path under Alewife Brook Parkway connecting Rindge Towers to the Triangle
	Produce comprehensive study of Grand Junction transit feasibility options



Training for access to high-wage jobs, Cambridge



Telecommunications training, Boston

EXTERNAL ACTIVITIES: POSSIBLE PROJECTS PRIORITIZED

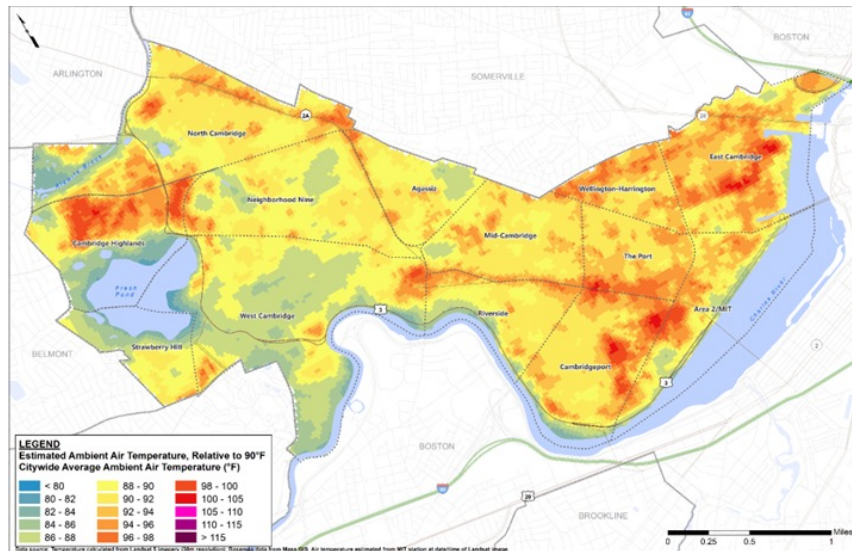
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	Produce comprehensive study of Grand Junction transit feasibility options



Grand Junction rail feasibility

EXTERNAL ACTIVITIES: POSSIBLE PROJECTS IDENTIFIED

Climate Change Adaptation	Support restoration of Cambridge's urban forest canopy
	Support creation of a network of neighborhood resilience hubs and community centers throughout the City
	Provide financial support for small building owners to invest in green building improvements (e.g. solar, electrification, building envelope investments)
	Support creation of community renewable energy demonstration projects



Heat island effect, Cambridge



Photovoltaic canopies

EXTERNAL ACTIVITIES: POSSIBLE PROJECTS PRIORITIZED

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Photovoltaic canopies

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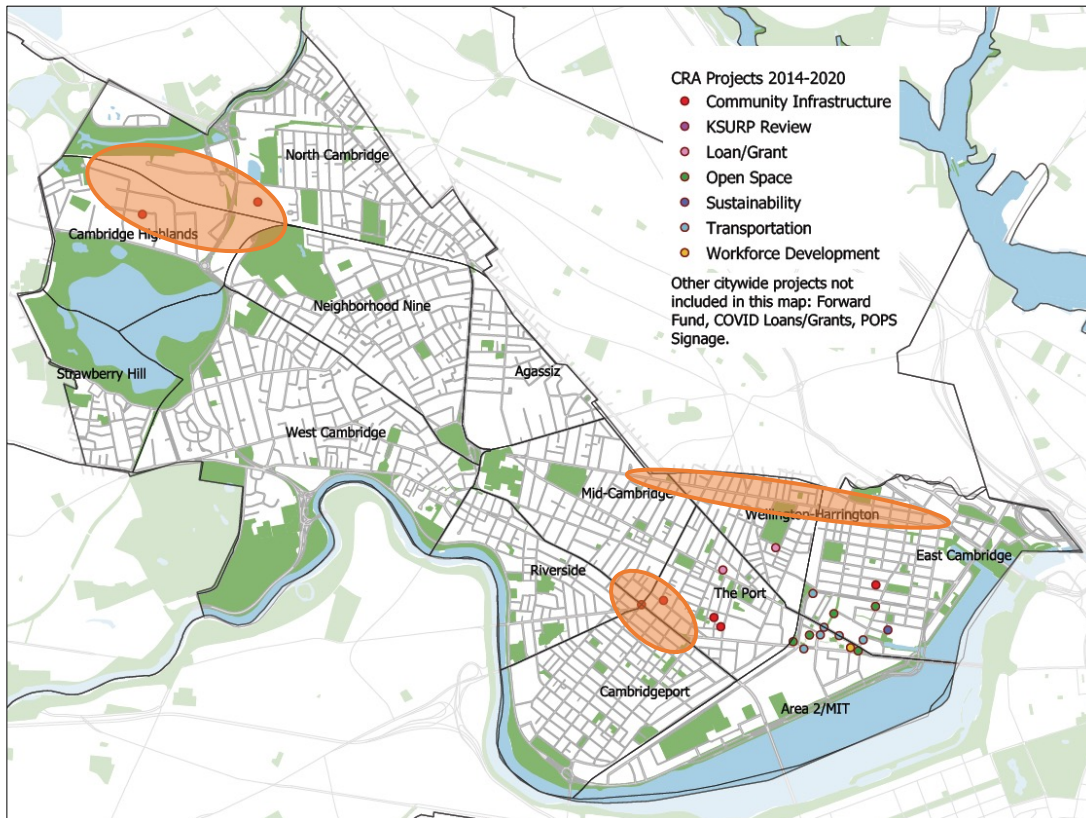
Neighborhood-scale

Demonstration / Revitalization Projects

Realize mixed-use, climate forward **Alewife** neighborhood through strategic district and building-scale investments

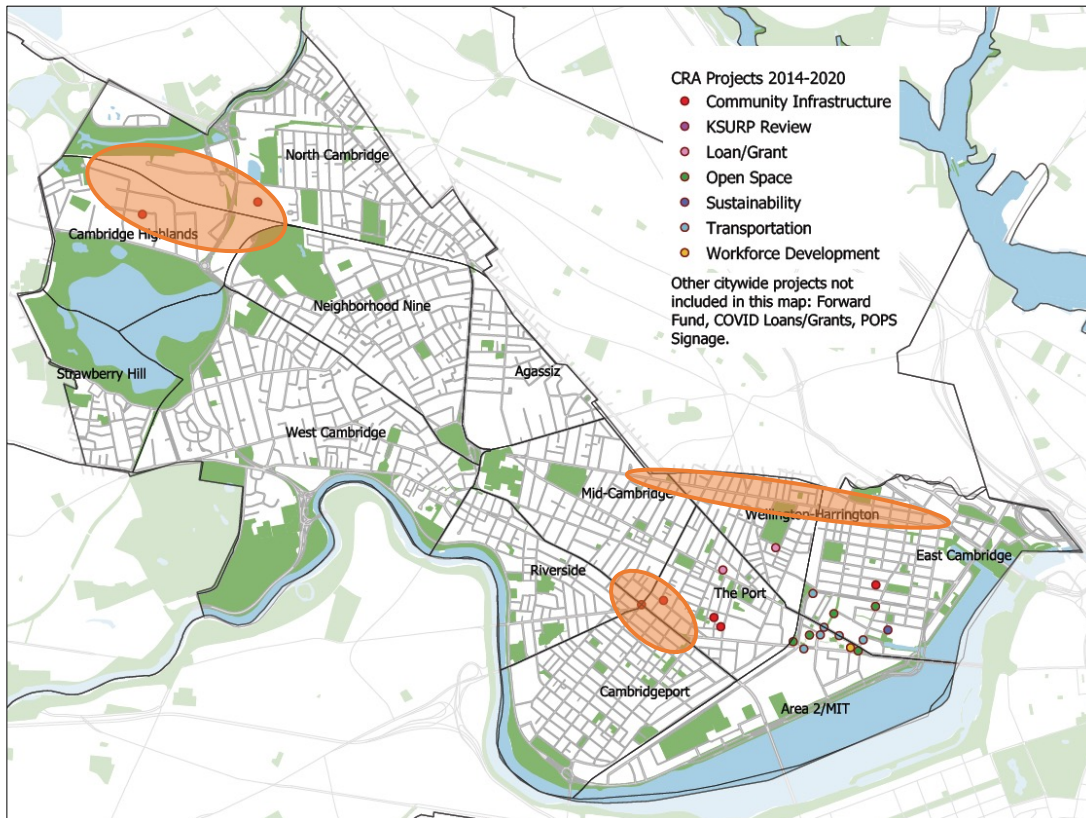
Sustain **Central Square** as vital and accessible heart of Cambridge's creative community

Support dynamic local business corridor along **Cambridge Street**



EXTERNAL ACTIVITIES: POSSIBLE PROJECTS PRIORITIZED

<p>Neighborhood-scale</p> <p>Demonstration / Revitalization Projects</p>	<p>Realize mixed-use, climate forward Alewife neighborhood through strategic district and building-scale investments</p>
	<p>Sustain Central Square as vital and accessible heart of Cambridge's creative community</p>
	<p>Support dynamic local business corridor along Cambridge Street</p>





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