

**Board Packet of Supporting Materials
September 13, 2017**

- i. Agenda
 - 1. Draft Minutes of the Regular Meeting of the Board on July 19, 2017
 - 2. Draft Minutes of the Executive Sessions of the Board on March 15, 2017, April 12, 2017, and June 21, 2017
 - 3. Letter to Steve Marsh of MITIMCO from 303 Third Street Regarding MIT Volpe Zoning Petition
 - 4. Memo regarding Volpe Redevelopment Community Space Requirement from Neighborhood Representatives of Volpe Working Group
 - 5. CDD MIT Volpe Zoning Petition Memo
 - 6. Amended Foundry Demonstration Project Plan
 - 7. OPEB Trust Document
-
- 9. Monthly Staff and Budget Report

(Document numbering altered to reflect agenda item numbers)

NOTICE OF MEETINGS

Pursuant to the Massachusetts Open Meeting Law, M.G.L. c. 30A, §§ 18-25, notice is hereby given of meetings of the Cambridge Redevelopment Authority (CRA) to take place as follows:

Design Review Committee
Wednesday, September 13, 2017 at 4:30 PM
Cambridge Police Department
First Floor Community Room
125 Sixth Street
Cambridge, Massachusetts 02142

DESIGN REVIEW AGENDA

- 145 Broadway Branding and Exterior Signage Package

Regular Board Meeting
Wednesday, September 13, 2017 at 5:30 PM
Cambridge Police Department
First Floor Community Room
125 Sixth Street
Cambridge, Massachusetts 02142

MEETING AGENDA

The following is a proposed agenda containing the items the Chair of the CRA reasonably anticipates will be discussed at the meeting:

Call

Public Comment

Minutes

1. Motion: *To accept the minutes of the Regular Meeting of the Board on July 19, 2017 **
2. Motion: *To accept the minutes of the Executive Sessions of the Board on March 15, 2017, April 12, 2017, and June 21, 2017. **

Communications

3. Letter to Steve Marsh of MIT Investment Management Company from 303 Third Street Regarding MIT Volpe Zoning Petition August 30, 2017 *
4. Memo regarding Volpe Redevelopment (PUD-7 District) – Community Space Requirement – from Neighborhood Representatives of Volpe Working Group *

Reports, Motions and Discussion Items

5. Update: Volpe Zoning Proposal (Mr. Evans) *
6. Update: Foundry Demonstration Project Plan (Ms. Madden) *

Motion: To approve the Amendment to the Foundry Demonstration Plan and recommend its approval by the Cambridge City Council

7. Update: OPEB Trust Formation (Ms. Shore)*

Motion: To approve the OPEB Trust Document consistent with the adoption of an OPEB Trust formation approved in December 2016

8. Update: CRA Investment Funds (Mr. Evans)

Motion: To authority the Treasurer and Executive Director to open an investment account with Cambridge Trust Bank

9. Report: Monthly Staff and Budget Report (Mr. Evans) *

Adjournment

(*) Supporting material to be posted at: www.cambridgeredevelopment.org/next-meeting/

Upcoming Meetings:

- City Council Meeting – September 25, 2017
- Regular CRA Board – October 18, 2017

The Cambridge Redevelopment Authority is a “local public body” for the purpose of the Open Meeting Law pursuant to M. G. L. c. 30A, § 18. M. G. L. c. 30A, § 20, provides, in relevant part:

- (b) *Except in an emergency, in addition to any notice otherwise required by law, a public body shall post notice of every meeting at least 48 hours prior to such meeting, excluding Saturdays, Sundays and legal holidays. In an emergency, a public body shall post notice as soon as reasonably possible prior to such meeting. Notice shall be printed in a legible, easily understandable format and shall contain the date, time and place of such meeting and a listing of topics that the chair reasonably anticipates will be discussed at the meeting.*
- (c) *For meetings of a local public body, notice shall be filed with the municipal clerk and posted in a manner conspicuously visible to the public at all hours in or on the municipal building in which the clerk's office is located.*

Regular Board Meeting
Cambridge Redevelopment Authority

Wednesday, July 19, 2017, 5:30pm
Robert Healy Public Safety Center / Cambridge Police Station / Community Room
125 Sixth Street, Cambridge, MA

DRAFT Meeting Minutes

Call

Chair Kathleen Born called the meeting at 5:42 p.m. Other Board members present were Vice Chair Margaret Drury, Treasurer Christopher Bator, and Assistant Secretary Barry Zevin. Assistant Treasurer Conrad Crawford was absent. Staff members present were Thomas Evans, Carlos Peralta, Jason Zogg, and Ellen Shore. Kathryn Madden will be arriving later in the meeting.

The CRA and John Hawkinson recorded the meeting.

Public Comment

Stephen Kaiser spoke on three items. Regarding the Grand Junction corridor analysis, he noted that although the consultant is knowledgeable, a good ridership study for \$50,000 might be challenging, given the uncertainty at the two ends. Getting the lights sequenced at the at-grade crossings is also difficult to prevent bunching. He speculated on the possibility of the Foundry's previous owner having knowledge of the soil contamination and structural flaws of the building. Lastly, he spoke about the Volpe zoning. He highlighted that a government agency (GSA) that is not subject to zoning is the official submitter of the zoning petition. He is disappointed in MIT's petition since it barely mentions transit, any mention of traffic saturation, or capacity analysis. In addition, it references open space but leaves out the word "public". There are very few improvements and the numbers are not all accurate. This is not a reproduction of the original zoning but rather a considerable change and the subtleties need to be scrutinized carefully. Mr. Kaiser said that he would itemize these discrepancies and send them to the CRA. He ended by commenting on the state's situation where there's been turnover in personnel. An MBTA permanent general manager is needed. He added that the control board is having fewer meetings. He is concerned that the business community and developers are not supporting the importance of transit. He urged the CRA to continue to lead on transit initiatives.

There were no others who requested to speak.

The motion to close public comment carried unanimously.

Minutes

1. Motion: To accept the minutes of the Annual Meeting of the Board on June 21, 2017

There were no modifications.

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

Communications

2. Letter to Lisa Peterson Requesting Community Preservation Act Funds for History Façade Restoration of 105 Windsor Street June 19, 2017

Mr. Evans passed out a letter of support from the Health Alliance. He said that the CRA submitted an application to the City for Community Preservation Act (CPA) funds for restoration of the 105 Windsor external façade. This will preserve the asset and prepare it for future reuse when the planning process with the community determines what should go into the building. Work done by Daedalus determined a rehabilitation estimate of \$255,000 related to the shell of the building. The Community Preservation Act mandates that a percentage of funding go towards affordable housing, open space, and restoration. The CRA has been collaborating with the Health Alliance. It is unclear whether the external work will be done separately or whether this will wait until a broader redevelopment plan is in place. Mr. Peralta added that a decision should be made at the CPA September meeting.

The letter will be placed on file.

3. Notes from the Neighborhood and Long Term Planning, Public Facilities, Arts, & Celebrations Committee Meeting of June 26, 2017 regarding the reappointment of Kathy Born to the CRA Board

Ms. Born said that the City Council voted to reappoint her and she was sworn in for a second term on July 18. Mr. Bator noted that the comments appropriately reflected Ms. Born's contributions and that the CRA Board is grateful to have Ms. Born as a chairperson as she has given the organization valuable credibility in the community with her leadership and vision.

The letter will be placed on file.

4. Letter from Agassiz Baldwin Community regarding the 2017 Forward Fund Grant June 30, 2017

Mr. Evans noted that the letter expressed thanks for the funds that have allowed them to create a play structure for children.

The letter will be placed on file.

Reports, Motions and Discussion Items

5. Presentation: Community Art Center My Totem Pole Project at Parcel Six

Mr. Peralta distributed a handout. He introduced Community Arts Center (CAC) Executive Director Eryn Johnson and teaching visual artist Lionel Blaise. He explained that this project adds to the activation of Parcel 6 by beautifying the black fence. Ms. Johnson noted that the CAC is also a 2017 Forward Fund recipient who is also working on the kiosk for the Port neighborhood. The My Totem Project is entirely a preteen program. Mr. Blaise explained the process used by him, the visiting artist Stephen Hamilton, and the youths. The handout included examples of Mr. Hamilton's work. The end product will be a 50-60 foot mural consisting of a series of colorful panels hung vertically along the fence. Each panel features totems or symbols of significance expressed by the youth. The material used for the panels is light and durable so it can withstand the weather. The installation should be installed by the end of August. There will also be a celebration and everyone is invited. The CAC art truck, Vincent VAN GO, will make an appearance as well. Mr. Peralta said that there will also be a descriptive panel explaining the installation.

6. 88 Ames Street Residential Project Exterior Signage Package

Motion: To Approve the Signage Proposal for the 88 Ames Street Residential Project Parcel Four of the Kendall Square Urban Renewal Area

Ms. Born said that there was a Design Review meeting before tonight's Board meeting where the contents of the package were discussed. Mr. Evans asked for a synopsis since there were additional audience members present than those who were at the Design Review meeting.

David Stewart of Boston Properties explained that the submission for the exterior signage is for the residential portion of the building along 88 Ames Street and all of the signage conceptually contemplated during the Planning Board's approval for the Pioneer Way portion of the project, including the screens on the south side of 5 Cambridge Center along Pioneer Way, the bike shed, and the façade facing the open space at the northwest corner of the site.

Ms. Born said that the Design Review committee asked questions and felt that the submission was good but needed some changes with respect to the bike storage.

Mr. Stewart confirmed that the building name is Proto.

Based on the results of the Design Review meeting, Mr. Zogg drafted a new motion.

The CRA Board approves the signage proposal for the 88 Ames Street Residential Project Parcel Four of the Kendall Square Urban Renewal Area presented today on the condition that Boston Properties works with CRA staff on the following refinements:

- *Pioneer Way signage, history panel, and digitization*
- *Rescaling of the bike shed sign on the horizontal band and possible revision of wording*
- *Discuss reconsidering the use of universal bike symbol in combination with wayfinding and artwork with CDD*
- *Work to develop a more intuitive hierarchy for the bike parking wayfinding language throughout the project to help more clearly define the three types of bike parking in the zoning ordinance*

There was no discussion on the motion.

The motion was made, seconded and carried unanimously.

Mr. Evans noted that in accordance with the CRA Design Review process, there is always staff follow-up ensuring that the end result is as presented to the Board.

7. Presentation: Grand Junction Corridor Transit Demand Analysis (Mr. Evans)

Motion: To authorize the Executive Director and the Chair to enter into a sole source contract with IBI Group to conduct a transit service demand analysis of the Grand Junction Rail Corridor, building off the planning work conducted by the Kendall Square Mobility Task Force, for an amount not to exceed \$50,000.

Mr. Evans distributed a document outlining a draft scope of services that was recently written. He explained that the Kendall Square Mobility Task Force (KSMTF) has been meeting for about 2.5 years. It was originally created by the governor and run by the state but then taken over by the City. It focused on four areas of work - the Red Line; bus circulation; increased efficiency of more informal transit such as shuttles and ride-hailing services; and the Grand Junction (GJ) Corridor. The CRA is a member of the task force. At the end of last year, IBI, who was hired by the State, published a 50-page technical report on the feasibility of transit in the Grand Junction corridor. This can be found on the City's website.

The KSMTF would like to continue to hire IBI for further needs analysis of the GJ corridor as an urban rail system as there were design challenges mentioned in the report. Mr. Evans noted that this would also require working with CTPS (Central Transportation Planning Staff), the State agency that is in charge of a regional model of growth. Although KSTEP funds would not be used for the study, the result of the study could determine if KSTEP funds would be used for implementation. A sole source contract with IBI is proposed as they have already done a considerable amount of work. The CRA is allowed to sole source with justification. Mr. Evans will research whether it is necessary to have a second, separate contract with CTPS, whose intergovernmental work is not subject to 30B. The contract with IBI might provide assistance for creating the CTPS proposal. Mr. Evans would like budgetary permission to move forward and would come back to the Board with more specifics on the contract(s).

The Grand Junction line runs from North Station to Allston-Brighton along the Mass. Pike. There was a discussion about the interplay of this and the Interstate 90 work being planned. Mr. Kaiser suggested contacting the author of the Core Capacity Study.

In response to Ms. Born, Mr. Evans said that the draft scope of work is an edited version initially written by CDD staff so the City is aware of the intention. MassDOT and MBTA were part of the task force and are aware of the study. Ms. Born mentioned that there have been heated discussions involving trains on the GJ. Mr. Evans said that the scale being discussed now is very different. He added that many cities are looking at using existing rail corridors for transit.

A motion to authorize the Executive Director to explore sole source contracts with IBI Group and CTPS to conduct a transit service demand analysis of the Grand Junction Rail Corridor, building off the planning work conducted by the Kendall Square Mobility Task Force, for an amount not to exceed \$50,000 was seconded and carried unanimously.

The agenda moved to item 9 since Ms. Madden had not yet arrived.

9. Update: Volpe Project – Transit and Community Facilities

Mr. Evans said that there have been a number of conversations taking place regarding the community benefits that would grow out of the Volpe development. The CRA has been brought into those conversations involving transit and community facilities. The CRA crafted an MOU for the KSTEP program that was agreed upon by the City and the State as a mechanism to fund transit from the MXD development. The staff of the CRA and City expected this to be the mechanism for future transit infrastructure investments in the area rather than creating different buckets with different governing structures. However, the petition submitted does not reference the KSTEP and seems to create another funding structure.

The second item that came up in the Volpe Task Force meeting included the desire for a community facility for East Cambridge. Since the CRA is redeveloping the Foundry building, a duplication of efforts should be avoided.

The petition also affects the disposition of Parcel 6, which is included in the zoning proposal. Ms. Born said that MIT is looking for enactment by the end of the year. She listed a number of meetings as an opportunity for the CRA to weigh in as a group on the issues that affect the CRA. Ms. Born suggested that Mr. Evans represent the CRA. Mr. Evans suggested sending a letter regarding the KSTEP omission to the officials reviewing the petition. Ms. Born would like something to be drafted in time for the next Planning Board meeting to make the CRA position known on the various fronts even if all the details cannot be fully enumerated. Ms. Hoffman asked to include possible negative effects on the 6th Street corridor and any development that is planned for the top of the garage. Mr. Bator wants MITIMCO and the City to understand that the CRA Board has a concern as a public entity. Mr. Zevin expressed interest in MITIMCO offering more public open space than community facilities. Ms. Born noted that financial support of the Foundry could be a possibility. Ms. Shore suggested including coordination with the Binney streetscape design. Mr. Bator noted that other coordination issues might also arise in the future so it might not be advisable to limit concerns to just the items known today. He also suggested citing that the CRA Board authorized such a letter be written. There was a long discussion regarding zoning ordinance negotiations, the PUD approval process, the community benefits committee, and governance for transit contributions. Mr. Evans added that the CRA should be involved in the retail plan for the Volpe project as it could negatively affect regulations in the Infill Development Concept Plan that enforce a retail percentage within new buildings. Mr. Evans added that an open space versus height discussion with the community might be useful. There is also concern that the future development will diminish existing CRA open space, particularly the Sixth Street Path.

A motion directing the Executive Director and the Chair to draft correspondence reflecting the conversation of the Board regarding the zoning proposal was seconded and carried unanimously.

The meeting went back to talk about agenda item #8.

8. Update: Foundry Redevelopment Project

Mr. Evans distributed a draft version of the Foundry Request for Information (RFI). This version includes feedback from the Foundry Advisory Committee and the City.

Ms. Madden said the schedule anticipates a procurement for the designer in the fall, and an RFP and operator selection in early 2018. The RFI is designed to encourage the submittal of ideas and input, with a low barrier to entry and minimal requirements. The RFI is not a procurement process, and there is an allowance for further one-on-one discussions with submitters. The goal is to keep the RFI brief and focused on building operations. Ms. Madden explained the seven questions in Section 3 - community engagement now and in the future, recruitment of nonprofit community tenants to meet the goals of the community while having some revenue stream, the process for leasing market-rate space, coordination of property management with program management, coordination of the various programs and tenants, measuring operational success, and the management structure.

In response to Ms. Drury, Ms. Madden said that MassDOT, federal General Services Administration (GSA), and other government agencies use RFIs. Ms. Hoffman noted that the first full paragraph on the right side of page 3 should accurately reflect that the preference for the Foundry's use be a municipal or community building and to not refer to the minimal amount of space to be set aside for educational, cultural, or institutional uses. There was a discussion of whether zoning information should be included at all since it is not pertinent to the RFI questions about operational strategies. Ms. Drury said that it is important to include the zoning language.

Mr. Hawkinson questioned withholding RFI responses for public inspection until after the Operator procurement process. Mr. Evans is concerned that potential submitters might not share their creative ideas otherwise. CRA legal counsel feels that the CRA can proceed in the manner described in the RFI.

Ms. Madden agreed that the Foundry Mission statement should be highlighted. Ms. Drury suggested emphasizing the desirable goals such as workforce development and underrepresented Cambridge organizations.

CRA staff will attend the Neighborhood and Long Term Planning, Public Facilities, Arts and Celebrations Committee hearing next Wednesday, July 26. The next step toward implementation is to amend the Demonstration Plan, which is planned for a vote of the CRA Board and City Council in September 2017.

As Chair, Ms. Born chose to discuss the CRA contribution to the Foundry in a public format rather than executive session. This discussion is in preparation for a meeting with the City Manager. Mr. Evans spoke about the CRA plans for allocating the funds from the Boston Properties development rights for 145 Broadway (\$23 million). From these funds, the CRA has committed \$3 million to the Kendall Square Transit Enhancement Program (KSTEP) fund and \$540,000 for a soft loan to Just-A-Start for its Wellington-Harrington fire recovery. For the Foundry, the CRA has been considering a contribution of \$8 million, which would be targeted for design, internal fit-out construction, and operations (capitalized initial year operating costs and an operating reserve to sustain the building over time and in unforeseen conditions). The CRA would also like to not only continue but increase the amount of the Forward Fund. The Windsor Street project is estimated to require \$2 million in addition to the funding received from the Community Preservation Act (CPA). Public art is another program that the CRA has voiced an interest in pursuing. A common allocation is one percent of total project costs. Other potential projects could be Alewife and other projects mentioned in the CRA strategic plan, as well as various economic loan programs. There is also the question of whether the CRA should invest in real estate. The CRA operational costs hover around \$1 million per year, or more if contractors are used for large design projects such as streetscape design. There is no certainty that there will be continued development in the MXD beyond the 145 Broadway building, so it is not clear if and when there would be another infusion of money. Over the next 11 years, the Ames Street project will contribute \$431,000 per year to the CRA for development rights. The CRA Board and staff discussed the financial situation if no future development occurs before the urban renewal plan expires in 2030.

Ms. Drury stated that the Windsor project fits the mission of the CRA. The City asked the CRA to work on Windsor. Ms. Born wants the Foundry contribution to fit within the long-term budgeting and financial picture for the CRA. Mr. Bator noted that the CRA Board is deeply committed to the Foundry and wants to be responsive to the City Manager; however, since the CRA does not have a predictable revenue stream, the Board doesn't want the Foundry to dominate the budget, when the CRA's long range interest is in investing the funds from Kendall Square development to benefit the rest of the City. The CRA has a 50-year obligation through the Foundry lease.

10. Update: Staff Report and Quarterly Financial Report

Mr. Evans said that the annual auditor's three-day fieldwork visit is completed. Under the law passed at the end of 2016, redevelopment authorities were able to create an OPEB account. The auditors noted that all OPEB accounts created under this new law will require a legal trust document. Staff has edited templates from other government agencies which legal counsel will need to review. CRA hired a new bookkeeping services contractor who, functioning in a comptroller role, has reviewed the first quarter financials.

There have been continued talks with multiple financial advisors regarding a more aggressive investment of CRA funds. The idea of sustaining CRA operations by using the Ames Street revenue and the revenue income from investments would require investing the entire \$23M. Mr. Bator said that he, Mr. Crawford, Mr. Evans and Ms. Shore met with Cambridge Trust who proposed a different strategy than the one that the CRA currently uses with Morgan Stanley. The end goal is for prudent but more aggressive investment.

Mr. Evans said that two high school students from the Mayor's Youth Summer Employment Program (MYSEP) have been interning at the CRA collecting data on the uses of Kendall Square open spaces. Alexandra Levering has accepted the offer for the Planner position and will be starting August 28.

On the future calendar, Mr. Evans noted that once the Demonstration Plan is amended, it will need the CRA Board's approval. Boston Properties will come to the Board to report on 145 Broadway's building identity including signage and lobby ground-level graphics. The Broad will report on the work done on its museum since the fire hazard was removed. Massive amounts of staff time have been spent dealing with Veolia and their construction on Parcel 7, the eventual Binney Street Park. Negotiations are also occurring with Veolia on the required renovations and tree replacements in the Grand Junction Park as this park is also affected. A few of the trees slated for removal will be moved to Parcel 6 before construction starts on the Grand Junction. Among items for the 145 Broadway permit approval are ensuring that the ground landscaping coordinates with the streetscape design, ongoing lighting review, and other landscape refinements in the back of the building related to the CRA easement. All reviews of all their design documents have been positive. They have been holding to the design intent.

Adjournment

A motion to adjourn the meeting at 8:52 p.m. was seconded and carried unanimously.

Executive Session of CRA Regular Meeting
Cambridge Redevelopment Authority

March 15, 2017
Robert Healy Public Safety Center / Cambridge Police Station
125 Sixth Street
Community Room

DRAFT EXECUTIVE SESSION MEETING MINUTES

Board Members In Attendance: Mr. Christopher Bator, Ms. Kathleen Born, Mr. Conrad Crawford, Ms. Margaret Drury, Mr. Barry Zevin

Executive Session began at 7:36 PM, after the close of the Regular Meeting of the CRA Board.

Executive Director Tom Evans gave a presentation to the Board regarding a draft approach to redeveloping the Foundry building (attached). This new approach would place the responsibility for the capital improvement to the building on the City and CRA. The CRA would remain responsible for the building's operation over the 50-year term of the lease. The Demonstration Plan and the CRA's lease with the City would need to be modified to accommodate this new redevelopment plan. It would also require the CRA to significantly increase its investment in the project.

The Board discussed the proposal and the increased roles for the CRA and City in the redevelopment project. The Board raised concerns regarding the risk for the CRA specifically taking on the long-term operational responsibility of the building along with an anticipated upfront capital contribution. The community purpose of the Foundry project was discussed and the Board emphasized that the building's function should provide demonstrable benefits for the proposed level of public investment.

Meeting adjourned at 9:05 PM.



FOUNDRY BUILDING, CAMBRIDGE, MA

DEMONSTRATION PROJECT PLAN - UPDATE

March 2017

AGENDA

1. Financial Analysis Inputs
2. Measures of Success
3. Design and Cost Studies
4. Financial Scenarios
5. Findings & Next Steps

1

FINANCIAL ANALYSIS INPUTS

- **How big is the building:** finished portion, basement, gross, net?
- **What is the program:** type, mix, proportion of community use, rent capacity?
- **What will it cost:** construction, soft, tenant improvements + building operations + program operations?
- **How do we account for uncertainty:** rates of inflation, escalation, interest?
- **What are the sources of money:** public, equity, financing, third party funding?
- **What are the project goals:** building mission; different community perspectives, City, CRA, other?

Too many variables, not enough constants

2

MEASURES OF SUCCESS

What are we solving for?

- Ability of project to meet building mission
- Amount of community space (nsf)
- Total project costs (TPC)
- Annual cash flow

TPC	
Cash Flow	
Com. Use nsf	

The Foundry: [Industrial Arts Center] Collaboration / Creativity / Learning:

workforce training, STEAM, maker space/ fab labs, performance area, shared artist studios, gallery, café, multi-purpose community rooms



Minimal Design Alternative - Ground Floor

HMFH, March 2013

DESIGN AND COST STUDIES

BASIC PROGRAM ELEMENTS

Destination Spaces (large or high traffic)

Black Box/Assembly

The Community Room

Café/Kitchen

Work Shop

Entry/Lobby/Gallery

Interstitial Spaces (flexible locations)

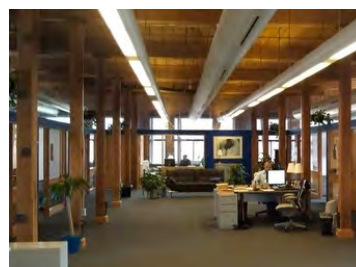
Classrooms

Multi-purpose Rooms

Studios

Non-profit Offices

For-Profit Offices



DESIGN AND COST STUDY

Design of spaces for flexible program (Arts, Workforce, Community)

Black Box – Theatre, music performances, speaking events

Community Room – Meetings, events, senior programs, small performances

Multi-Purpose Room – Fitness classes, youth activities, dance classes, yoga

Classrooms – Job training and skill development, visual arts, youth programs, meetings

Lobby – Art gallery, special events, performances

Shop – Makerspace, tool / equipment shop, fab lab

Studios – Private or shared art studios, music recordings

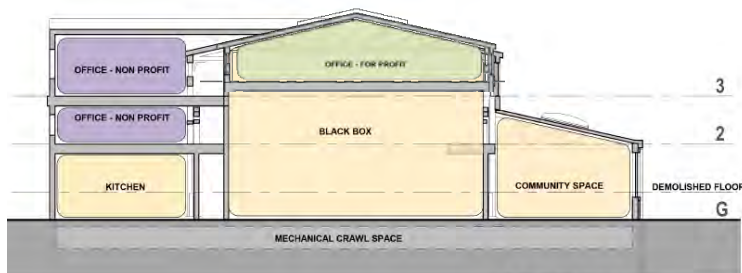
Office Space – non-profit / market rate, private and/or co-working

5

DESIGN AND COST STUDIES

Key Assumptions / Constraints

- High Bay Spaces for Desired Uses
- High Traffic Community Uses at Grade
- No Parking
- Historic Building Form Preserved



Minimal (Modified) - used for financial models



Additive



Dramatic

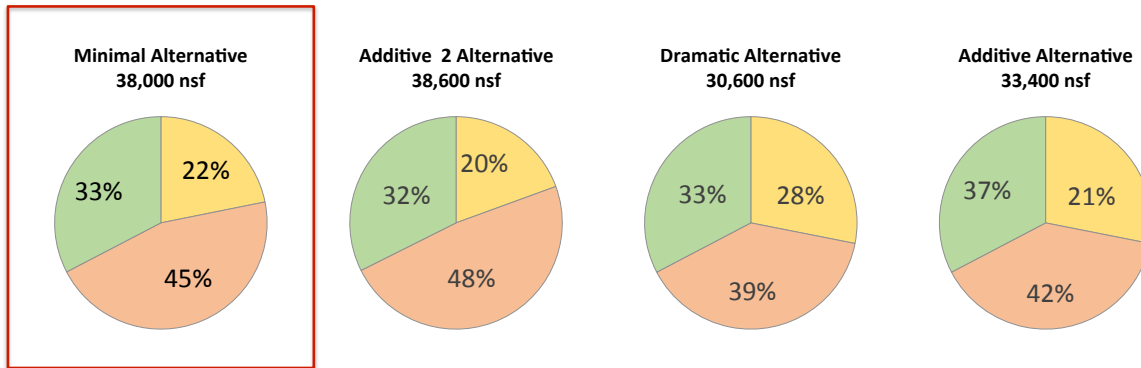


Additive 2

5

DESIGN AND COST STUDIES

Program Distribution based on Design Studies



DISTRIBUTION	Minimal Alternative (sf)	Aver Rent/nsf
Min. Rent Community Uses	8,300	\$0
Mod. Rent Community Uses	17,300	\$20
Market Rate Uses	12,400	\$46
Total NET Area (nsf)	38,000	
Total GROSS Area (gsf)	49,800	
Net/Gross Ratio	76%	

Findings:

- Variations on a theme
- Test Minimal Design Alternative
- Community uses total 25,000± nsf

Based on HMFH, March 2017

6

DESIGN AND COST STUDIES

How big is big? Foundry Community Use at 25,000 nsf = approximately **32,000 gsf**

Comparisons

- Citywide Senior Center 27,500 gsf
- Cambridge Community Center 23,500 gsf
- West Cambridge Youth Center 30,000 gsf
- Frisoli Youth Center 28,100 gsf



Cambridge Senior Center



Cambridge Community Center



Frisoli Youth Center



West Cambridge Youth Center

7

DESIGN AND COST STUDIES



Community Space, HMFH, March 2017

Finding: Existing floor loading is insufficient for assembly spaces

Construction Costs Alone (no soft costs)

	Minimal	Additive 2	Dramatic	Additive
Base Building Construction Cost /GSF	\$281	\$364	\$313	\$305
Tenant Fit-out Cost /NSF	\$111	\$119	\$117	\$123

Soft Costs: 25%

Daedalus, March 2017

8

FINANCIAL ANALYSIS: BASE CASE

MINIMAL-REV DESIGN

Total Project Cost: **\$23 million**

Capital Costs: **Public**

Cash Flow: **\$40,400 Year 1**
\$4,000 Year 10

Community Uses: **25,000± nsf**

Total NET Area (nsf)	38,000
Total GROSS Area (gsf)	49,800
Net/Gross Ratio	76%

Operating Assumptions

Operating Annual Increase	2.50%
Staff Salary Annual Increase	3.00%
Inflation Rate	2.00%
Taxable Property %	33%

CIC projected salaries and building operations to grow faster than inflation

Only commercial uses pay property taxes

9

FINANCING SCENARIOS - CONCEPTS

- 1. Self-Sustaining (Minimal Design Base Case):** All public capital + market rate uses to cover all operating costs
- 2. No Market Rate Uses:** All public capital + City covers gap in operating costs
- 3. Cap Public Funding @ \$20 million:** Some public capital + enough market rate uses to finance gap in capital costs and all operating costs
- 4. Split of Market and Community Uses:** Some public capital + just under 50% market rate uses to finance gap in capital costs and all operating costs
- 5. Core and Shell/Minimum Tenant Improvements:** Significant public capital + private finance to cover gap in capital and operating costs; requires outside funding to cover tenant improvement gap
- 6. Bigger Building:** Increase size of building to generate more revenues.

Note: debt payments for private finance paid through office rent revenues.

10

FINANCIAL SCENARIOS

MINIMAL-REV DESIGN

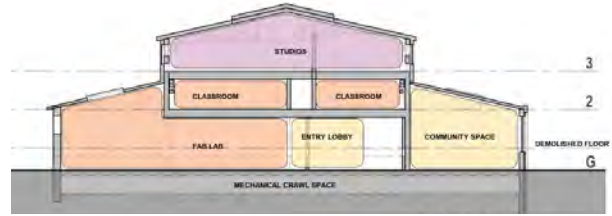
	Minimal	No. Mkt. Rate	Public Fund @ \$20 M	Mkt Rate (45%)	Core.Shell/ No TI*	Bigger Bldg
Min. Rent Community Uses	8,400	12,500	5,700	7,600	8,400	13,400
Mod. Rent Community Uses	17,100	25,500	11,400	13,300	17,100	18,700
Market Rate Uses	12,500	-	20,900	17,100	12,500	21,400
Total Net Area	38,000	38,000	38,000	38,000	38,000	53,400
Net to Gross Ratio	76%	76%	76%	76%	76%	76%
Total Gross Area	49,800	49,800	49,800	49,800	49,800	70,000
Total Project Cost	\$23,100,000	\$23,100,000	\$23,100,000	\$23,100,000	\$20,700,000	\$39,600,000
Cash Flow (Year 1)	\$40,400	(\$223,400)	\$9,800	\$3,500	\$3,500	(\$4,600)
Community Uses (nsf)	25,500	38,000	17,100	20,900	25,500	32,100
Percent Community Use	67%	100%	45%	55%	67%	60%
Public Capital	\$23,100,000	\$23,100,000	\$20,300,000	\$21,500,000	\$19,800,000	\$39,600,000
Financed from Rents	\$0	\$0	\$2,800,000	\$1,600,000	\$800,000	\$0

- 1) Public Funding at \$20 million has 55% market rate.
- 2) Core.Shell Scenario has tenant improvements at \$60/nsf, so outside funding for \$2.3 million necessary to make up the gap.
- 3) Bigger Building Scenario assumes the higher square foot cost from Additive 2.

11

FINDINGS

- Many ways to layout the building to achieve great spaces
- Larger building costs more, with modest community benefits
- A majority community uses makes it hard to finance any capital costs
- Operating expenses are about \$1 million/year
- 1/3 Market rate can support operations, but...
- Key model factors include: cost escalations, tenant improvements, program costs, OPX pass thru, moderate rents



Minimal Design Alternative

HMFH, March 2017

12

NEXT STEPS

Public Outreach / Proof of Concept

City Council (whole / committee)
CRA Board
Foundry Advisory Committee
East Cambridge Planning Team / Business Association
coUrbanize
Community Meeting
Building Tour

Technical / Implementation Steps

Demonstration Plan
Project Management
Design Selection
Bidding Process
Operator Selection

13

Executive Session of CRA Regular Meeting
Cambridge Redevelopment Authority

April 12, 2017
Robert Healy Public Safety Center / Cambridge Police Station
125 Sixth Street
Community Room

DRAFT EXECUTIVE SESSION MEETING MINUTES

Board Members In Attendance: Mr. Christopher Bator, Ms. Kathleen Born, Mr. Conrad Crawford, Ms. Margaret Drury, Mr. Barry Zevin

Executive Session began at 8:10 PM, after the close of the Regular Board Meeting.

Kathryn Madden and Tom Evans provided an update on the negotiations with the City regarding the revised approach toward the Foundry redevelopment. Key items of discussion between the City and CRA staff were the project's capital budget, operational business plan, and the contracting roles of the City and CRA.

The central item of discussion between Board members was the level of financial contribution the CRA was able to commit relative to its long-term financial forecast. Tom Evans outlined future income the CRA might anticipate from the MXD development, but acknowledged that future revenue is speculative and dependent on real estate dynamic in Kendall Square.

Board members emphasized that in order to make this level of investment, they wanted to be sure the community was behind the project. Kathryn and Tom responded that the robust community outreach planned for the next few months would provide CRA and City staff with "proof of concept" level of approval from community members. Board members expressed an interest in targeting the CRA funds toward the building fit-out, which is more closely tied to the CRA role in operations. Additionally, Board members highlighted the need to cap the CRA's financial commitment toward the project as the CRA should preserve funds to undertake other projects in the City.

Meeting adjourned at 9:25 PM.

Executive Session of CRA Regular Meeting
Cambridge Redevelopment Authority

June 21, 2017
Robert Healy Public Safety Center / Cambridge Police Station
125 Sixth Street
Community Room

DRAFT EXECUTIVE SESSION MEETING MINUTES

Board Members In Attendance: Mr. Christopher Bator, Ms. Kathleen Born, Mr. Conrad Crawford, Ms. Margaret Drury, Mr. Barry Zevin

Executive Session began at 8:58 PM, after the close of the Regular Board Meeting.

Kathryn Madden and Tom Evans presented the Board with a revised budget of the Foundry's redevelopment with proposed financial terms. The role of the CRA within the City's proposed capital improvement plan was discussed. Staff described the process for selecting an operator and discussed with the Board the importance of retaining an operation reserve as well as a budget for the initial year of building maintenance and programming. Staff explained that these terms were making their way into both the Demonstration Plan and a draft cooperation agreement, the terms of which will become part of the Foundry lease.

Meeting adjourned at 9:30 PM.

**303 Third Street
Cambridge, MA 02142**

August 30, 2017

Steve Marsh, Managing Director, Real Estate
Massachusetts Institute of Technology Investment Management Company
238 Main Street Suite 200
Cambridge MA 02142

Dear Steve,

We write to follow up on our letter of June 18 regarding open space and related issues for development of the site now occupied by the U.S. DOT's Volpe Center, which MITIMCo plans to develop for commercial and residential use.

As abutters and as Cambridge residents we would like to see 2.5 or more acres of contiguous public open space within this development located at Broadway and Third Street and extending north to Potter Street.

This location would of course benefit those of us who live immediately across from the Volpe parcel. Even more broadly, however, as you know from our walks around the site, it is clear that welcoming public open space at Broadway and Third Street would only add to the development's overall appeal. This location offers maximum sunlight and sky views, transit access, proximity to neighborhoods, links with existing Broad Canal recreation and retail offerings, as well as many other direct public benefits. Already humming, the location will be ideal for fully civic, highly pleasing activation. Further, it offers the chance to develop usable public open space early in the development process, a tangible community dividend.

As you know, the East Cambridge Planning Team, a neighborhood-based review and advocacy group for more than forty years has voted support of our preference to locate substantial public open space at the Broadway and Third Street location.

At this point we ask that MITIMCo designate a single plan establishing 2.5 or more acres of public open space at Broadway and Third Street, as well as building locations and street configurations that will be incorporated directly into the zoning. This is standard in Cambridge; as, for example, with the recent Alexandria zoning petition. We are concerned that having multiple options or "scenarios" leaves too much uncertainty. Having a preferred site plan in the zoning will clarify what people can expect to see, and substantially reduce the uncertainty.

We are also concerned about long-term maintenance of the community space/rec center, whether freestanding or part of a residential building, and would like to see an endowment that will ensure the rec center's continued vitality.

In addition, we think that proposed density should come with significant investment in the Grand Junction, including resolution of right-of-way issues as well as planning studies and transportation impact assessments, so that people will have reliable and inviting ways to get in and out of Kendall Square.

Finally, because new commercial development will create increased demand for housing, we support the MIT grad students' petition for additional student housing to be built off site but within 1.5 miles of Volpe, as a way to reduce pressure on the Kendall Square market and the adjacent neighborhoods.

We know that MITIMCo shares our goal of ensuring a remarkable and resilient development on the Volpe parcel. We believe including a site plan with open space at Broadway and Third Street in the zoning, endowing the rec center, investing in Grand Junction, and providing housing per the grad student petition will greatly improve prospects for everyone's future use and enjoyment of this vital parcel.

With best regards,

303 Third Street condo owners:

Rosemary Booth and Jerry O'Leary
Jack Dennis
Tim Fallon and Robert Fallon
David Litster
Al Oppenheim
Bjorn Poonen
Roger Roach
O. Robert Simha
Jane Stabile and Larry Stabile
Martin Tang

cc:

Cambridge City Council: Mayor E. Denise Simmons; Vice Mayor Marc C. McGovern; Councilors Dennis J. Carlone, Leland Cheung, Jan Devereux, Craig A. Kelley, David P. Maher, Nadim A. Mazen, Timothy J. Toomey

Cambridge Planning Board: Chair H. Theodore Cohen; Vice Chair Catherine Preston Connolly; Members Louis J. Bacci, Jr., Steven A. Cohen, Mary T. Flynn, Hugh Russell, Tom Sieniewicz

Representative Mike Connolly, (D) 26th Middlesex District

Robert B. Millard, Chairman, Massachusetts Institute of Technology (MIT)
L. Raphael Reif, President of MIT
Israel Ruiz, Executive Vice President and Treasurer of MIT
Prof. Krishna Rajagopal, Chair, MIT Faculty
Prof. Stephen C. Graves, Chair, MIT Faculty Committee on Campus Planning (CoCP)
Sarah A. Goodman, President, MIT Graduate Student Council (GSC)

Kathleen L. Born, Chair, Cambridge Redevelopment Authority (CRA)

Chuck Hinds, President, East Cambridge Planning Team (ECPT)

Nancy Ryan, President, Cambridge Residents Alliance (CResA)

MIT Grad Student Apartments Now (GSAN)

To: Cambridge City Council, Planning Board, Community Development Department, City Manager

From: Steve LaMaster, Esther Hanig, Peter Crawley as Neighborhood Representatives on the City of Cambridge Volpe Working Group

Re: Volpe Redevelopment (PUD-7 District) – Community Space Requirement

Date: August 2, 2017

As neighborhood representatives to the City's Volpe Working Group (representing East Cambridge, The Port and Wellington-Harrington), we feel obligated to pay particular attention to the public benefits included in the MIT Volpe Site Zoning Proposal (PUD-7 District). While public benefits can be defined broadly and include Open Space, Transportation Improvements, Job Training, Affordable Housing, Retail, Environmental Impact Mitigation, etc., we will focus in this letter on the important public benefit of a Community Center and provide both questions and recommendations to help optimize its usefulness and long-term value to the community.

The guiding principle for the Volpe Civic Spaces developed by the Volpe Working Group is to:

- Create beautiful, legible, varied and welcoming public places that support and symbolize community, bring together a diverse range of demographic groups, as well as attract community members and visitors to share in the unique experience of Kendall Square.

To achieve this goal, and successfully connect the neighborhoods to Kendall Square and the Volpe site, we believe there needs to be the draw of a Community Center that features dynamic educational, recreational and entertainment uses.

A Community Center on the Volpe site, which serves the needs of the three adjacent neighborhoods, as well as residents and workers on the site, offers a unique opportunity to interconnect the Volpe site -- and Kendall Square itself, to the rest of the city.

A current complaint about Kendall Square is that its high-tech buildings and economy do not welcome and integrate adequately with the surrounding neighborhoods that experience their impacts, such as gentrification, traffic, noise, etc. With additional development, Kendall Square risks becoming more of an island of tall buildings housing corporate tech workers, lacking in socio-economic diversity and disconnected from the majority of area residents.

A sizable, well-funded and ably operated Community Center on the Volpe site, providing vital community gathering spaces for educational, recreational and entertainment uses, would help create a more demographically diverse and integrated Kendall Square

community. And given MIT's educational mission, it is the right partner to facilitate connections between residents and the innovation economy via educational and mentoring programs. Imagine a broad population of residents being drawn to the Community Center for recreational or entertainment purposes, but also being exposed to educational and career training opportunities. Some YMCA's currently use this model to good effect. It should also be noted that a Volpe Community Center would provide services complementary and not overlapping with the Foundry, such as recreational uses.

As guiding principles and measures of success for the Community Center, we propose the following:

- Successfully attracts surrounding neighborhood residents of broad socio-economic, ethnic and age demographics;
- Is family friendly and affordable;
- Provides amenities for both surrounding neighborhoods and Kendall Square/Volpe residents;
- Promotes community-building, cohesion, interaction and understanding amongst residents;
- Responds to resident needs for:
 - Education and training regarding participation in the innovation economy;
 - Recreational uses, including indoor pool;
 - Other community gathering spaces and programming.

Toward this end, we appreciate that MIT included in its zoning proposal "Community Space Design and Construction Funding" (Section 13.910.5.2.) that contemplates a Community Center and look forward to working with them and the community to better clarify the proposal. Some open questions that need to be addressed in the zoning (or a separate commitment letter) include:

- When would the Community Center be built? We recommend Center be built in first phase of Non-Federal building development and have a deadline.
- Who would build the Community Center? We recommend that MIT is responsible to build Center.
- What minimum size and allowed use types should be specified? How will the interests and needs of adjacent neighborhoods be incorporated?
- Given size of development, and community goals of Center, \$15MM "aggregate, one-time" contribution proposed in current zoning seems low. Given the precedent of public benefits funding in major cities for large-scale developments and the financing needs of a significant Center, we believe a funding target of \$30MM is more appropriate. (These monies should be deposited in a separate fund, earmarked for the Center and not commingled with City funds for other purposes.)
- How should the Operating Budget endowment (including an on-going funding mechanism) be structured? The funding mechanism should allow and encourage other Kendall Square private entities to make on-going contributions.
- Given their experience managing the Foundry process, what role might the Cambridge Redevelopment Authority (CRA) play in the programming/oversight of a Volpe Community Center?

- Who would own the Community Center? Who would operate it? Like the Foundry structure, we recommend a qualified third party operator.
- We agree that the Community Center square footage should be exempt from the Gross Floor Area of the development but do not think it should be included in the Public Open Space calculation, as proposed.
- We recommend that the Community Center be a free-standing, low-rise building that borders both open space and major public streets for maximum public exposure. This will also help create a sense of public ownership and identity for the Center versus being co-opted by the development.

We appreciate that the Volpe PUD represents a complex zoning and design-review process and that many topics in addition to the Community Center need to be considered and balanced. We remind City Officials that the Volpe development is perhaps the last large development opportunity in the heart of Kendall Square and the best opportunity to create a Community Center that helps transform Kendall Square into a more balanced “live, work, play” community connected to the adjacent neighborhoods. The Kendall Square area generates a high percentage of the City’s tax revenue while absorbing a high level of development impacts; as mitigation and enhancement of the Volpe site, a Community Center is an ideal contribution that benefits a wide range of residents. Most importantly, a Community Center would help foster healthy connections between the high-tech, corporate development and the surrounding communities.

As a sub-group of the Volpe Working Group, we look forward to working with the City, MIT and our neighborhoods to further define the vision and zoning parameters of the Community Center, and work hard to assure that this long-awaited promise and benefit of Kendall Square development finally gets built. Thank-you for your help!

CC: MITIMCo, Cambridge Redevelopment Authority



CITY OF CAMBRIDGE
COMMUNITY DEVELOPMENT DEPARTMENT

IRAM FAROOQ
Assistant City Manager for
Community Development

SANDRA CLARKE
Deputy Director
Chief of Administration

To: Planning Board
From: CDD Staff
Date: September 7, 2017
Re: **MIT Volpe Zoning Petition – Second Hearings**

This document contains information gathered in response to issues that were discussed at the prior set of public hearings on the MIT PUD-7 Zoning Petition, affecting the site of the Volpe Transportation Systems Center in Kendall Square.

This document is organized into three main parts:

1. **General Issues and Background** (pp. 2-12, including maps and charts). This section summarizes questions raised with regard to the zoning proposal at a conceptual level, and provides additional background information on the planning that occurred leading up to this proposal. (However, it aims not to duplicate background information that was provided in the prior CDD memo).
2. **Specific Issues Raised in Relation to Zoning Proposal** (pp. 13-28). This section summarizes comments made in relation to the specific provisions of the zoning proposal, organized by section of the proposed zoning text, with background information and potential approaches to modifying the proposal.
3. **Other Considerations Not Addressed Through Zoning** (pp. 29-30). This section notes topics that were raised for the petitioner to address, but as they relate to MIT in particular, they are not well suited to be incorporated into the Zoning Ordinance. However, these issues could be addressed through commitments made by mutual agreement between the City and the petitioner.

General Issues and Background

The following is a summary of issues that were raised relative to the zoning proposal at a conceptual level, mainly at the Planning Board hearing.

- Open space and density seem to be threshold issues to consider.
- Not averse to density, but needs to be a good planning rationale.
- This may be an appropriate location for height, but should be considered as a tradeoff for open space, smaller building footprints, and other public benefits.
- Kendall is an economic generator of city, perhaps the most appropriate place for the tallest, densest development.
- Since you can't make more land, more density and height can accommodate further growth.
- Understand that a certain amount of development is needed to support the planned construction of the new DOT building – explain how this factors in.
- Understand that the community benefits need to be supported by the development, therefore discussions of density can impact the amount of benefits that can be provided.
- How big are these sites, how much is buildable, and how much is allocated to the DOT site?
- Consider how open space in the area has changed since the ECaPS study, including Alexandria open space.
- Seems to be enormous need for housing in Kendall – people want to live near where they work.
- Provide information on new and existing affordable housing units in the area.

Background Information

Background information on these questions has been compiled into a set of maps and charts that are briefly described below.

Kendall Square (“K2”) Study Development Modeling – See graphic and chart on page 5

The previous memo commented on the goals of the K2 study and its recommendations for zoning measures that would promote street-level activation, sustainable design, innovation space for smaller companies, reduced parking and non-auto transportation improvements, and other community investments.

The K2 study also modeled development scenarios, both to study built form, massing, and open space options and to assess transportation impacts. The transportation impacts of projected development, both on auto traffic and on transit, were again revisited in 2015 as part of the Planning Board zoning petition. More recently, the Kendall Square Mobility Task Force considered these projections in articulating future priorities including Red Line improvements, multi-use path and potential future transit in the Grand Junction corridor, study of bus prioritization and routing improvements, and improved coordination of shuttles and ride-hailing services.

The attached graphic shows a model development scenario created for the core K2 study area, which includes the MIT-owned land in Kendall Square, the MXD District, and the Volpe site. The modeling took into account prevailing market-driven typologies for commercial and residential development. For example, the greatest demand for commercial development has been for large-floorplate buildings that have the flexibility to accommodate both laboratory and office functions. While the K2 study recommended guidelines to limit building bulk, especially at taller heights, it was acknowledged that viable commercial buildings would require relatively large footprints, and that there were a limited number of sites that could physically accommodate such buildings in the future.

The charts below the graphic summarize the approximate new buildout that would result from applying the K2 zoning recommendations in the three aforementioned parts of the study area as well as the development in those areas that has since been permitted or proposed. While there have been some slight changes, including the permitting of additional housing and graduate student residences in the MIT Kendall Square development, the development plans approved thus far remain largely consistent with the overall development amounts modeled in the K2 plan.

It should be noted that at the time of the K2 study, the concept of reconstructing the Volpe Center building elsewhere on its site had not yet been introduced, and so it is shown remaining in its current location. It is currently anticipated that the Volpe Center will be relocated to the northwest corner of the site, on a lot roughly 4 acres in size, though it is not certain what the exact boundaries will be.

Development Density (FAR) – See maps on pages 6-7

Some questions were raised regarding the density of development proposed in the petition. While the measure of Floor Area Ratio (FAR) is a convenient regulatory tool for assigning development rights to land within a zoning district, it is not always a perfect tool for assessing the intensity and scale of use, and is not useful in representing development patterns or urban character.

The two attached maps illustrate the approximate existing FAR of sites in Kendall Square in different ways. The first calculates FAR on a lot-by-lot basis, and the second calculates aggregate FAR for entire blocks, the way FAR is most often applied in large PUD projects. The lot-by-lot FAR shows a wide range of values, from at or near zero where a lot is occupied by parking or open space, to around 8 to 10 where larger buildings are situated on relatively small lots. The FAR by blocks map shows a closer range of values from around 3 to around 5, with some larger and smaller values, and a pattern that is higher in FAR near the core of Kendall and becomes gradually lower in areas that are farther away. Several blocks will increase in overall FAR after the completion of new development that has been permitted.

These maps provide some context but also illustrate some of the problems with using FAR as a meaningful assessment tool. First, because it is not a continuous value, a calculated FAR can vary widely based on how exact land boundaries are drawn even if the total amount of development or scale of buildings is the same. Also, since above-grade parking structures were not included in FAR for zoning purposes until a zoning change in 2001, some sites show an FAR of zero even though they contain large structures. This is an example of how FAR can be a useful regulatory tool, since it has discouraged the creation of new above-grade parking since that time, but makes it more difficult to use FAR as a consistent way to assess the visual impact of development.

Height – See maps on pages 8-9

Where the overall amount of development is controlled by FAR at an aggregate level, height restrictions can influence how that development is shaped within a parcel. The maps of current and proposed height restrictions illustrate two different types of approaches. The current zoning, based on the ECaPS plan, has a finely tailored set of “height bands” that prescriptively concentrate the highest-scale development along Broadway, ensuring that lower-scale buildings and open space would be located closer to Binney Street. The proposed height limits take a more flexible approach similar to that of surrounding districts, limiting the total amount of building mass above a certain height while allowing more options for how buildings might be arranged within the district. In general, the more flexible approach allows more opportunities for “tradeoffs” of height in exchange for open space and greater sky views, but it becomes more important to provide guidelines and criteria that can be used to assess the arrangement and shaping of building heights in the development review process. Specific issues related to height are discussed further in the following section.

Open Space – See chart and map on pages 10-11

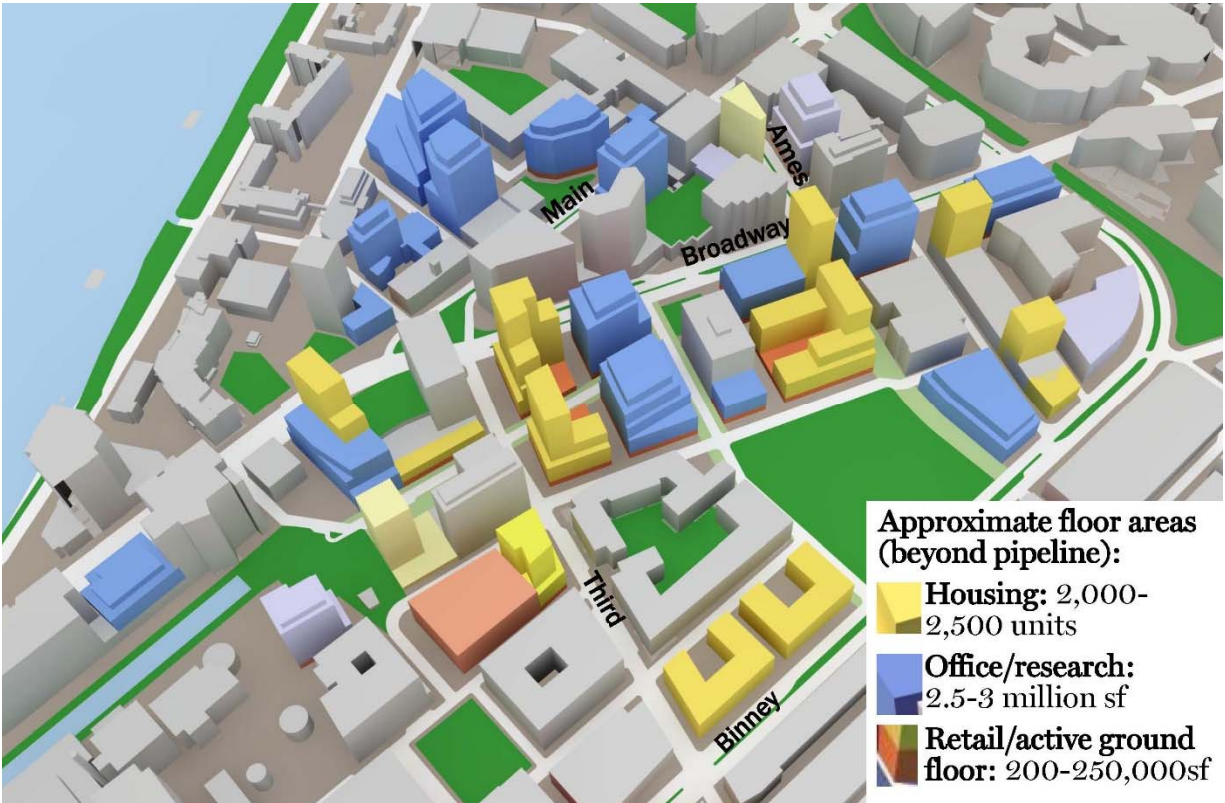
The incorporation of open space for the benefit of the public has been a requirement of major redevelopment projects throughout the city over many years. The chart summarizes the open space requirements for major redevelopment areas and the resulting amount of open space created. In some cases, the open space was created to be used by the public but remained under private ownership, while in other cases the open spaces became true public parks, either by conveyance to the city or by legal covenant guaranteeing public use. The amount of open space required is most typically around 15% or 20%, while the actual amounts created have been in the range of 10-20% for earlier projects and around 22%-27% in the case of more recent developments.

The map shows new open space that has been created in association with development projects in Kendall Square since 2001. These include parcels conveyed to the city, as well as parks and plazas that have been created by developers as public amenities within their projects. Together, these spaces total about 8 to 9 acres. A key principle from the K2 study, and carried through the *Connect Kendall Square* framework study and Volpe Working Group Principles, is the importance of the Volpe site as the focus of an interlinked network of open space throughout the area.

Housing – See map on page 12

The K2 study projected that about 2,000-3,500 units of new housing could be created in the core of Kendall Square and in surrounding areas within walking distance. The map illustrates the locations and sizes of existing housing sites in Kendall Square, totaling about 2,000 dwelling units (over half of which were completed since 2001), and sites currently permitted or in construction, which are expected to raise that total to about 3,200 units. Within these existing and permitted residences are over 400 affordable units provided through inclusionary housing and similar requirements, which include about 50 middle-income units. MIT’s projections for the proposed zoning would result in about 4,600 total housing units, of which about 690 would be affordable. For context, the Riverside neighborhood has approximately 4,000 housing units and about 600-700 units with affordability protections.

K2 Advisory Committee Development Scenario (2012)



K2 Study Zoning Recommendations (2012) – Resulting Development

	MIT (PUD-5)	MXD District	Volpe (PUD-KS)**	TOTAL
Office/Research	Max. 1.0 million SF	Max. 600,000 SF	Max. 1.5 million SF	3.1 million SF
Residential	Min. 240,000 SF	Min. 400,000 SF	Min. 1.3 million SF	1.9 million SF
Retail/Active	TBD	TBD	TBD	TBD
TOTALS	1.2 million SF (+ retail/exempt)	1.0 million SF (+ retail/exempt)	2.8 million SF (+ retail/exempt)	5.0 million SF (+ retail/exempt)

** Figures based on 4.0 base FAR and counting inclusionary bonus for housing

Current Status of Permitted/Planned Development (2017)

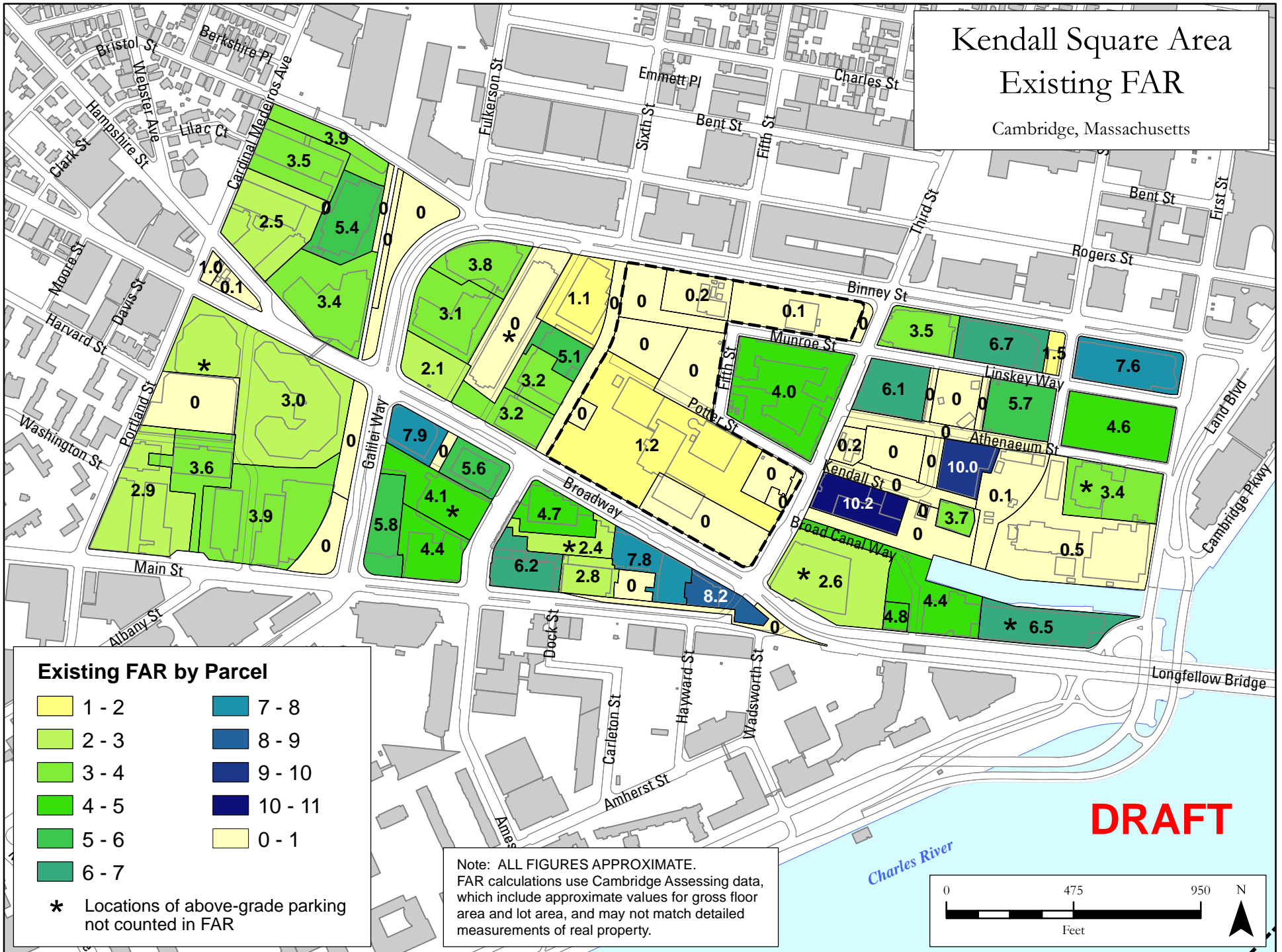
	MIT (Permitted)	MXD (Permitted)	Volpe (Proposed)	TOTAL
Office/Research	900,000 SF	600,000 SF	Max. 1.7 million SF	3.2 million SF
Residential	315,000 SF	400,000 SF	Min. 1.1 million SF	1.8 million SF
+Student Housing	+166,000 SF			+166,000 SF
Retail/Active	123,000 SF	19,000 SF	~70,000-140,000 SF	212,000-282,000 SF
TOTALS	1.5 million SF	1.0 million SF	2.9 million SF	5.4 million SF

FIGURES REPRESENT NET NEW DEVELOPMENT FROM 2012 EXISTING/PERMITTED

ALL FIGURES APPROXIMATE

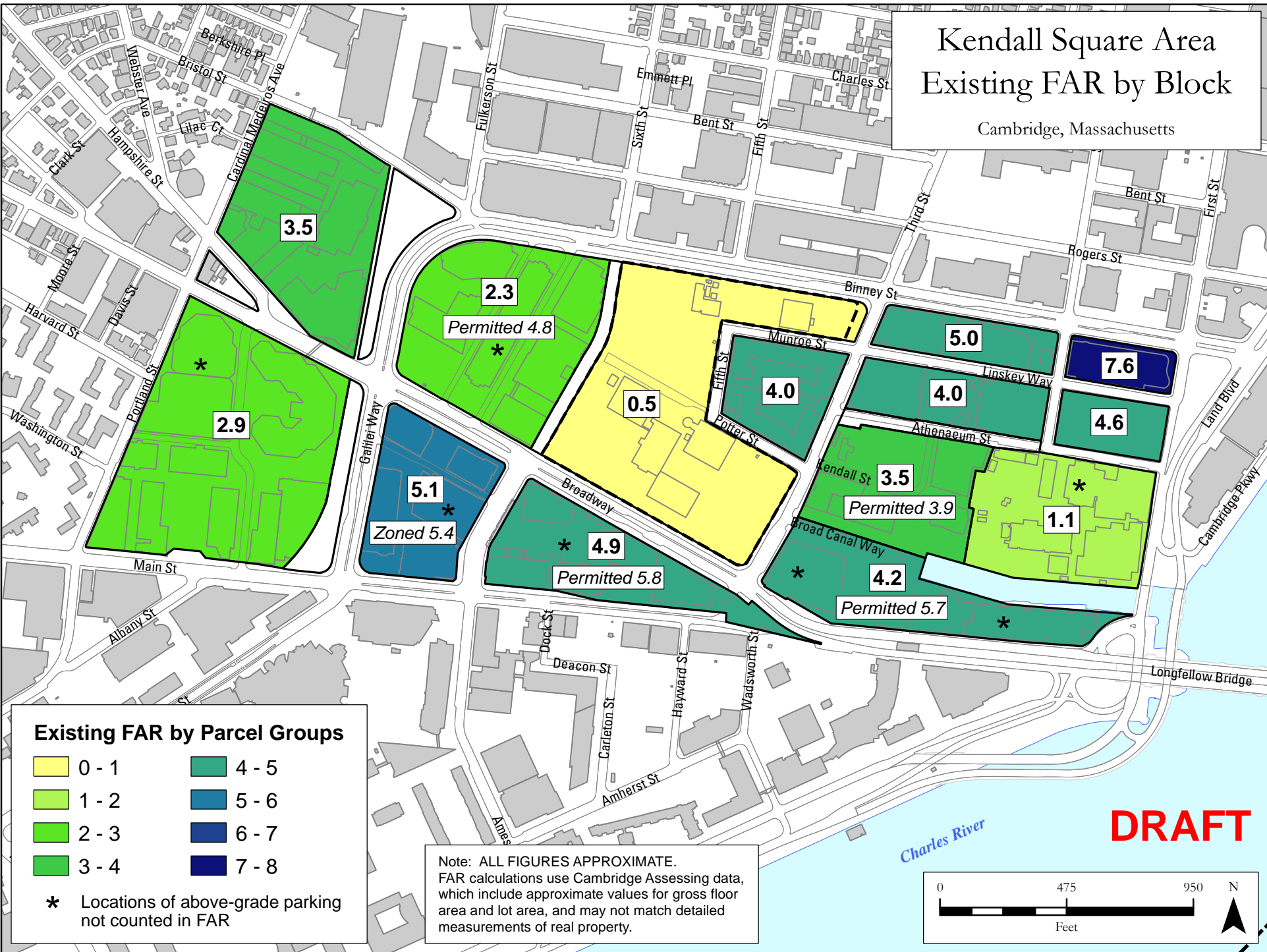
Kendall Square Area Existing FAR

Cambridge, Massachusetts



Kendall Square Area Existing FAR by Block

Cambridge, Massachusetts



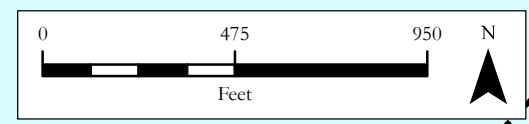
Existing FAR by Parcel Groups

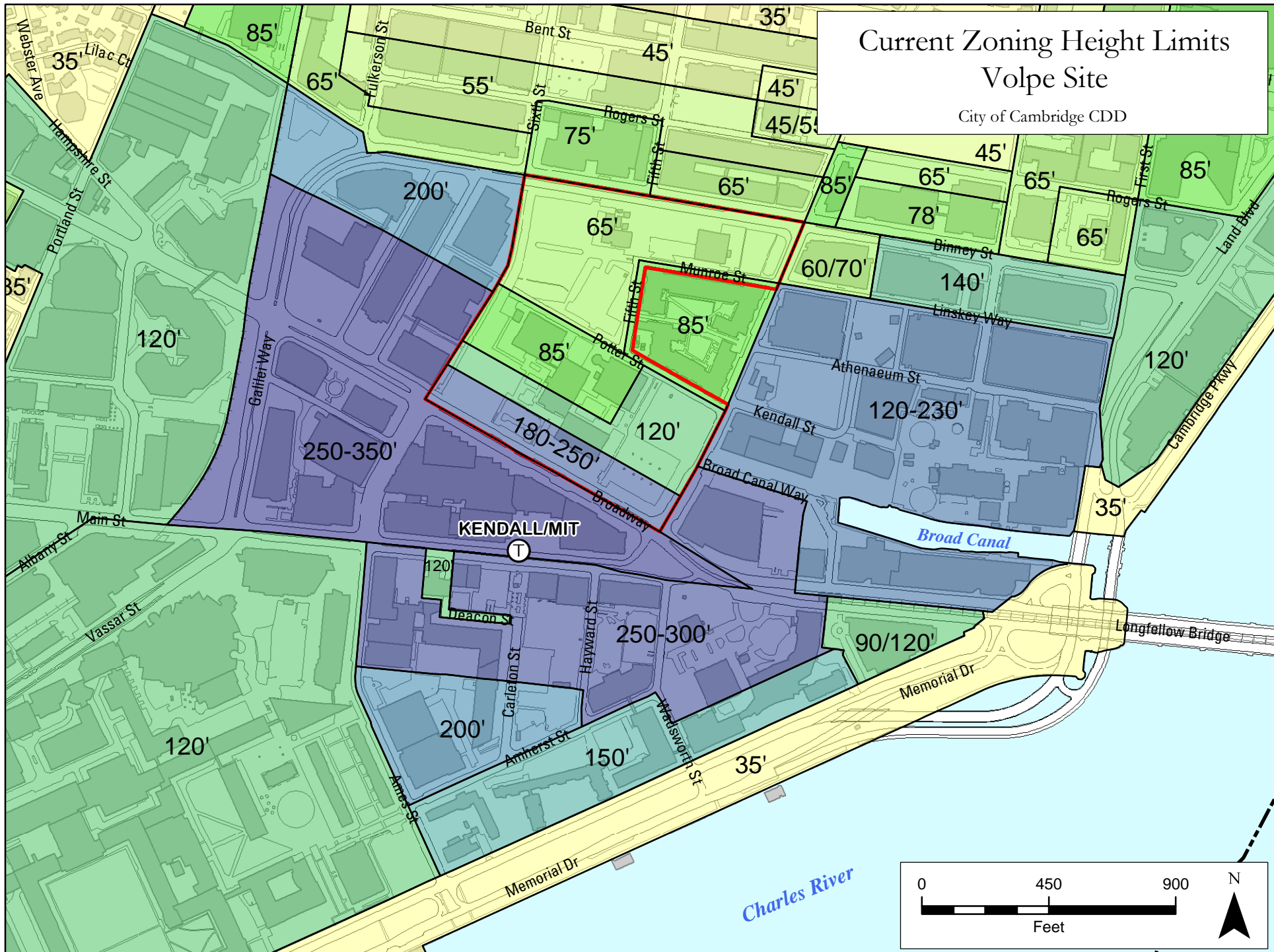
0 - 1	4 - 5
1 - 2	5 - 6
2 - 3	6 - 7
3 - 4	7 - 8

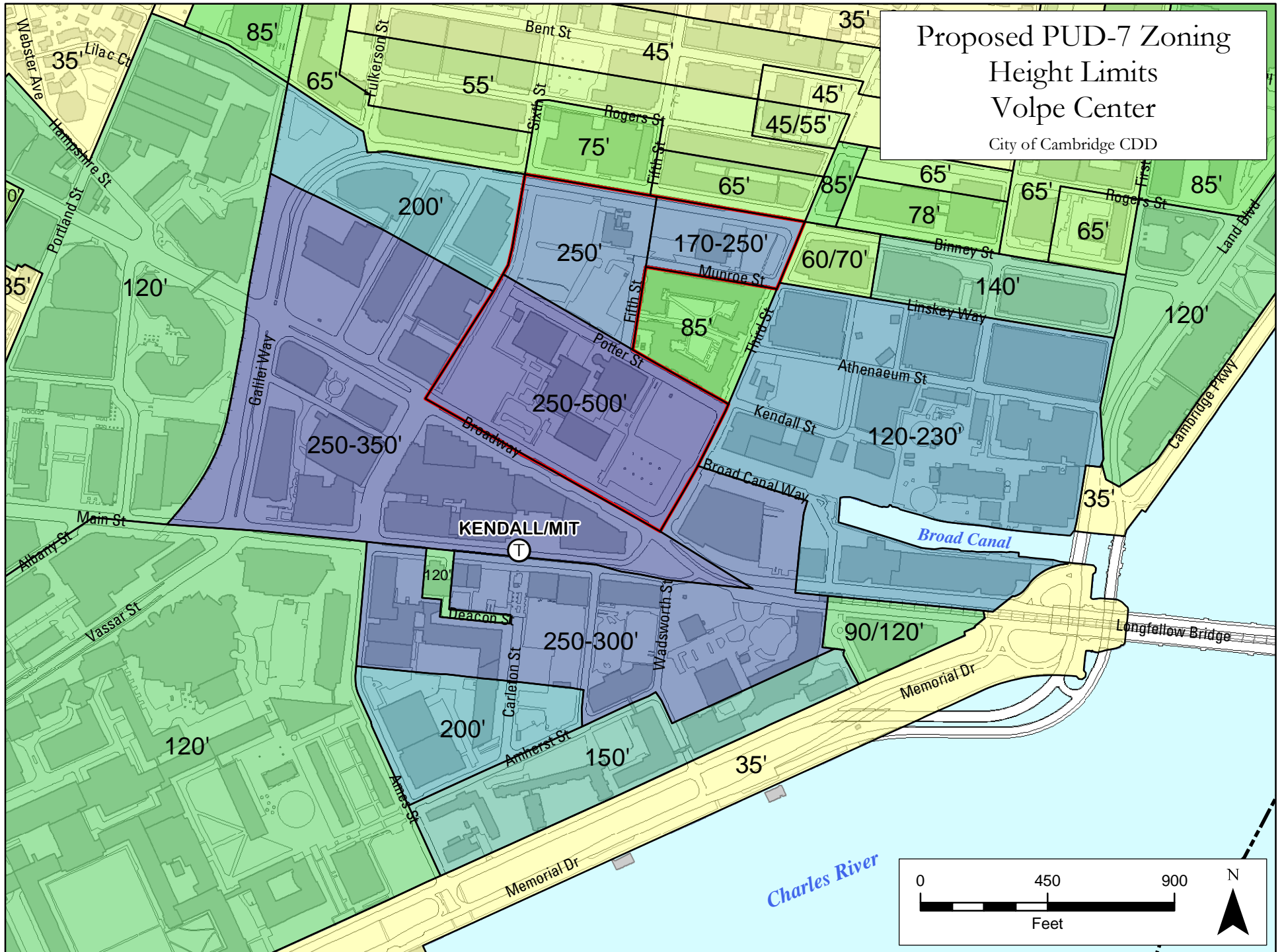
* Locations of above-grade parking not counted in FAR

Note: ALL FIGURES APPROXIMATE.
FAR calculations use Cambridge Assessing data, which include approximate values for gross floor area and lot area, and may not match detailed measurements of real property.

DRAFT







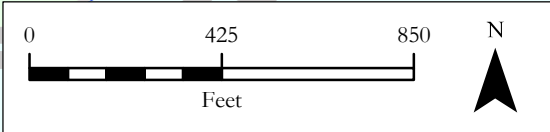
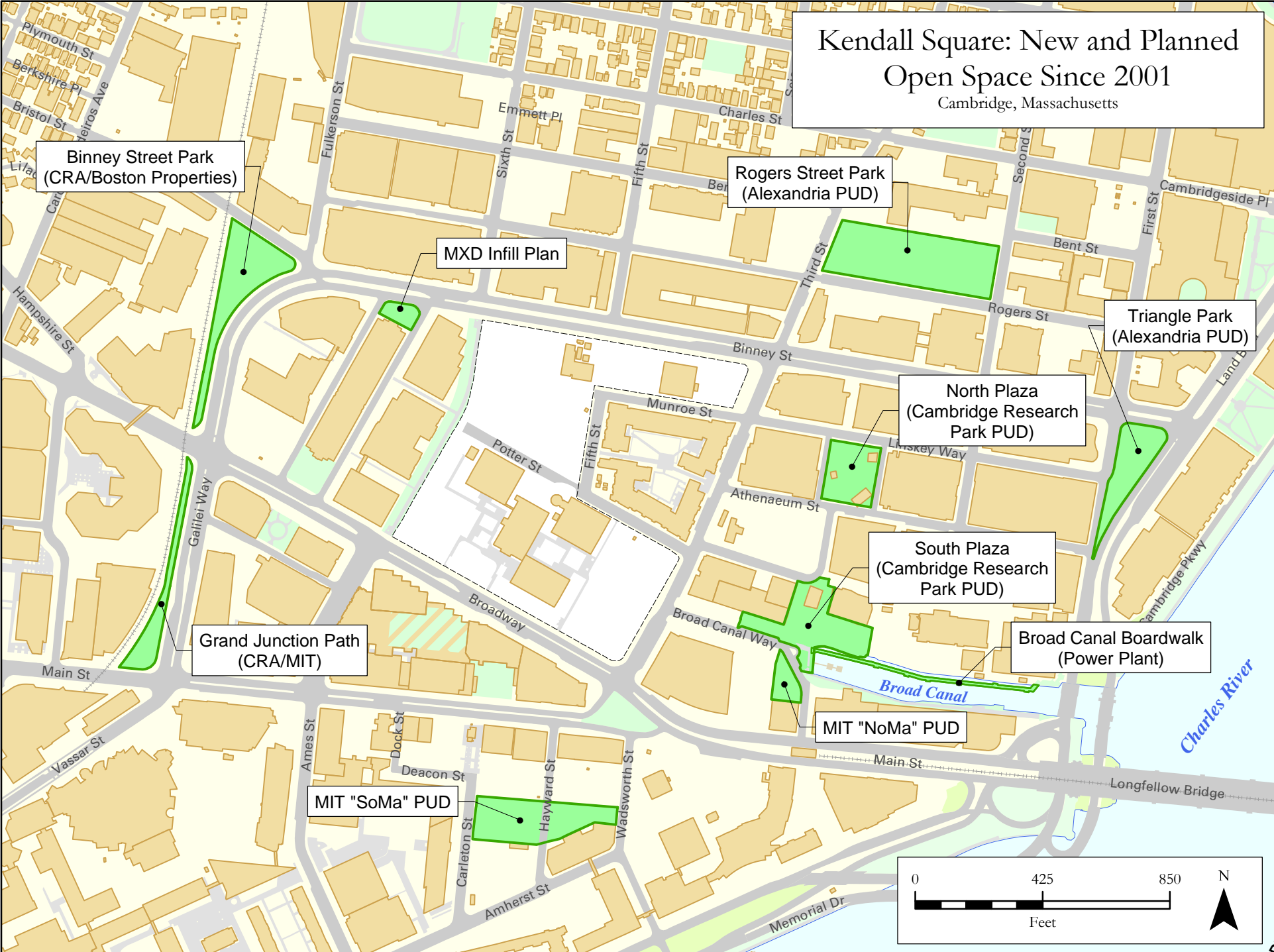
Comparison of Open Space Provided in Major Redevelopment Projects

Redevelopment Area	Permit Yr(s).	Zoning for Open Space	Type of Open Space Provided	Parcel Area (SF)	Provided OS (SF)	Provided OS (%)
Kendall Center (MXD District/KSURP)	1977/2017	Total of 15% publicly accessible in MXD; 100,000 SF public	Part conveyed to City, part owned by CRA, part public by covenant	1,013,000	156,000 *	16%
East Cambridge Riverfront PUDs (Aggregate)	1981-1997	15-25% open, PB may reduce if public OS provided or integrated	Public by conveyance to City	1,290,000	251,000 *	19%
University Park (CRDD District)	1987	100,000 SF publicly beneficial	Publicly beneficial, privately owned	1,014,000	107,000	11%
Cambridge Research Park PUD ("Kendall Square")	1999	15% open, PB may reduce if public OS provided or integrated	Publicly beneficial, privately owned	425,000	96,000	23%
North Point PUD	2003/2016	20% public, green or permeable; 2.5 acre public park	Part to be conveyed to City; part publicly beneficial, privately owned	1,977,000	479,000	24%
Alexandria Center PUD	2010	15% open, at least 2.3 acres conveyed to city	Public by conveyance to City	491,000	112,000	23%
MIT SoMa/NoMa PUDs	2015	Total of 15% publicly beneficial w/in PUD-5 district	Publicly beneficial, privately owned	460,000	126,000	27%
<i>Volpe Parcel (expected based on current PUD-7 zoning proposal)</i>	<i>N/A</i>	<i>Total of 25% publicly beneficial w/in PUD-5 district</i>	<i>Publicly beneficial</i>	<i>620,000 (+/-)**</i>	<i>155,000 min (+/-)**</i>	<i>25% min</i>

Note: ALL FIGURES APPROXIMATE. Based on area of Development Parcel, which does not include existing streets, but may include new streets created as a component of the development. In all cases, the area of provided open space is included in the Parcel Area. () In order to provide a consistent basis for comparison, these figures do not include public roof-level open spaces. (**) May vary depending on whether CRA Parcel is included in a future Development Parcel.*

Kendall Square: New and Planned Open Space Since 2001

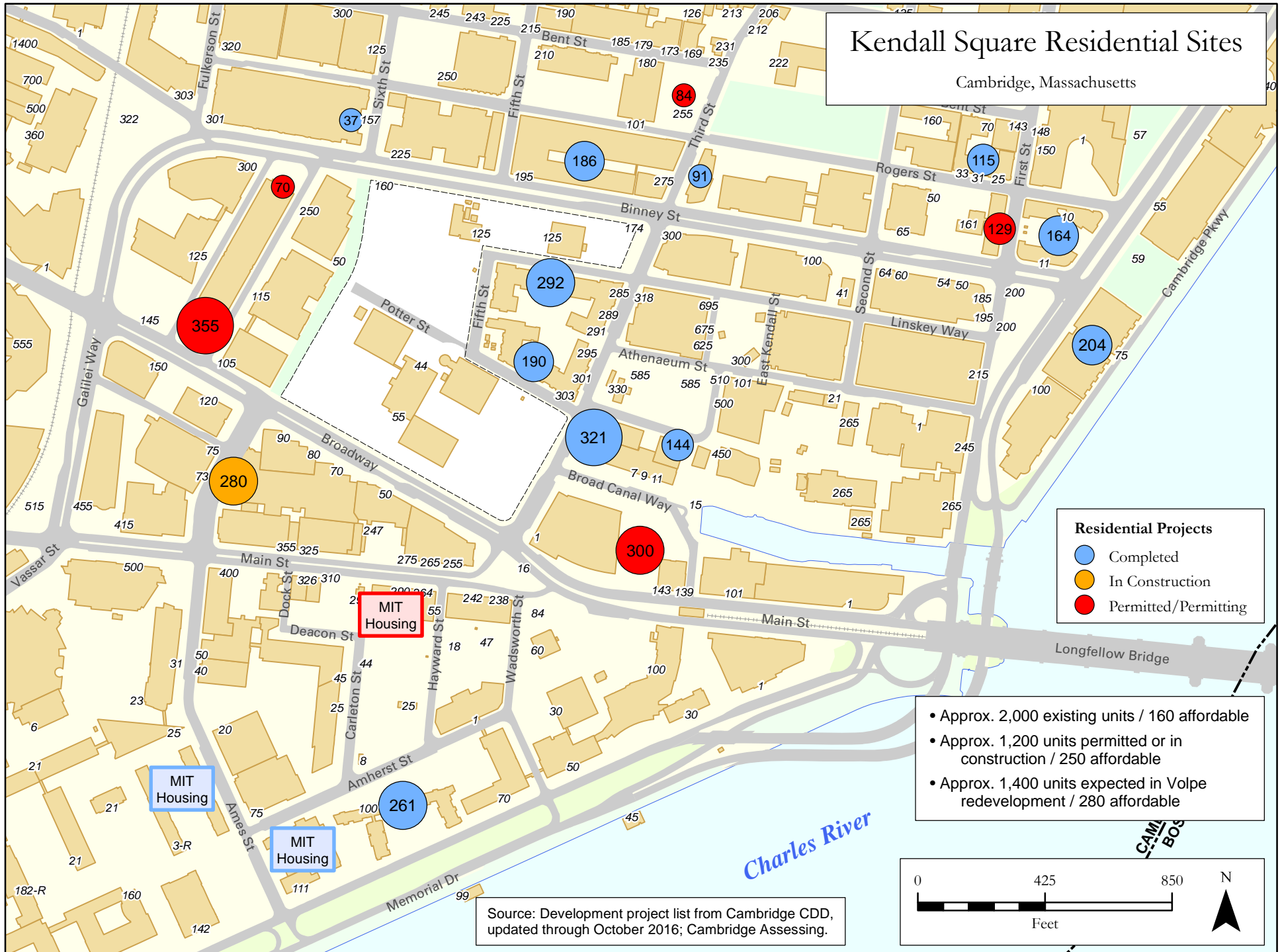
Cambridge, Massachusetts



Map prepared by Brendan Monroe on September 5, 2017. CDD GIS C:\Projects\Zoning\Petitions\VolpeCenter\OpenSpaceInVicinity.mxd

Kendall Square Residential Sites

Cambridge, Massachusetts



Specific Issues Raised in Relation to Zoning Proposal

The following is a summary of issues raised at the initial set of hearings regarding specific elements of the zoning petition, along with background considerations to help inform the discussion of these issues, and possible approaches that could be taken to modify the zoning proposal. These are primarily organized by the order they appear in the zoning petition, with some consolidation.

Master Plan Area (13.91.1) / Minimum Development Parcel Size (13.93.2)

Issues Raised:

- Is it expected that the entire Volpe parcel (the CRA parcel may or may not be added) will be developed under one master plan?
- Does the Development Parcel include streets?

Considerations:

- A Development Parcel, under the zoning definition, includes lots (i.e., developable parcels of land), which are distinct from streets. While existing public streets are not included in a Development Parcel, sometimes a PUD involves the creation of new streets (public or private), which are considered to be included in the area of a Development Parcel.
- Current zoning (PUD-KS) requires the majority of land parcels held under common ownership to be designated as a single Development Parcel, thereby preventing the lot to be subdivided into smaller parcels.
- Proposed zoning (PUD-7) would allow a large development parcel to be permitted under a master plan be developed as a master plan (subject to continuing design approval of individual building sites), but not require it.

Potential Approaches:

- If it is a shared expectation that this zoning should result in a single development plan for the parcel, a Development Parcel could be required to contain all (or most) lots under common ownership as of the date of ordination, plus any additional lots whose owners may choose to have combined. This would guarantee that the entire parcel is reviewed and permitted as a single master development plan. Provisions related to Government Owned Lots, which may not be subject to zoning, would still need to be specified.

Master Plan Requirements (13.91.2) / Approval Criteria (13.91.3)

Issues Raised:

- Requirements do not include a sustainability plan that would focus on site-wide approaches such as district or shared energy systems, site stormwater management, &c., as well as approaches to be implemented on a building-by-building basis.
- Requirements do not include an architectural master plan describing overall design approaches that would create a cohesive sense of place and well-defined public spaces.
- In relation to the Volpe Working Group principles, the master plan approval criteria include references to connectivity & permeability, activation, and sustainability, but focus less on civic life, inclusiveness, comfort, and overall sense of place.

Considerations:

- The proposed zoning incorporates the sustainability requirements of the K2 study and refers to other sustainability measures. Sustainability has become an increasingly important component of development review, and best practices for energy use and climate resiliency continue to evolve as the city advances toward meeting “Net Zero Emissions” goals. Requiring a more holistic sustainability plan at the PUD approval stage may be a helpful way to address these issues more broadly.
- Approaches to architectural design are often discussed in design guidelines and at the PUD Master Plan level, as well as in the ongoing design review of individual buildings within a PUD, but not always explicitly required in zoning.
- Referring to the Volpe Working Group Planning Principles is a helpful way to guide the review process. Phrasing these principles as approval criteria is a stronger way to ensure that they are given the appropriate level of consideration in the review and permitting process.

Potential Approaches:

- Consolidate required submissions related to sustainability into a “Sustainability Plan” section that is required in a Development Proposal.
- Consider incorporating an “Architectural Character Plan” into a Development Proposal.
- Modify criteria for master plan approval to incorporate objectives related to civic life, inclusiveness, comfort, and overall sense of place, as well as architectural definition of streets, squares, and other open spaces.

Pre-Application Conference (13.91.5)

Issues Raised:

- The pre-application review should consider architectural character as well as arrangement of buildings and massing.

Considerations:

- The purpose of requiring a pre-application conference is so that the Planning Board may review and comment on different site planning options at an early stage of development. The formal PUD review stage can only reasonably consider one development proposal, given the amount of study required to be provided along with the submission. While the pre-application conference may be an early stage to discuss specific architectural approaches, it would not be unreasonable to discuss at a conceptual level.

Potential Approaches:

- Include architectural character as a concept-level topic to be discussed at a pre-application conference.

Uses Allowed in a PUD-7 District (13.92)

Issues Raised:

- Language seems to be unnecessarily long – references to other parts of ordinance don’t need to be repeated.

Considerations:

- It would reduce the length of the zoning text to simply refer to other sections of the ordinance when specifying allowed uses. However, referencing other sections of the ordinance can become problematic if those other sections are amended at some point in the future. Therefore, when specific uses are intended to be included or excluded, it helps preserve the intent of the zoning over time to be reasonably clear and explicit.

Potential Approaches:

- Simplify the language in some areas while still being explicit enough not to rely entirely on Section 4.30 in its current form. For instance, 13.92.3 could refer to “All Office and Laboratory uses, as listed in Section 4.34 of the Zoning Ordinance,” and Section 13.92.4 could refer to all retail and consumer service uses in Section 4.35, with the exception of those that are not included (in the current proposal, mortuaries, printing shops, and photographers studios are not included). Also, 13.92.7 may not need to list every subcategory of light manufacturing use.

Permitted Floor Area Ratio (13.93.1)

Issues Raised:

- What is the rationale for the proposed increase from current zoning? (Discussed in previous section)
- Confusion over what is included and excluded (floor area and land area) when calculating FAR.
- Discussion of whether or not to include Federal government parcel in calculating FAR.
- Uncertainty about impact of exemptions, such as balconies.

Considerations:

- Under PUD development controls, FAR is usually calculated by dividing the aggregate gross floor area (GFA) in the PUD to the area of the Development Parcel, which does not include existing streets, but might include new streets that are proposed to be created (see above).
- The topic of how to treat the replacement government facility (Volpe Center) in zoning calculations has been discussed frequently since the 2015 zoning proposal. At that time, the goal was to articulate the development limitations in a way that that would result in a predictable amount of development. The PUD-7 proposal takes a similar approach to limiting the aggregate FAR across the Development Parcel, but includes the expected size of the federal facility in the calculation so that the FAR limit more closely reflects that “actual” scale of development. Because it is still not known precisely how the parcel will be subdivided, excluding the Federal parcel from the Development Parcel for FAR purposes would make it more difficult to predict the amount of development that would result.
- Development limitations are useful to establish parameters for overall size, scale, and intensity of uses, but they can also be used strategically to “tilt the balance” in favor of development outcomes that are desired but might not be the most economically advantageous. That is the purpose of exemptions for retail, innovation space, and other uses that do not have the same real estate value as offices and laboratories in Kendall Square. Exemptions for balconies (and, potentially, other above-grade outdoor spaces) are intended to encourage those types of spaces because, under current zoning, they are counted as GFA and therefore are less likely to be built

since they would offset the potential for interior floor area. Typically, these types of exemptions are for uses and spaces that are ancillary to the main development and not likely to be a large proportion of the total floor area.

Potential Approaches:

- Make clear in the zoning text that FAR is calculated only on the Development Parcel area.
- Regardless of what types of floor area are included in the FAR calculation, it is recommended that FAR be calculated on the area of the Development Parcel as a whole, so that the resulting allowed floor area can be more accurately predicted. Alternatively, development could be limited by aggregate GFA, leaving out the added step of calculating based on FAR, provided it is mandatory that the entire Volpe parcel is included in the Development Parcel (with the option of including the CRA parcel) and permitted as a PUD master plan.
- Consider a cap on exempted GFA to avoid potential unintended consequences.

Limitations on Non-Residential Development (13.93.1.1)

Issues Raised:

- Why is 40% housing required, and not another proportion? Seems to be a substantive need for housing in Kendall. (Also see information above related to housing in Kendall Square.)

Considerations:

- The “60/40” ratio of new commercial to residential development is used in the current zoning for the site and was restated in the K2 study, not just for the Volpe site but for other areas such as the MXD District. The broad goal is to sustain growth in Kendall Square as the city’s dominant economic development district, while also leveraging the value of new commercial growth to significantly increase the amount of housing in the core of Kendall Square. Requiring 40% housing is one of the most significant and meaningful components of the proposed zoning, given how strongly the Kendall Square real estate market is oriented toward commercial uses.
- The 60/40 standard is a maximum/minimum – the zoning would allow more residential development if the amount of commercial development is equally reduced. However, the ratio is unlikely to change without a significant shift in economic conditions, given that the value of the commercial development would be supporting the project as a whole.
- It may be helpful not to focus on the 60/40 ratio but to separately consider the quantities of commercial and residential development that would be provided. The concern with reducing the allowed amount of commercial development is that it would produce less economic value, which could make the project infeasible or unable to support the desired public benefits. Additional residential development could be allowed without reducing allowed commercial development, but the site would need to be able to support such additional development.

Potential Approaches:

- A major change in land use mix could have significant impacts on the value and cost of a redevelopment project, and therefore should be discussed carefully with the understanding that it could impact the project’s feasibility or the level of public benefits that could be supported.
- Alternatively, flexibility could be considered to allow for additional housing – if it can be supported within the other dimensional limitations of the district (height, open space, &c.) –

without reducing the permitted amount of commercial development, thereby mitigating potential impacts on project feasibility and other public benefits.

Housing Provisions (13.93.1.2) / Residential Density (13.93.3)

Issues Raised:

- Concern about including hotel in residential – might be a need in the area, but feels semi-commercial, semi-residential, not fully comparable to residential.
- Concern about including dormitories – not sure if appropriate here, might lead to institutional encroachment.
- Is 20% is the best affordable percentage that can be reached? Standard was established for all projects, but mixed-use might do more – e.g., MXD infill development zoning raised to 25% affordable (20% low-moderate, 5% middle-income).
- Would like to have a way to support middle-income housing.
- Concern about locking in affordable housing requirement at current inclusionary level, need to be convinced of the need to do this.
- Why is the GSA building not subject to Incentive Housing (linkage fee)?

Considerations:

- Hotel uses are listed within a subcategory of residential use (“Transient Accommodations”), but are not usually treated the same way as housing when applying dimensional requirements. Hotel also does not necessarily promote the same policy goals as housing, though it may promote goals such as activation or enable other development options. However, because the economic value of a hotel use would not be on par with commercial offices and labs, hotel uses are less likely to be developed if they have to “compete” against office and lab space.
- Dormitories, unlike hotel, are more often treated the same way as housing when applying dimensional requirements, and are often viewed as promoting similar policy goals. However, they could be treated differently if the Council does not wish to encourage dormitory use in this district. In the recently created PUD-5 district for MIT land in Kendall Square, dormitories do not count toward meeting the minimum housing requirement, but have the same height allowances as residential uses and can be exempted entirely from FAR limitations south of Main Street.
- The current Inclusionary Housing requirement is based on a recent study that assessed the need for affordable housing and aimed to determine a requirement that could be broadly supportable by a range of residential project types. It is difficult to determine what would be supportable by this specific redevelopment, especially since new residential development is not likely to occur until many years in the future, when market conditions may be different. However, given the large amount of housing required, the affordable housing requirement would be one of the most important factors affecting the overall project cost.
- Middle-income housing was considered in the K2 study, which suggested an incentive-based approach to encourage middle-income housing in exchange for increased height. The PUD-5 zoning incorporates this height incentive, which MIT originally opted not to use, but later decided to include in the One Broadway residential development. The MXD zoning provides additional height but requires 5% of new housing to be middle-income. An overarching concern

with middle-income housing is whether there is enough demand in the rental market, given the availability of other options in the region for middle-income households. For owner-occupied units, the new inclusionary housing requirements capture middle-income households by making units available to households earning up to 100% of area median income.

- Along with middle-income housing, the Volpe Working Group stressed support for family-sized housing and family-friendly residential design and amenities. The new inclusionary housing requirements include provisions for family-sized affordable housing units, but the proposed zoning does not contain provisions that would incentivize family-sized market-rate units or other amenities such as common play areas and storage rooms.
- Projects that receive a special permit are not subject to subsequent zoning changes if they are developed as permitted. This is a legal standard but also has a practical purpose, since zoning changes would affect the costs associated with the project and thus could adversely impact the developer's ability to complete the project as permitted.
- Incentive zoning contributions are required for most non-residential uses but are not required for any kind of government buildings – local, state, or federal. In general, state and federal government buildings are not subject to local zoning requirements, so it is not clear if there would be any effect to requiring incentive zoning contributions for the replacement Volpe Center building.

Potential Approaches:

- Whether or not to include any hotel or dormitory uses within the required residential development depends on whether or not the Council decides that they are desired in a future redevelopment project. Those uses are not likely to be developed if they take away capacity for other non-residential development, primarily office/lab. Incentives could be considered (see below), if those uses are desired in the district.
- Other approaches might be considered that would provide flexibility for desired uses, such as additional residential development, including affordable, middle-income, and/or family-sized units, without imposing new requirements or reducing allowances for commercial office/lab development. Flexibility might include increased height, incentives for additional commercial development, allowing hotel use as a portion of the required housing (as currently proposed) or other creative options. Tailoring the right set of incentives would require discussing the relative priority of desired uses and the attractiveness of the incentives to the developer.
- A change that would significantly reduce the value of development (e.g., reducing allowed commercial office/lab development) or significantly increase the cost of development (e.g., increasing required affordable housing) would need to be considered carefully, with the understanding that it could impact the project's feasibility or the level of public benefits that could be supported.

Maximum Building Height (13.93.4)

Issues Raised:

- Explain how this compares to heights in previous zoning proposals.

- Concern about buildings up to 500 feet, and whether it is more appropriate to have one building with greater height, or multiple buildings at the same maximum height. There may be other ways to celebrate the site rather than a 500-foot building, such as a great civic space.
- Concern about identifying taller buildings as “iconic” – would prefer to focus on architectural beauty, especially at the tops of buildings.
- Concern about floorplate size at taller heights.
- Concern about mitigating and shielding rooftop mechanical penthouses.
- Criteria for reviewing impact of heights only considers building heights above 250 feet.

Considerations:

- The K2 study had recommended a consistent height limit of 250 feet for non-residential buildings in the core parts of Kendall Square, as was previously (and currently) the limit in the MXD district and the PUD-KS zoning (in limited portions). Subsequent discussions have focused on allowed heights for residential uses. The K2 study recommended that residential heights could be increased to 300 feet subject to limitations on horizontal dimensions and subject to middle-income housing requirements. The adopted MXD zoning amendment allows residential heights to 350 feet and requires middle-income units in all new housing. The 2015 Planning Board proposal for the Volpe area suggested that a single building up to 500 feet could be approved if it is a building of exceptional architectural quality, while acknowledging that this standard would be difficult to evaluate objectively and that people may have differing opinions.
- While there is a relationship between height and open space, to a great extent the size and quality of open space will be defined at the “streetwall” scale by creating well-defined, human-scaled spaces that are framed by the surrounding façades of the lower portion of buildings. Additional height may benefit open space if it allows for smaller floorplates and more articulation, leading to more open sky views and reduced shadow duration.
- The design guidelines in the K2 study recommended limiting the bulk of buildings above the “streetwall” height (up to about 120 feet, depending on the exact location) based on horizontal dimensions as well as floorplate area. For 250-foot (commercial) buildings the maximum guideline is a 175-foot horizontal dimension, allowing up to around a 30,000 square-foot floorplate. For a 300-foot (residential) building the maximum guideline is a 160-foot horizontal dimension for a rectangular floorplate building, or 90 feet by 90 feet in a square floorplate building, with floorplate sizes of roughly 10,000 square feet. These dimensions are similar to the tallest parts of the respective “Watermark” buildings, currently the tallest high-rise residential buildings in Kendall Square. The current proposal limits floorplate area to 15,000 square feet above 250 feet in height, but does not include controls to mitigate “slab-like” forms.
- The 2015 PUD-KS petition proposed an 85-foot height zone in the area directly around 303 Third Street and between that site and Binney Street. The current proposal allows additional height along Binney Street, which would allow for open space closer to Broadway. However, residential heights of up to 250 feet along Binney Street might impact views from the neighborhood unless the floorplate dimensions are controlled for portions that are taller than surrounding buildings.
- The current zoning, based on ECaPS, considers 120 feet as a “base” height and applies special criteria to approve portions above those heights. The proposed zoning considers 250 feet as a “base” height; however, as noted above, the K2 study and design guidelines suggest that buildings be treated differently above a “streetwall” height of around 120 feet. Because the

most effective way to assess impacts such as shadows, wind, light, and views is during the development master planning process, it may be simpler not to cite a specific height, and to simply apply these review criteria to the development plan as a whole.

Potential Approaches:

- There has been considerable discussion of the benefits and drawbacks of allowing a single exceptionally tall building that would serve as a distinctive landmark, or limiting heights such that multiple buildings would be built to the same elevation. This issue will need to be considered and decided by the City Council with the advice of the Planning Board.
- Include standards for the horizontal dimensions of building portions above the “streetwall” height, either in zoning or design guidelines, and apply those standards to buildings along Binney Street as well as in the more permissive areas closer to Broadway.
- Include step-back provisions, either in zoning or design guidelines, so that heights are compatible where new buildings interface with the existing 303 Third Street building.
- Consider applying the criteria for approval of building heights more generally to approval of a development master plan as a whole, without citing a specific height at which they become effective; alternatively, define a “streetwall” height closer to 120 feet that is intended to provide comfort and human scale to public spaces while mitigating bulk, shadow, and wind impacts created by the taller portions of buildings.

Open Space (13.94)

Issues Raised:

- More clearly define what counts as open space and what doesn't.
- Make sure there is public access at all times – there is a need to avoid situations where open space is created, but fenced off.
- Explain the provision where up to 20% of required open space is allowed to be on the Federal government site.
- Concern about indoor community space counting toward open space.
- Many seem to favor having open space located at Third Street and Broadway. It would also be preferable to provide connections to the corner of Sixth Street and Binney Street.
- Will the Sixth Street walkway remain? Will be the character of the anticipated Fifth Street connection be more pedestrian-oriented or vehicular?
- Goal of family-friendly open space is important, currently there is little reason to bring kids to Kendall except skating rink.

Considerations:

- In the context of publicly-accessible open space, zoning defines two different types as follows:
 - *Open Space, Public. An area owned or controlled by the City of Cambridge or other public entity that is intended for public use, that is open to the sky and that is designed for either environmental, scenic, or recreation purposes. Public Open Space may include but is not limited to lawns, decorative plantings, interior walkways, abutting sidewalks,*

active and passive recreation areas, playgrounds, fountains, and public performance areas. Public Open Space shall not include rooftop areas, patios, balconies, parking lots, or driveways. Limited paved surfaces may be designed to accommodate occasional use by motor vehicles servicing the park facility. If the facility is not held in fee simple by the City of Cambridge or other public entity, the Public Open Space may be land remaining in private ownership but protected for public use by means of a permanent easement, conservation restriction, or other similar legal device acceptable to the City.

- *Open Space, Publicly Beneficial. A portion of a structure, a lot or other area of land associated with and adjacent to a building or group of buildings in relation to which it serves to provide light and air, or scenic, recreation, pedestrian amenity or similar purposes. Such space shall be customarily available or shall be readily visible to such occupants and visitors, though physically inaccessible, by being located and treated to enhance the amenity of the development through a general appearance of openness. Publicly beneficial open space shall include parks, plazas, lawns, landscaped areas, decorative plantings, and active and passive recreational areas. Publicly beneficial open space shall also include loggias, atriums, arcades and pedestrian ways listed and defined in Section 14.45. Streets, parking lots, driveways, service roads, loading areas, and areas normally inaccessible to pedestrian circulation beneath pedestrian bridges, decks, or shopping bridges shall not be counted in determining required publicly beneficial open space.*
- In discussing the 2015 zoning petition for this site, the Planning Board concluded that the focus of the open space requirement should be space that truly serves a civic function, whether as a gathering place, a recreational resource, or a connector among public spaces within the site and the area. “Publicly beneficial open space” is typically created in a PUD development where the land ownership is privately retained; however, there are also instances where “public open space” can be created by means of a covenant rather than by conveying land ownership (see last sentence of the definition). There may be many practical reasons why it would be appropriate for the property owner to retain land ownership in this case. Whichever definition is used, additional provisions in the zoning can clarify how public access and enjoyment of the provided open space will be guaranteed.
- The 2015 Planning Board petition also proposed that open space on a future Federal site might be allowed to serve some portion of the required open space. Because the Federal site cannot be controlled directly through zoning, the intention of this approach was to provide an incentive for the developer to advocate for open space on the Federal site to be integrated with the area as a whole and to serve the public as much as possible. The Council could choose many ways to define the open space requirement, including prohibiting any space on the Federal-controlled site being counted, but that may discourage the type of design that is desired for that space.
- It is rare, but not unprecedented, to include some indoor space as open space in special cases, such as publicly accessible atrium spaces or other quasi-enclosed areas that might not meet the strict definition of open space. In this case, the practical concern seems to be that a low-scale, stand-alone community center building would displace land area that would otherwise be used for open space or other buildings that are necessary to enable the development to occur. If the footprint of a stand-alone community-use building is not somehow incorporated into the required open space, the likely result is that it would be incorporated into another building to make more efficient use of land area.

- The 2015 Connect Kendall Square planning process stressed the importance of connections through the site and to the surrounding area. Some specific connections included from Broad Canal to the Sixth Street walkway, into the site from the “Galaxy Park” intersection, and along the axis of Fifth Street. These connections are shown in MIT’s example site plans but not referenced explicitly in the zoning. The Sixth Street walkway is controlled by the CRA, and mostly within an adjacent zoning district, and is planned to be improved in association with the MXD infill development plan.
- The Volpe Working Group Principles also stress the importance of creating a center for civic life within the site, a “heart of Kendall Square,” similar to provisions that were included in the 2015 PUD-KS proposal. This concept is not explicitly mentioned in the current PUD-7 proposal.

Potential Approaches:

- Either base the required open space on “Public Open Space,” clarifying that this could be achieved by a covenant to guarantee public access rather than conveyance of land, or base the requirement on “Publicly Beneficial Open Space” but require a covenant or other legal mechanism guaranteeing public access to key portions of the site.
- If desired, the calculation of required open space could specifically exclude land on the Federal government portion of the site, and required ratios may need to be adjusted. Alternatively, rather than a percentage ratio, a minimum area of open space (e.g., in acres) might be required to be located within the portion of the Development Parcel that is non-Federal land.
- The potential conflict between required open space and the footprint of a stand-alone community center building will need to be resolved, either by providing flexibility in the open space requirement or by allowing the community center to be located in a portion of another building. The preferred approach would depend on the relative priority of locating a community center within a stand-alone building.
- Zoning could be more explicit about the desired location of open space, either directly or indirectly, by shifting height limits to control where buildings are more likely to be sited. However, too many constraints could have unanticipated consequences that preclude otherwise desirable development outcomes. Another approach would be to include criteria for connecting open space to other public spaces and connections in the area, drawing on the Connect Kendall Square framework plan and Volpe Working Group principles.
- Include in the review and approval criteria that open space should create an identifiable civic center within Kendall Square, as suggested in the Volpe Working Group principles.

Parking and Loading Requirements (13.96)

Issues Raised:

- There is a need to minimize parking on-site to get beyond traffic problems. The proposed parking requirements seem high.
- All parking should be below grade except for on-street parking.

Considerations:

- The proposed parking requirements are based on the approach recommended in the K2 study. The key components of this approach are to limit parking by setting maximum ratios, rather

than minimum requirements, and to treat parking as a shared resource for the district rather than assigning parking to each individual land use. The ratios in the PUD-7 petition are mostly the same as those recommended in K2, with slight reductions in maximum office parking and minimum residential parking. While no study has been conducted to support lower ratios in zoning, the parking could be further reduced through the development plan review process according to studies that the developer would be required to prepare.

- The intent of the proposed zoning seems to be to allow surface parking only on-street, or on a temporary basis while other facilities are being constructed. However, it is not explicitly stated that surface parking is otherwise prohibited.

Potential Approaches:

- Different parking ratios could be considered, but there is currently no study to support alternate zoning proposals. A more detailed transportation study would be required for a development proposal, which could lead to further reductions through the review and permitting process.
- Add a statement clarifying that all parking shall be underground, except as otherwise provided for on-street parking and interim lots.

Traffic Mitigation Measures (13.97)

Issues Raised:

- There needs to be a better grasp on transportation issues in the area, particularly in discussing needs for transit.
- Want to hear more about the Grand Junction corridor as a potential way to connect people to Kendall Square from North Station and across the river.

Considerations:

- The K2 study considered a range of transportation issues, including traffic and transit service as well as accommodations for bicyclists, pedestrians, and other modes. Along with the transportation impact review and mitigation required of major projects and the parking recommendations noted above, the study recommended enhancing transportation demand management (TDM) programs, requiring contributions of funds for enhancing transit service, advocating for enhanced transit service between key nodes, and adding bicycle sharing service through the Hubway system. The PUD-7 proposal incorporates the recommendations of the study as they relate to transportation, including a contribution of \$5.00 per square foot of development that would go toward funding transit improvements.
- Transit has become a more significant component of transportation impact review in recent years, particularly for projects in Kendall Square. The 2015 Planning Board zoning petition for this site, in its final form, outlined a more robust transit study that would be required for a development plan.
- The work of the Kendall Square Mobility Task Force has continued to advance detailed thinking about priority transportation improvements in the area, including regional connections such as the Grand Junction corridor. This could be mentioned more explicitly in zoning as a regional connection that should be considered. However, it would be difficult to require any specific actions in zoning, because the corridor lies outside the district. Since MIT controls much of the corridor, commitments could be explored outside of the zoning (see discussion below).

Potential Approaches:

- Incorporate transit study requirements from 2015 proposal.
- Make note of regional connections, such as the Grand Junction, among the transportation issues to be studied and considerations for development plan approval.

Required Active Uses (13.910.1)

Issues Raised:

- Retail is very important to the plan as a way to serve the broader community, but it needs to serve higher-income and lower-income households (including graduate students and families).
- Affordable grocery and dining options are important to combat food insecurity.
- Consider more than 65% active use frontage.
- 5,000 square feet as a standard for small-scale retail seems too large – normally local retail is smaller, closer to 2,000-3,000 square feet or less.
- 10% of ground floor area for banks and financial institutions seems like a lot.
- Concern about including hotel lobby spaces in active use – some frontage limitation should be considered.
- There is a need for local, independent business, but also a mix, because independent does not always mean affordable.
- There is a need for retail that people can take their kids to.
- It is important to be welcoming, so that neighboring communities will feel that they can come to the site.
- Early childhood education spaces could be a good active ground floor use and might be exempt.
- Concern about changes in the overall retail environment affecting what will and won't be successful – accommodations have to be made for changes over time.

Considerations:

- The K2 study recommended a requirement/incentive approach where a minimum of 75% of building frontage on major streets would need to be retail or active use, while retail spaces of 5,000 square feet or less could be exempted from FAR calculations as an incentive. Further conversations in subsequent zoning and permitting processes have highlighted the importance of other factors, such as space for local and independent businesses, smaller-sized spaces and shared spaces for multiple retailers, different kinds of active uses, priority uses such as groceries and general merchandise, affordability of goods, and other priority locations for active uses, such as new park frontages as well as major streets.
- Achieving the desired qualities of retail at a fine grain is extremely difficult through zoning, which cannot dictate who the individual retailers will be, what specific products and services they offer, and what prices they might charge. It is difficult even at the development review stage, because retail tenants are not secured until projects are nearing the end of construction and may turn over frequently. Zoning can dictate (a) where active uses are required in a development, (b) how active uses may be incentivized through exemptions, and (c) what is the

framework of rules in which active uses can operate to ensure that they serve the stated goals, but also allow flexibility for turnover and adaptation over time.

- Non-zoning approaches can sometimes help advance the community’s goals (see discussion in the final section). For instance, in MIT’s Kendall Square initiative, MIT committed to a process for community involvement in the programming of active use spaces. It is not yet clear if the same approach would be employed in a future Volpe redevelopment.

Potential Approaches:

- Clarify the definition of “active use” with a range of possible uses and a framework of rules, such as the proportion that should be independent, the average size per establishment (with flexibility for concepts such as market halls, which might have multiple establishments sharing a space), certain types of priority uses that are required or preferred, and limitations where desired, such as hotel lobbies with retail included. Banks and office lobbies would be excluded.
- If the required minimum amount of active use frontage is 65% rather than 75%, consider whether other building frontages should have some active use requirements, such as park spaces or internal public connections.
- Incorporate criteria for the review of retail marketing and tenanting strategies as part of the development master plan approval process.
- Explore non-zoning commitments regarding the specific types of retailers who will be sought and the process for community involvement in ongoing retail and active use programming.

Environmental Comfort Issues, including Truck Traffic (13.99), Rooftop Mechanical Equipment Noise Mitigation (13.910.2) and Lighting

Issues Raised:

- Noise standards are difficult to apply.
- Lighting should be included.
- Mitigation of truck traffic impacts should apply to 303 Third Street.

Considerations:

- Noise is regulated by the municipal noise control ordinance, which is separate from zoning. However, the language in the petition has also been incorporated in recent years as a standard element of zoning for major redevelopment areas in Kendall Square. While zoning is an imperfect tool for controlling sound, incorporating more deliberate review of potential noise generators and their impacts at the development review stage is a way to mitigate potential future nuisances.
- Similarly, the City has recently considered a municipal lighting ordinance, which would set specific technical standards for the type and intensity of exterior light fixtures that could be installed. Future redevelopment within the district would become subject to the provisions of such an ordinance, if it were adopted. Amendments to the Zoning Ordinance were also proposed that would strengthen and clarify the Planning Board’s ability to review exterior lighting in development proposals, but those were not adopted.

- The language pertaining to truck traffic impacts is in the current PUD-KS zoning (which will continue to include 303 Third Street), and is intended to apply broadly to all residential developments that might be impacted by truck traffic on Binney Street.

Potential Approaches:

- Incorporate provisions for the review of noise and lighting, along with strategies to mitigate potential impacts and nuisance, as part of the development review process.
- Clarify that truck traffic impact mitigation extends to residential uses in adjacent districts as well.

Innovation Space (13.910.3)

Issues Raised:

- Concern that this may be promoting “elite co-working space” – consider subsidizing some seats, or an approach like LabCentral, focusing on a niche audience that’s not already served (not biotech).

Considerations:

- The requirements and incentives for “innovation space” – office space that would be reserved for smaller companies and individuals, with shorter and more flexible leases – were key recommendations of the K2 study meant to protect some of the “start-up” ecosystem in Kendall Square from being displaced by large corporate entities. Since then, permitted developments have most typically employed the “co-working” office model. However, there have been discussions of other models, such as shared fabrication space or “innovation retail” that might allow entrepreneurs to sell products and services. The “inclusiveness” principle articulated by the Volpe Working Group also makes reference to providing opportunities that reach beyond the existing Kendall Square business community.
- Like with retail, it can be very difficult to define the character of innovation businesses early in the zoning and development permitting process, because the tenanting of spaces does not occur until much later. However, there could be additional criteria incorporated into the Planning Board’s review to address the type and location of spaces within a development plan, and commitments could be explored outside the zoning with regard to the ongoing operation of innovation spaces.
- The K2 study anticipated that the requirement might be met in shared facilities. However, the proposed zoning allows the requirement to be met anywhere in the area, and it may be desirable to have some amount of new space created within the new development.

Potential Approaches:

- Include more explicit criteria for review of innovation space plans – incorporating Volpe Working Group inclusiveness principles.
- Consider commitments from the Petitioner with regard to issues that cannot be appropriately addressed through zoning or development review.

Sustainability (13.910.4)

Issues Raised:

- Sustainability measures do not seem to go very far, seem to include requirements that are already standard.
- Should be looking at sustainability in evaluating urban design guidelines.
- Clarify if the standards are the same for residential buildings and commercial buildings.
- Concern about the negative effects of glass facades – sustainability and aesthetics. (Discussed by the Petitioner’s representatives at the public hearing.)

Considerations:

- The K2 study recommends that all buildings be designed to a LEED Gold standard. In the current proposal, this would apply to both commercial and residential buildings. This LEED standard aligns with the short-term recommendations of the Net Zero Action Plan, which also recommends that buildings achieve an energy performance 22% below the ASHRAE 2007 benchmark – which is roughly equivalent to the energy “stretch code” requirements currently in effect for most large buildings. The Net Zero Action Plan targets a “net zero emissions” standard for new multifamily residential, office, and institutional buildings by 2025, and for new lab buildings by 2030. The petition notes that a sustainability narrative for a development proposal must address consistency with the Net Zero Action Plan and other ongoing efforts of the city.
- There are some specific design measures discussed in the Net Zero Action Plan, such as optimizing “solar ready” design and ensuring that new buildings are designed with the possibility of changing to renewable energy over time (“pathways to net zero”). These measures can be complicated to include in zoning requirements, so they have been more often incorporated as design guidelines that are discussed in the ongoing review process. Other sustainable design approaches are also being explored by the city, such as the Passivhaus standard and other passive design measures.
- As noted earlier, there are approaches to sustainability that may be best addressed at the master planning level, such as district energy approaches and natural stormwater management and resiliency features incorporated into the site, along with approaches to sustainable building design.

Potential Approaches:

- Incorporate site-level sustainability planning and approval criteria into the development review process (see above).
- Continue to incorporate best sustainability practices into design guidelines and ongoing review processes over the course of the project’s development, as well as into the criteria for master plan review and approval.

Contribution to Kendall Square Fund; Community Space Funding (13.910.5)

Issues Raised:

- The community center requires more explanation.
- Community outreach is important to get a sense of the whole neighborhood’s needs.

- What exactly will the proposed \$15 million contribution fund? Interior or exterior construction? Operations?
- Contribution to transit seems low.

Considerations:

- The proposed “community space” is the one element of the zoning proposal that is not directly linked to the K2 study recommendations. However, it fits in with many of the overarching goals of creating a more unified, dynamic district that brings together different segments of the community, and responds to conversations that have been had in recent years about how the Volpe site redevelopment has the potential to create a new “civic heart” to Kendall Square and surrounding neighborhoods, similar to the city’s other major squares.
- The zoning only specifies a funding commitment to construct a community space, but does not provide further explanation of what parameters would define that space, how it is intended to fit within a development plan for the site, and how it would be reviewed by the Planning Board in relation to other uses such as residences, commercial buildings, retail, and open space.
- There may be elements of a community space that will not be appropriate to incorporate into zoning provisions (see discussion in following section), and separate commitments may be explored.
- The K2 study recommends a funding commitment of \$10 per square foot of development to go toward shared open space programming, transit improvements, and workforce development. The proposed approach responds to the City’s ongoing discussions of funding commitments since the publication of the K2 study, dividing the funds evenly between the community fund (established by the City Council following the previous MIT Kendall Square zoning amendment for the distribution of funds to support a range of community needs) and transit. It is likely that the owner would assume responsibility to fund open space operations and programming if ownership of the land remains privately held.

Potential Approaches:

- Provide a clearer definition of community space and a framework for how it would fit within an overall development plan for the site, along with its intended purpose and criteria for review as a component of a development master plan.
- Consider additional commitments outside of the provisions of the Zoning Ordinance.

Other Considerations Not Addressed Through Zoning

Some of the issues raised at the hearing are not topics that can be addressed through zoning. The primary reason for this is that zoning can only regulate land use and development, and have to be applied regardless of who the owner or developer of the land might be. Therefore, issues that have been raised specifically because the petitioner and expected developer is MIT are not necessarily appropriate to incorporate into zoning provisions.

However, since the current zoning process assumes that the petitioner may provide public benefits in exchange for the development rights enabled by the zoning change, these issues can be discussed further in the context of commitments that are mutually agreed to by the petitioner and the City Council.

Grand Junction Corridor

The City has been engaged in planning for the future of the Grand Junction rail corridor for many years, including a current effort to continue development of a “rail-with-trail” pedestrian/bicycle greenway alongside the corridor, and a collaborative effort with the Massachusetts Department of Transportation to explore options for future transit service. Aside from the state, MIT is the largest landowner within and surrounding the corridor. However, zoning can only control development within the district, and the entire Grand Junction corridor lies outside the district that is proposed to be rezoned.

Graduate Student Housing

While it has been a longstanding goal of the city to encourage institutions to house its students on campus, a commitment to graduate student housing is not something that would typically be expected from any other developer. Therefore, incorporating a commitment to provide graduate student housing into zoning might be problematic, while a separate agreement between the City and MIT would be a more appropriate means to secure such a commitment.

Workforce Development

There is some ability within zoning to require funding commitments to public programs and services where the impact of development on the provision of those services has been studied, as is the case with affordable housing (in the Incentive Zoning provisions) and as was recommended for workforce development programs in the K2 study. However, more active participation in workforce development programs at an institutional level would need to be addressed through a commitment that is outside the normal scope of zoning.

Institutional Expansion

Since MIT is an institutional owner, though the proposed redevelopment focuses on non-institutional uses (aside from the replacement government building), some concerns were expressed about potential future expansion of institutional uses. This issue was also raised and discussed in the context of MIT’s approved Kendall Square redevelopment projects. While Cambridge cannot control institutional uses in commercial districts through zoning, there has been a precedent of establishing agreements with institutions that would create rules governing the future conversion of land from taxable to non-taxable uses, if it were to occur in the long term.

Community Center

As discussed at the end of the previous section, while there are important zoning questions regarding how a community space would be incorporated into a development plan and how it would relate to other uses on the site, zoning would not be an effective mechanism to establish agreements related to the operation and programming of that space. This issue could be treated in a similar way to open space and retail programming commitments that have been incorporated into past development agreements.



September 8, 2017

To: CRA Board Members

From: Tom Evans, Executive Director

RE: Foundry Demonstration Project Plan Amendment

I am pleased to present for your review and approval an Amended Foundry Demonstration Project Plan (the "Plan Amendment"). Over the last nine months, the CRA staff has been working together with the City to generate a new approach for the redevelopment of the Foundry after the cancellation of the Development Entity procurement process in 2016. This new approach responds to interest from the community and the City Council in evaluating how a stronger initial investment from the City and CRA could facilitate expanded community uses in the building.

The Plan Amendment proposes a central role for the City and CRA in the Foundry's physical development and long-term management. In particular, the Plan Amendment reflects an increase in City and CRA funding, and the design and construction process lead by the City, with the CRA engaging an operator to manage programs, property management, and leasing. The City and the CRA will cooperate closely in both these efforts, as described in the document. Sections that have significant changes are Section IV.C. Demonstration Project Phases; Section V.B. Proposed Governance Model; Section VI. Development Entity Selection Process; and Section VII. Financial Plan.

We have benefited over the last nine months from a wide range of input, including a series of Foundry Advisory Committee meetings, monthly discussions about the Foundry at the CRA Board meetings, City Council hearings, public community forums, East Cambridge Planning Team meetings, and many other small group meetings. With this input, our continued research into the building's physical potential and programming opportunities, and approval by the CRA and the City Council, we are excited to embark on this new approach that we anticipate will move the redevelopment of the Foundry into a vibrant and vital resource for the community.

The Foundry Building
AMENDED DEMONSTRATION
PROJECT PLAN



Cambridge Redevelopment Authority
City of Cambridge

Approved by CRA Board, December 17, 2014
Approved by Cambridge City Council, May 4, 2015
Amended by the CRA Board, September --, 2017 and by the
Cambridge City Council, ----- ----, 2017

9/7/17

THE FOUNDRY BUILDING
AMENDED DEMONSTRATION PROJECT PLAN

Originally approved by the Cambridge Redevelopment Authority on December 17, 2014

Originally approved by the Cambridge City Council on May 4, 2015

Date of Amendment: September __, 2017

This Amended Demonstration Project Plan (the “Plan”) for The Foundry Building is adopted based on the following understandings:

1. The Plan was adopted following a public consultation process and input from the Cambridge City Council as more particularly detailed in the Plan;
2. The Cambridge Redevelopment Authority (the “CRA”), working in cooperation with representatives of the City of Cambridge (the “City”), sought development entities of the Foundry following adoption of the Plan in accordance with its terms;
3. Following receipt of proposals for such redevelopment, additional public input was received by representatives of the CRA and the City, causing the CRA to cancel the development entity procurement and to propose changes to the Plan consistent with that input; and
4. The CRA and the City anticipate that changes to the Plan as set forth in this Amendment will result in a competitive procurement for the design, construction and operation of the Foundry consistent with the public objectives and need.

The changes and modifications to the Plan displayed on the attached document are therefore proposed in the form of this Amended Plan.

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I. Introduction

The purpose of this Demonstration Project Plan (“Plan”) is to serve as a guide for the redevelopment of the Foundry Building at 101 Rogers Street in Cambridge (the “Property” or the “Foundry”) as a Demonstration Project (the “Project”) under Chapter 121B of the Massachusetts General Laws, which the Cambridge Redevelopment Authority (the “CRA”) will carry out in concert with the City of Cambridge (the “City”). The Project represents the opportunity not only to fulfill a compelling community need but also to serve as a demonstration of a development technique that could, if successful, be replicated elsewhere in the City and the Commonwealth.

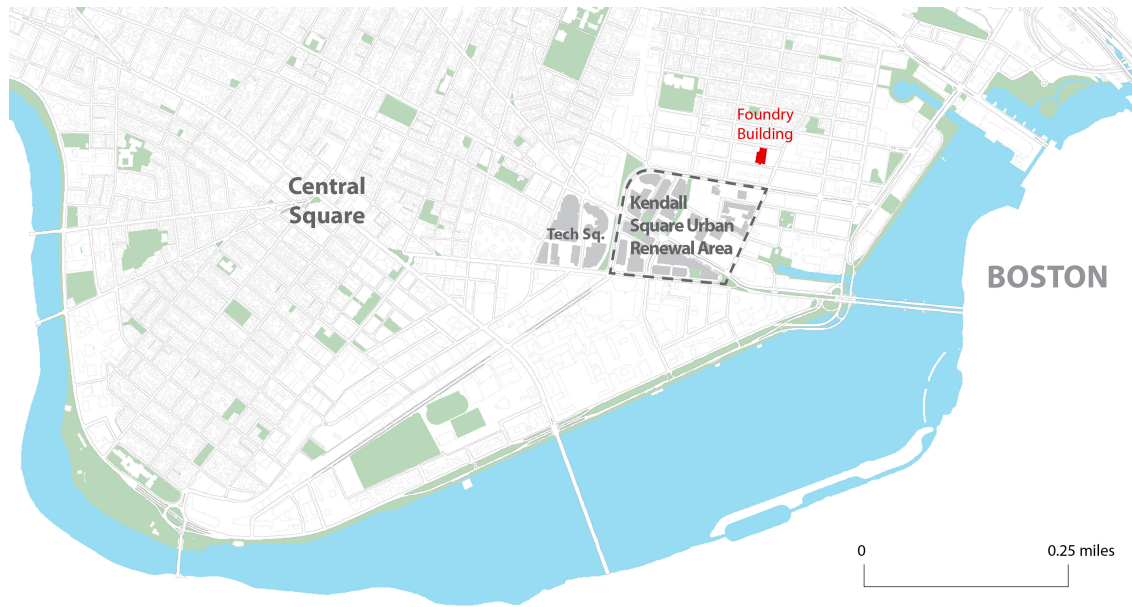
The Foundry was conveyed to the City as part of the consideration provided to the City in connection with a zoning amendment. The zoning amendment now incorporated into the Cambridge Zoning Ordinance as Section 13.59.10 states a preference for municipal or community uses and requires that a minimum of 10,000 square feet (SF) of the Property’s Gross Floor Area (GFA) be dedicated to educational, cultural or institutional uses as permitted under the Zoning Ordinance and at a time and in a form acceptable to the City.¹

The ~~Demonstration~~ Project seeks to use the CRA’s resources from a successful urban renewal venture to help better spread the benefits of Kendall Square to a broader sector of the Cambridge community for a demonstrated need that has been voiced by City officials and expressed as a community need by the public at large. This type of public-interest redevelopment could prove to be a powerful new community development tool for the City of Cambridge or other cities, allowing for the primacy of community and City Council-defined objectives throughout a development, while leveraging the financial resources and development expertise of the ~~CRA Redevelopment Authority~~ to create a unique civic asset for the ~~City’s~~ residents.

The Property is adjacent to the CRA’s Kendall Square Urban Renewal Project (“KSURP”). Through the urban renewal process, Kendall Square has grown into an innovation district, home to some of the world’s most visible companies and recognized as one of the most highly sought-after real estate markets in the United States.² Private redevelopment has flourished beyond the boundaries of the KSURP, creating a larger district of highly specialized technology and biotechnology companies.

¹ More specifically, Section 13.59.10 of the Cambridge Zoning Ordinance reads: “Any Final Development Plan shall provide for the transfer of ownership to the City of Cambridge of the existing building and lot identified as 101 Rogers Street (also known as 117 Rogers Street and as the Foundry Building) (Tax Parcel 27-82), with a preference for its use for municipal or community uses as generally set forth in Section 4.33 of the Table of Use Regulations, at least 10,000 square feet of which shall be devoted to educational, cultural or institutional uses listed in Section 4.33 of the Table of Use Regulations, at a time and in a form acceptable to the City. Such transfer shall include the full development rights attendant to such lot at an FAR of 3.0 as generally permitted within the applicable PUD. Upon the execution of such transfer of ownership, the PUD Permittee shall be entitled to 43,684 square feet of additional Gross Floor Area for non-residential or residential development within the approved Final Development Plan above that otherwise permitted through application of the FAR limitations set forth in the PUD-3A and 4C Districts, and if ownership of a portion of up to 5,254 square feet of the lot identified as 249 Third Street (Tax Parcel 27-76) is transferred to the City of Cambridge, upon the execution of such transfer of ownership, the PUD Permittee shall be entitled to additional Gross Floor Area, as well, equal to the product of 3 times the number of square feet of such portion of such lot. Such Gross Floor Area may be included in the approved Final Development Plan, notwithstanding that such approval may precede the actual transfer of the property to the City.”

² Kurtzman, Joel. 2014. *Unleashing the Second American Century*. Also in Katz, Bruce and Julie Wagner. May 2014. “The Rise of Innovation Districts: A New Geography of Innovation in America”. Metropolitan Policy Program at Brookings (www.brookings.edu/metro)



Foundry Location Map

Not all of Cambridge's residents have access to these jobs, however. In the City of Cambridge, 13% of people live in poverty, and 26% of those over 25 years of age have less than four years of college. Poverty rates and unemployment rates are higher for those with less educational attainment.³ Two neighborhoods near Kendall Square and the Foundry (Area 4 and Wellington-Harrington) have some of the highest rates of poverty for families, especially single parent families and children under 18 years of age.⁴

With some of the highest commercial rents in the country, the start-up companies that contribute to the innovation economy are finding it more and more difficult to remain in the area.⁵ Community-based activities also may not be able to obtain space subject to private market rents, and the availability of older industrial and office buildings is scarce. The real estate market has limited the range of occupations and local employment opportunities in Cambridge for workers without advanced degrees or technical training.

Approximately 70% of the occupations in the City are in management, business, science, and the arts.⁶

³ U.S. Census, 2012 American Community Survey 1-year Estimates.

⁴ Cook, Clifford. January 21, 2013. "Poverty in Cambridge." Cambridge Community Development Department.

⁵ Farrell, Michael B. "Kendall Square Boom Time Squeeze out Start ups," Boston Globe: October 25, 2012.

⁶ U.S. Census, 2008-2-012 American Community Survey 5-year estimates.

From 2013-2014~~Over the last year~~, the City and the CRA ~~have held~~ public forums in which the community ~~has~~ voiced support for redevelopment of the Property into an innovative multi-purpose center, creating a collaborative environment with a mix of cultural, educational, and commercial uses, consistent with the zoning requirements. Some of the suggested ideas include multi-generational community uses, programs for early childhood and youth development, and opportunities for mentorship, internship, apprenticeship, workforce training, and education in the areas of science, technology, engineering, arts, and math (“STEAM”), which would serve a broad sector of Cambridge residents. On March 17, 2014, the Cambridge City Council adopted a Policy Order (the “Policy Order”), attached as Appendix A, setting forth certain goals for the redevelopment of the Property, including a community process to refine the objectives of the redevelopment of the Foundry.

~~_____ Preliminary financial analyses suggest that a public/private partnership will likely be necessary to make the Project feasible.~~ The Foundry is vacant and its condition is deteriorating, as it stands empty. Studies indicate that it needs upwards of \$22 million in repairs and new construction to return it to productive reuse. Within this relatively small building, the desire for community uses limits the critical mass of commercial use. The City’s consideration of using the Foundry to accommodate specific community-based objectives, as opposed to a potentially more lucrative use, makes it difficult to reasonably redevelop the Foundry through the ordinary operations of private enterprise without some public assistance, which is a well-established practice for the undertaking of urban renewal activities in Massachusetts.

Redevelopment of the KSURP area has created revenue for the CRA. This ~~p~~Plan seeks to facilitate a joint project between the CRA and the City to explore the ability to use some of the CRA’s revenues from the KSURP and its redevelopment powers to achieve specific community-based needs and objectives that may not otherwise be possible.

Based on analysis of both the existing physical condition and financial feasibility of the redevelopment of the Foundry, the CRA believes that the redevelopment of the Foundry as a ~~D~~demonstration ~~P~~project through this Plan would be appropriate for three primary reasons: (i) the Project will prevent the creation of urban blight in the area of the Property; (ii) the Project will allow the CRA to leverage the success of redevelopment in Kendall Square to diffuse opportunity broadly throughout the community to achieve specific community-based objectives; and (iii) the Project may serve as a model of an innovative approach to community development for the City and the Commonwealth.

II. Vision and Objectives

A. Vision

The vision statement for the Project is informed by community input and has been developed to cover the broad range of possible uses that may utilize the Foundry building throughout the life of the Project. While different development proposals will likely provide various schemes for overlapping uses within the building, the details of programs, tenants, and interior designs may be modified to meet the evolving needs of the community.

The Foundry will be a creative, innovative center that offers a collaborative environment with a mix of cultural, educational, manufacturing, and commercial uses. The renovated multipurpose building will be designed for flexibility and will be accessible, inclusive, and welcoming to the public. The activities within will be multigenerational and multicultural, providing a citywide and neighborhood resource that is financially sustainable for years to come.

B. Objectives

On March 17, 2014, the City Council requested that the City Manager engage residents and stakeholders in a community process to refine the objectives of the redevelopment of the Foundry into a multi-purpose community center. Community input from many workshops and meetings held throughout 2013 and 2014 (Section VIII) helped define the key project objectives below.

1. Innovative Programs

- a) Foster a center of creativity and innovation through the shared use of space populated with complementary uses.
- b) Create mentorship, internship, apprenticeship, workforce training, and educational programs for Cambridge residents that can directly benefit and engage the surrounding community.
- c) Include significant training opportunities in the areas of science, technology, engineering, arts, and math (STEAM) fields that can effectively introduce and prepare Cambridge residents for the existing and growing professional fields that have emerged in Kendall Square area over the past several years.
- d) Capitalize on the commercial success of Kendall Square's redevelopment to create a unique collaborative environment as a citywide resource, with a diverse mix of cultural, educational, and commercial uses emphasizing youth and senior engagement, with a particular focus on under-represented, lower income households.

2. Building and Site Development

- e) Create physical assets (a renovated structure, new facilities, and equipment) that will support viable economic activity and promote business growth and job creation within the Foundry in a manner that can be sustained in the years to come.
- f) Bring the Foundry into productive use for the community with universal accessibility and prevent the Property from falling into disrepair
- g) Highlight the historic architectural elements of the building and connect the building to its site and surrounding, including new streetscape.

3. Operational and Financial Structure

- h) Leverage multiple funding sources to provide a financially sustainable building operation, while providing space for community, cultural, and educational functions at rents commensurate with those uses.
- i) Maximize the extent of public and/or community uses of the building and providing a structure for ongoing management and oversight of those uses.
- j) Pilot and report techniques for the adaptive reuse of an industrial building into a center of innovation and creativity, utilizing public private partnership both as a financing tool and a model of collaborative economic and cultural development.

As with all redevelopment projects, the Property ~~will~~would be appraised by the CRA with and without the “re-use restrictions” in place so as to gain a sense of the “opportunity cost” to redevelop the Property in the manner set forth in the Plan.

C. Viable Uses

The overall goal of the Project is to create a unique collaborative space for a variety of uses consistent with the Vision and Objectives above. The list of viable uses below allows for flexibility and a wide range of uses that could be incorporated into redevelopment concepts; however, strong preference will be given to ~~proposals with~~uses that will directly benefit and engage the surrounding community through programs for Cambridge residents. Redevelopment concepts should highlight successful public and private partnerships, as well as the important work of community-based non-profit organizations. The building should remain reasonably open and accessible to the general public, especially on the ground floor. Proper consideration should be given to ensure that uses are compatible with one another.

Acceptable *programmatic and space* preferences are listed below (in alphabetical order). Many of these elements could be programs that are mixed, synergistic, or operating in shared spaces. Due to space limitations however, it is understood that not all of these uses could be adequately accommodated at one time in the Foundry building:

- Assembly space including performance areas, black box and other theaters, and informal gathering spaces
- Community kitchen and food preparation space
- Early childhood education/day care use
- Family-based commercial recreation
- Gallery spaces including museums and library areas
- Office and lab space for companies, start-ups, individual enterprises, shared use, public agencies, and non-profit organizations
- Parking
- Retail including small shops, cafes, and restaurants
- Start-up manufacturing, fabrication (“maker”) space
- Studio space for arts, performing arts, and other uses
- Workforce development including community education and job training centers
- Youth and senior programming

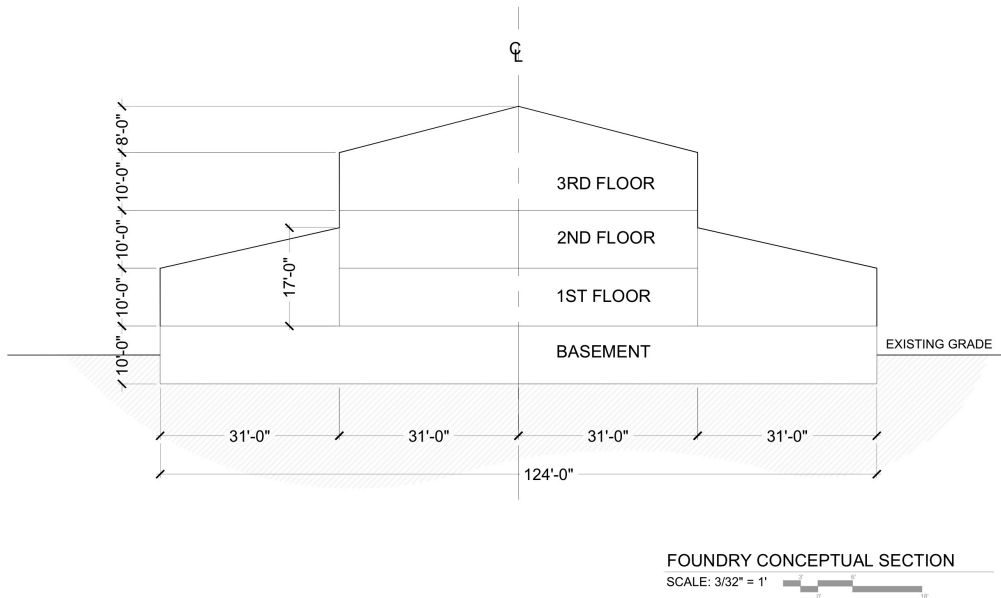
The distribution of uses in the building will likely change as community needs, market conditions, and technology evolve over time. Single uses that occupy 100% of the building square footage (not counting parking) such as residential, single tenant office/lab, university or other institution with classroom, lab, office providing service only to students and/or faculty, are not consistent with the development objectives that have emerged throughout the process up to this point and will not be considered as feasible outcomes. Similarly, the office space allocated for below market rents should ideally be targeted to multiple community-based users rather than a single non-profit or public agency use.

The redevelopment process and governance model are designed to maximize the public and community-based elements of the building’s program and ensure compliance with these objectives through minimum thresholds for the amount of below market rate space for community-oriented uses and maximum allowances for market rate commercial uses, such as office, lab, retail, or restaurant.

III. Physical Condition of the Building

A. The History of the Foundry Building

The original building at 101 Rogers Street is masonry veneer over a heavy timber frame structure. The main building was built in 1890 with side wings added in 1910. At that time the building was used as a foundry, all on one floor, at ground level. L.H. Gager of Palmer, Massachusetts, designed the original structure with an unusual truss system that accommodated large cranes to support iron production. This truss system had reinforced double wood trusses that rise up within the clerestory to support the beam on which the crane ran. The Foundry processed up to 50 tons of iron per day.



The Foundry was originally part of a larger industrial complex for the Blake & Knowles Steam Pump Company. The complex, including the Foundry, was once a nationally recognized manufacturing facility and supplied 90% of pump supplies to the U.S. Navy in the 1930s. In the 1960s and 1970s, the building was used as a taxi barn.

The Foundry's original open, high bay design was modified in 1982 for office use through the addition of three structured floor levels within the building. The infill structure is steel frame with concrete decks. At the same time, the ground floor was excavated to create the below grade level that accommodates parking as well as building services and some additional rentable space. After these building modifications, it was used as commercial space for numerous telecommunication, computer technology, and biotechnology companies.

On January 5, 2017, the Cambridge Historical Commission (the "Commission") voted to initiate a landmark designation study for the Foundry under Chapter 2.78, Article III of the Cambridge Municipal Code. During the twelve-month study period, which extends through January 5, 2018, the Property will be treated as though it were already a designated landmark. During this time (and, depending on the determination made by the Commission at the conclusion of the study period), any publicly-visible exterior alterations must receive a Certificate of Appropriateness, Nonapplicability, or Hardship from the Commission before a building permit may be issued.

~~The building has historic interest but is not a listed property in the Historic Register, nor is it subject to any other historic limitations on redevelopment at the state or local level as it lost many of its historic characteristics during the significant renovation in the 1980s. As of 2014, the building has been vacant for over two years.~~

The building in its current configuration consists of a lower parking level with 42 parking spaces and approximately 4,000 SF of usable, non-parking area, a first floor with approximately 23,000 SF of gross area, and two upper floors with approximately 15,000 SF of gross area each.

A narrow open space of approximately 3,000 SF to the east of the building is included as a part of the Property (Appendix B, Site Plan). The Rogers Street frontage includes the main entrance and 12 surface parking spaces. The total lot area is 37,500 SF. The Property is abutted to the east by an open parking lot associated with the Worthington Place residential property, which is located to the south of the Property, across Rogers St. The abutting parcel to the west contains a switching station and a large windowless structure that houses communications technology.

B. The Physical Condition of the Property

The main Foundry building is 124 years old and has not received significant investment since 1982~~for 32 years~~. The building's retrofit in 1982 was completed in accordance with the Massachusetts State Building Code, Third Edition from 1979. A major redevelopment ~~will~~^{would} need to comply with the current Massachusetts State Building Code, Eighth Edition (MSBC-8th), along with the Cambridge Stretch Energy Code and other applicable laws or regulations. Significant resources are required to bring the building up to code and meet current energy and accessibility requirements in Cambridge.

According to the Foundry Reuse Study from June 18, 2013 ("Reuse Study"), conducted by HMFH Architects, the Property requires structural reinforcement, replacement of most major building systems, repair or replacement of the building's envelope, and significant circulation upgrades. This section provides an overview of these issues, and the full Reuse Study is available on the City's website.

The significant building issues identified in the Reuse Study are summarized below:

Structure Systems: The building requires significant seismic retrofitting to address lateral forces that could compromise the building's structure. Existing structural framing of the roof, trusses, walls, and slabs would likely have to be reinforced or supplemented to resist lateral force loads for the expected occupancy loads. Further structural testing will be needed in conjunction with anticipated uses in accordance with detailed redevelopment plans.

Building Envelope: The brick and stucco materials require significant repair. The clerestory siding is in need of replacement.

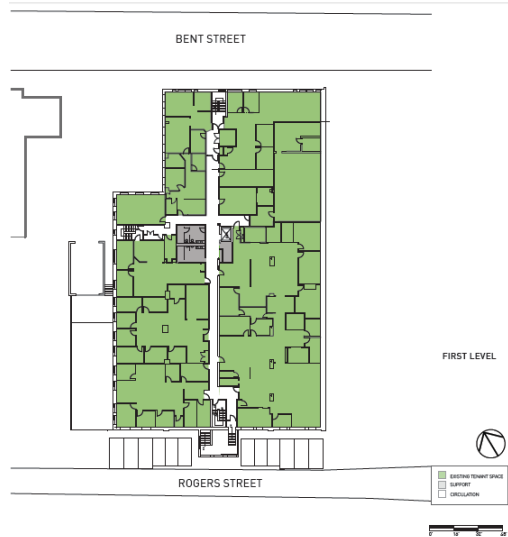
Windows, Skylights, and Doors: All windows, skylights, and doors need to be replaced. The windows on the eastern façade have been bricked up, and most should be re-opened to provide light to the first floor uses. The 25 year-old roof has reached its lifespan. No major leaks have been detected but some water damage is evident.

Accessibility: There is no wheelchair accessibility from the Main Lobby on Roger Street to the elevator and no accessible entrance at Bent Street. Accessibility

requirements in a building occupied by uses that accommodate the public are more comprehensive than in an existing building occupied by private businesses. Significant retrofit of the building's circulation will be required to bring universal access to the building.

Mechanical, Plumbing and Electrical: Most of the mechanical systems have reached the end of their lifespan and will need specific upgrades and/or replacement. The restrooms need new fixtures and accessibility retrofits.

Fire Protection: Areas of the building require improved fire protection. The fire alarm system does not meet code, and the fire pump room requires a direct egress to the outside. Significant code upgrades are needed to reach the Occupancy Type B requirements necessary for a broad range of uses.



Existing Foundry Floor Plans
(Source: HMFH Reuse Study)

The Reuse Study Report estimated that the base building improvements will require approximately \$12 million. Significant additional investment ~~will~~would be needed to fit out the interior space to serve the eventual end use; these costs vary depending on the final design and program of the building space.

In 2014 two pipe failures created significant water damage requiring rapid response to avoid mold development in the interior. This response included the removal of portions of the first floor interior demising walls, further limiting the building's current utility. In 2015, the City conducted an internal building demolition to remove most of the interior walls and finishing to prepare the building for redevelopment.

Based on additional design studies by HMFH Architects and a new cost estimate report from Daedalus Projects Incorporated, conducted in 2017, the full development of the building is estimated to require between \$18 and \$23 million in capital investments, not including remediation, off site improvements or project soft costs. The full redevelopment project is estimated to cost between \$26 million and \$31 million.

C. Needed Building Improvements

The Foundry Reuse Study suggests that meeting these programmatic objectives and putting the building into productive use will require significant property improvements. The final program and building design will likely make modifications to the planned improvements contemplated in the Reuse Study, but the general scope of work is expected to be comparable.

A number of structural retrofits are required to improve lateral-force resistance. The proposed retrofits include the addition of lateral support throughout the roof, shearing load improvements to walls, reinforcements to concrete slabs, improvements to wood truss connections to structural systems, and bracing at multiple levels of the building. All the existing interior walls will need to be removed and reconfigured. New plumbing fixtures and lighting are needed throughout the building. New HVAC equipment and distribution systems are needed. Updated sprinkler systems will be required.

The exterior envelope of the building requires significant repair and replacement. The roof is ~~nearing~~ has reached its life span; the skylights and windows require replacement. Stucco and brick façade materials require repair. Additionally landscaping improvements are needed for the building-related open space or a pocket park along the east side of the building. To provide an accessible entrance to the building, the reuse plan must either build a chair lift in the front lobby and utilize the existing elevator, or rebuild a new elevator, machine room and stairs to all levels. Additional entry and exit upgrades will be required based on the ultimate configuration of spaces and occupancy loads.

D. Environmental Remediation

Oil contamination from a 10,000-gallon underground tank ~~was~~ previously detected in the southwestern portion of the main building site at 101 Roger Street by a prior owner of the Property. The oil tank was removed in 1988; however, ~~reportable concentrations~~ Reportable Concentrations of petroleum constituents were detected in groundwater during subsequent site assessment activities in 1997 (DEP RTN. 3-15809). ~~As a result, an Activity and Use Limitation ("AUL") was placed on the Property, limiting use to commercial, and restricting residential, school, and institutional uses due to concerns regarding exposure to soil gas, (DEP release Tracking No. 3-15809).~~ In 2002, new soil testing was conducted to assess the concentrations of

residual petroleum contamination using the new MassDEP Methods for Extractable and Volatile Petroleum Hydrocarbons. The results of those tests indicated that the hydrocarbon concentrations in the soil were below the standard that is protective of residential exposures. Additionally the concentration of petroleum hydrocarbons in groundwater had also decreased significantly since 1998. Therefore, in 2002 the ~~previous~~ AUL was terminated.⁷

In May 2011, Haley & Aldrich, Inc., (~~“(Haley & Aldrich)”~~) on behalf of Alexandria Real Estate Equities conducted additional testing on the Property. Later that year, Haley & Aldrich conducted further analysis of indoor air quality within the building and soil conditions of the grassy side yard.

The Haley & Aldrich soil gas analysis included both petroleum-related ~~v~~Volatile ~~o~~Organic ~~c~~Compounds (VOCs) as well as petroleum hydrocarbon ranges. The analysis conducted in 2007 did not include petroleum hydrocarbon ranges. Their recent soil gas analytical data indicate that C5-C8 ~~a~~Aliphatics were detected at a concentration that exceeds the MassDEP Soil Gas Residential Screening Value. Testing for petroleum-related VOCs in soil gas was conducted in both 2007 and 2011. Soil gas testing in 2007 indicated that benzene was present at levels that exceeded the MassDEP Soil Gas Residential Screening value; however, the 2011 test results indicates an overall decrease in VOC concentrations compared to the 2007 data.

Haley & Aldrich came to the conclusion that the potential for vapor intrusion is limited to the southwest portion of the garage and that an exposure pathway does not currently exist for the concentrations of petroleum hydrocarbon given the current use.⁸ This may need further study if alternative uses are contemplated for the garage.

The groundwater analytical data generated by the Haley & Aldrich analysis indicated that groundwater has been impacted by low concentrations of petroleum hydrocarbons. The concentration of these constituents was consistent with or lower than the concentrations detected in 2002.

According to the Reuse ~~Study Report~~, the building itself contains limited hazardous materials in the structure, requiring approximately \$500,000 dollars of remediation and disposal costs.⁹ Haley & Aldrich conducted surface soil testing in 2011 for contaminants and determined that low levels of petroleum hydrocarbon and metals existed but were well below DEP reporting criteria.¹⁰

⁷ Haley & Aldrich Memorandum July 01, 2011 File No. 34250-10

⁸ IBID

⁹ http://public.dep.state.ma.us/SearchableSites2/Site_Info.aspx?textfield_RTN=3-0015809&searchType=ALL&CurrentPage=1

¹⁰ Haley & Aldrich Memorandum December 21, 2011 File No. 34250-10

The City has entered into an agreement with an environmental consultant to conduct soil testing at the Foundry. Based on the results of the soil testing, the environmental consultant will develop a remediation plan for the Property.

IV. Demonstration Project

A. The Legal Basis for Demonstration Projects under Massachusetts Law

As an urban renewal agency expressly designated by the Cambridge City Council, the CRA plays an important role in urban renewal and redevelopment planning activities in the City. The CRA exercises the powers available to such agencies under Chapter 121B of the Massachusetts General Laws.

The CRA's authority under Chapter 121B includes, among other powers, the power to: (i) declare certain areas of the City blighted open, decadent or substandard; (ii) prepare plans for the redevelopment of such areas; and (iii) to carry out demonstration projects for the "*prevention and elimination of slums and urban blight.*" Within urban renewal areas, the CRA is authorized to prepare urban renewal plans that call for the undertaking of urban renewal projects aimed at eliminating what the law has defined as decadent, substandard and blighted open areas. The CRA is authorized "*to engage in or contract for the construction, reconstruction, alteration, remodeling or repair of any clearance, housing, relocation, urban renewal or other project which it is authorized to undertake or parts thereof.*" M.G.L. c. 121B § 11(f).

Section 46(f) of Chapter 121B provides the CRA with the authority to adopt and develop "demonstration projects." That section reads, in part: "*An urban renewal agency shall have all the powers necessary or convenient to carry out and effectuate the purposes of relevant provisions of the General Laws, and shall have the following powers in addition to those specifically granted in section eleven or elsewhere in this chapter: ... (f) to develop, test and report methods and techniques and carry out demonstrations for the prevention and elimination of slums and urban blight.*"

The terms "slums" and "urban blight" are not defined in c. 121B, but § 1 does define the related term "blighted open area"¹¹ as:

a predominantly open area which is detrimental to the safety, health, morals, welfare or sound growth of a community because it is unduly costly to develop it soundly through

¹¹ Section 1 of c. 121B also includes these definitions:

"Decadent area," an area which is detrimental to safety, health, morals, welfare or sound growth of a community because of the existence of buildings which are out of repair, physically deteriorated, unfit for human habitation, or obsolete, or in need of major maintenance or repair, or because much of the real estate in recent years has been sold or taken for nonpayment of taxes or upon foreclosure of mortgages, or because buildings have been torn down and not replaced and under existing conditions it is improbable that the buildings will be replaced, or because of a substantial change in business or economic conditions, or because of inadequate light, air, or open space, or because of excessive land coverage or because diversity of ownership, irregular lot sizes or obsolete street patterns make it improbable that the area will be redeveloped by the ordinary operations of private enterprise, or by reason of any combination of the foregoing conditions.

"Substandard area," any area wherein dwellings predominate which, by reason of dilapidation, overcrowding, faulty arrangement or design, lack of ventilation, light or sanitation facilities or any combination of these factors, are detrimental to safety, health or morals.

the ordinary operations of private enterprise by reason of the existence of ledge, rock, unsuitable soil, or other physical conditions, or by reason of the necessity for unduly expensive excavation, fill or grading, or by reason of the need for unduly expensive foundations, retaining walls or unduly expensive measures for waterproofing structures or for draining the area or for the prevention of the flooding thereof or for the protection of adjacent properties and the water table therein or for unduly expensive measures incident to building around or over rights-of-way through the area, or for otherwise making the area appropriate for sound development, or by reason of obsolete, inappropriate or otherwise faulty platting or subdivision, deterioration of site improvements or facilities, division of the area by rights-of-way, diversity of ownership of plots, or inadequacy of transportation facilities or other utilities, or by reason of tax and special assessment delinquencies, or because there has been a substantial change in business or economic conditions or practices, or an abandonment or cessation of a previous use or of work on improvements begun but not feasible to complete without the aids provided by this chapter, or by reason of any combination of the foregoing or other condition; or a predominantly open area which by reason of any condition or combination of conditions which are not being remedied by the ordinary operations of private enterprise is of such a character that in essence it is detrimental to the safety, health, morals, welfare or sound growth of the community in which it is situated.

B. Foundry as a Demonstration Project

One key factor in determining whether a demonstration project is appropriate is whether pursuit and completion of the project will prevent the occurrence of slums or urban blight. While the Foundry area cannot presently be said to be blighted, if left vacant and without productive reuse, it could become blighted in the future.

As will be discussed below, the physical conditions of the Foundry require substantial repair; without these investments, the potential for detriment to safety exists. A sizeable vacant structure could also attract illicit activities and may, in any event, have a detrimental effect on the sound growth and attraction of investment to surrounding properties. -Significant effort has been put into developing a plan to re-use the Property in a manner consistent with the public's stated desires, and without the use of additional governmental involvement. The conclusion of that effort is that additional government assistance is needed~~would help~~ to accomplish those objectives.

Another key factor is the use of a technique that could serve as a test for possible application elsewhere in the City and the Commonwealth. Demonstration projects are not widely used as development tools outside the City of Boston, and the proposed collaboration with the City has unique qualities that will enable publicly-identified community objectives to drive the redevelopment ~~project~~.

The redevelopment of the Foundry for the purposes and in the manner called for in this Plan is an appropriate ~~D~~demonstration ~~P~~project.

C. Demonstration Project Phases

It ~~was~~ anticipated that the full redevelopment process for the Foundry ~~would~~ will include five basic phases, as detailed below. The City and CRA's initial effort to undertake the Transaction Phase between 2015-2016 resulted in a decision by the City and the CRA to terminate the initial procurement, amend this Plan, and begin a second procurement ~~one~~ of the project. It is contemplated that the overall phase structure will remain the same, except that the Project will now have the City oversee the design and construction of the capital improvements to the Property and result in a CRA procurement process for the selection of a building operator (the "Operator," as explained more fully below). ~~with further details provided later in the Plan.~~

1. Acquisition and Due Diligence Phase (2009 - 2013)

The March 3, 2014 report on the Foundry, submitted by the City Manager to the Cambridge City Council ("Foundry Building Report"), summarizes due diligence activities that have occurred since the acquisition of the Property, including community outreach up through that time, initial legal review, and fiscal impact analyses. The Foundry Building Report discussed ~~five~~ Five different implementation approaches ~~were discussed in the report~~ along with relative advantages and disadvantages of each approach. The Foundry Building Report noted significant advantages to collaboration between the City and the CRA, including substantial flexibility in the procurement process, ~~allowing a two-step developer selection procedure and a negotiated transaction.~~

2. Predevelopment Phase (2014)

The Cambridge City Council Policy Order adopted on March 17, 2014 requested the City Manager to allocate up to \$6 million to facilitate necessary capital improvements to the Foundry as well as to determine the legal and regulatory process necessary to collaborate with the CRA. The City and CRA signed a Letter of Agreement on April 12, 2014 (Appendix C) stating that the two parties would continue to explore scenarios for collaboration.

The Predevelopment Phase ~~has~~ involved additional community outreach (detailed below in Section VIII), as well as identification of development objectives, development and finance strategies, and governance and management structures.

3. Transaction Phase (2014 – 2017–2015)

The Transaction Phase ~~has continued~~ will continue to involve community engagement, and community and City input ~~has been~~ will be incorporated into the ~~formal Demonstration Plan document.~~ Once the CRA Board has approved the Demonstration Plan, the CRA will formally submit the Plan for City Council approval.

In accordance with the City of Cambridge Municipal Code Chapter 2.110 for Property Disposition, the City Manager ~~submitted~~ will submit a Disposition Report to the City Council. This process includes a Planning Board public hearing and recommendation. The Disposition Report ~~identified~~ will identify the general terms of a Lease between the City (landlord) and the CRA (tenant) (the "Lease"), which has been executed. It is anticipated that ~~Subject to the Lease will be amended to be consistent with the provisions~~ City Council approval of this

~~Demonstration Plan, as necessary. acceptance of the Disposition Report, and vote on the disposition of a Lease to the CRA, the City will begin the process of entering into a long-term Lease with the CRA. Details of the anticipated disposition process are described below in Section V (A).~~

~~The CRA will then initiate a two-step procurement and disposition process, as will be set forth in the Lease between the CRA and the City and described below in Section VI, to solicit information from interested private and non-profit organizations, and then work with the City and an Advisory Committee (described below in Section V (B)) to narrow the list before issuing a more detailed request for an operator proposals. Based on the evaluation criteria, including program concept and financial abilities, a development entity would be selected to sublease, redevelop and thereafter operate and maintain the Property. The development entity may be a private non-profit organization, a private for-profit company, a public entity, or any combination of these (the "Development Entity"). Given the requirements to redevelop and operate and maintain the building, the OperatorDevelopment Entity may include a variety of team members.~~

4. Design and ConstructionRedevelopment Phase (2015-2016/2017 - 2021)

~~The City, in cooperation with the CRA, Development Entity selected will overseebegin finalizing the design and , incorporating and refining the program concept and secure financing and move the construction of capital improvements. The CRA, with the assistance of the City, will forward. The Development Entity would be required to engage and inform the CRA, City, community, and the Foundry Advisory Committee (the "Committee", discussed in more detail in Section V.-B below)- to ensure that the Project remains consistent with the VisionVisions and Objectives of the Plan.~~

5. OperationsOperation Phase (20212016/2017 - forward)

~~The OperatorDevelopment Entity will be expected to manage all aspects of building operations including property managementmaintenance and repairs, debt repayments if any, and leasing and/or the designation of operators to manage programs within the building and will work cooperatively with the CRA regarding subleasing all or portions of the Property.- The Advisory Committee will play a role in making sure that the Project remains consistent with the Plan's VisionVisions and Objectives.~~

D. Demonstration Plan Amendments

~~From time to time it may be desirable or necessary to amend elements of the Demonstration Plan, either as a minor plan amendment, or as a major plan amendment. A minor plan amendment is a change that does not significantly affect any of the basic elements of the Plan. A major plan amendment is a significant change in any of the basic elements of the Plan and shall be reviewed and approved by the CRA and the City Council.~~

~~Since the Foundry is expected to be a center for creativity and innovation, a regular process of assessment and evaluation of the programs and the Property will provide valuable feedback on its success in meeting the Vision and Objectives, or alternatively, the need to update~~

them. The process of assessment and evaluation shall be conducted in consultation with the City, the CRA, the ~~Advisory Committee~~ and the ~~Operator Development Entity~~. The assessment should take into account the Lease agreement and other legal agreements by and between the City and the CRA (“Agreements”), actual operations, changing demand or market forces, updates in technology or other innovations, the condition of the building, and other outside forces.

~~A minor plan change is a change that does not significantly affect any of the basic elements of the Plan. A major plan change is a significant change in any of the basic elements of the Plan and shall be reviewed and approved by the CRA and the City Council.~~

V. City Disposition and Governance Structure

A. City Disposition Process

~~The~~If the CRA and the City ~~voted~~vote to approve the Plan and the City Council ~~voted~~votes to dispose of the Property to the CRA on May 4, 2015, ~~the CRA will enter into a Sublease with a Development Entity, which will be subject to the approval of the City Manager (the "Sublease").~~ The Lease ~~includes~~between the City and the CRA will include terms establishing minimum and maximum programmatic requirements of the building's occupants and programs. Subject to the terms of the Lease, it ~~is~~will be the responsibility of the CRA to engage in a process to select (with the input of the City) ~~an Operator~~a Development Entity that can deliver and maintain the defined programs of ~~the Project and the Property per the Vision and Objectives stated above and otherwise in accordance with this Plan.~~ Further, the selection process described below shall be designed to maximize the community programming of the space and encourage functional overlap between the building's users. The Agreements with the City shall include conditions whereby the City Manager may be able to take remedial actions if the Property is not used according to the intentions of this Plan and the provisions of the Agreements.

The granting of a Lease from the City to the CRA ~~is~~would be exempt from the requirements of M.G.L. c. 30B. However, any disposition of a City-owned property interest is subject to Section 2.110.010 of the Cambridge Municipal Code, (the "Disposition Ordinance") a portion of which is excerpted below.

The City Manager shall be responsible for engaging in a process that will result in a fair analysis of how the greatest public benefit can be obtained from the City property in question.

The City Manager shall prepare a report. The report shall be based on careful consideration of the issues enumerated below. In the course of preparing the report, at least one community meeting shall be held to discuss the issues and community concerns and they shall be addressed in the report. Advance notice of such meetings shall be given to potentially affected persons describing the proposals under consideration.

In some circumstances, the City Council may diminish the full process if one or more of the requirements of the Disposition Ordinance would be burdensome in light of the nature of the recommended transaction. The recommended transaction involving the Foundry ~~presented~~would likely present such a circumstance ~~because it given that this is an inter-agency transaction with a fellow governmental agency of Cambridge, and that the transaction is designed to facilitate uses that directly benefit the citizens of Cambridge.~~ On May 4, 2015, For that reason, the necessity of obtaining appraisals at this stage, for instance, may be unnecessary and there may be other requirements of the Disposition Ordinance that the City Manager requests the City Council voted to diminish the full disposition process to grant a long-term leasehold interest to the CRA in such form and manner, and at such time, as the City Manager reasonably determined was necessary or advisable.

B. Proposed Governance Model

The aim of the proposed governance model of the Project is two-fold: (i) to ensure the primacy of public objectives, as outlined above and identified by the City, the CRA and the community, during the redevelopment process; and (ii) to address transparency in governance. The specific terms of the governance model will be formalized in the Agreements between the City and the CRA. The City presently owns the Property in fee simple ~~subject. Following the approval of this Plan, the City will lease the Property to the Lease, which has~~ CRA for an agreed-upon term of fifty (50) years beginning from the date of substantial completion of the Design and Construction phase. Under the terms of the Agreements, the uses of the Foundry ~~are~~ will be limited to those generally set forth in this Plan, ~~and further refined in the Sublease documents.~~ The CRA will seek an ~~Operator~~ Development Entity to undertake the ~~programming reconstruction and management of the building for a concurrent Sublease term.~~

The Agreements will address the City Manager's establishment of ~~the a Foundry Advisory Committee, (the "Committee"),~~ the Committee's membership and member terms, as well as the role of the Committee in ensuring that the use of the Foundry is consistent with the Visions and Objectives of this Plan. The ~~Committee shall consist of seven (7) members, who shall be appointed by the City Manager in consultation with the Executive Director of the CRA and shall include representation by residents from abutting neighborhoods. The initial terms of the members of the Committee shall be staggered for one- (1), two- (2), or three- (3) year terms. The replacement terms shall be three-year terms and membership shall be limited to two (3) three (3) year terms plus any fraction of a partial third term.~~

The Committee, in consultation with the staff of the CRA, will make recommendations to the City Manager or his/her designee during the ~~Design and Redevelopment Construction Phase~~ and throughout the Operations Phase, including refining the types of uses to be fostered in the space, ~~("Programs"),~~ reviewing the long-term capital changes to the building, and recommending any ~~Plan plan~~ amendments. ~~The Development Entity will select private tenants and program operators, with whom the Development Entity will enter into tenant agreements. Neither the CRA nor the Development Entity shall not enter into a tenant agreement allowing a use in the Foundry that is not consistent with the Project's Vision and Objectives, objectives, nor any use that is not specifically permitted under the Agreements.~~ The Committee will make its recommendations based on community needs specifically including those identified by the City Council, the City Manager, and as a result of community planning and outreach activities. The Committee will continuously re-evaluate proposed Programs through the term of the Agreements and make recommendations consistent with community needs as they may evolve over time, and will also review any significant capital changes to the building as they affect the ~~value of building objectives and the Foundry as a City City's asset.~~

~~The Advisory Committee shall provide annual updates to the CRA Board at a regular public meeting to provide the public with information regarding its activities as well as for the purpose of soliciting input from the public about the programs associated with the Foundry throughout the Design Development and Construction, and Operations Operation Phases.~~

VI. Redevelopment Process

A. Design and Construction Phase

The City will lead the permitting processes for design and construction. The construction projects will include a “Core and Shell Project” which will include major capital improvements, and a “Fit-Out Project”, which will include finish and furnishing work to make the building usable for tenants.

~~VI.~~ With respect to design, the City will select, contract with and manage a designer according to a designer selection process conducted in conjunction with CRA staff, pursuant to the applicable procurement laws, including use of a Designer Development Entity Selection Committee. The CRA will have at least two representatives on the Designer Selection Committee. The Operator (selected in accordance with the process set forth below) will work with the City and CRA to help define the designs, particularly the design for the Fit-Out Project.
~~Process~~

With respect to construction, the City will apply to the Commonwealth of Massachusetts’ Office of the Inspector General to utilize the Construction Manager at Risk Process outlined in G.L. c. 149A for major capital improvements. If the application is approved, the City will select, contract with and manage a contractor through the G.L. c. 149A Construction Manager at Risk process. If the application is not approved, the City will select, contract with and manage a contractor through G.L. c. 149, on a lowest responsible bidder basis.

B. Operations Phase

The CRA will utilize a Request for Information process, developed in coordination with the City, that may include one-on-one meetings with respondents at the CRA’s discretion, to solicit feedback and information regarding prospective Operators. The CRA will use feedback from the Request for Information process, in conjunction with the City, to develop a process to procure an operator team (the “Operator Procurement”).

The CRA will conduct the Operator Procurement in parallel with the City’s designer selection process so as to provide the Operator an opportunity to help define the designs, particularly with respect to the Fit-Out Project, and will consult with the City on a regular basis during the period that the Operator Procurement is being considered. The Operator Procurement will involve seeking an Operator that can perform three major roles: property management, program management, and leasing. The Operator will work at the direction of the CRA in a contractual relationship that will enable the CRA continuously to oversee the operation of the Foundry.

~~A. — The CRA will provide oversight of the Foundry’s management, Proposed Two-Step Developer Selection Process~~

~~— After the CRA and the City have entered into a Lease, the CRA will engage in a two-step process of selecting a Development Entity with whom to enter into the Sublease. The Sublease would also be exempt from M.G.L. c. 30B as the disposition would be completed consistent with this Plan. Because of the potential for a wide range of specific programmatic functions and~~

redevelopment designs for the Foundry, a two-step process will be utilized to select the eventual Development Entity. The intent of the CRA's selection process is to facilitate a competition of ideas to maximize community benefits through the building's program.

~~———— The CRA will conduct a transparent selection process allowing for collaboration between potential building users and redevelopers. The CRA will host at least one pre-bid event, and will conduct significant community outreach to allow parties interested in potential programmatic involvement in the Foundry building to learn about the redevelopment process and the Project vision as set forth in the Agreements. The selection process will include at least one round of public presentation by proponent finalists allowing community comments on the various redevelopment proposals.~~

As the first step, the CRA will issue a Request for Qualifications ("RFQ") to solicit interest from potential development entities. The initial RFQ phase will provide prospective proponents with an opportunity to propose an overall building reuse concept. The purpose of this round will be to gauge interest from the market and non-profit community to make significant investment into this public resource. This proposal round would seek to generate creative approaches for the building program, design and operations, and to encourage the composition of a Development Entity with appropriate real estate and management capacity to rebuild and populate the building in alignment with the public policy goals and the Visions and Objectives of this Plan. A project proponent will be required to provide redevelopment information in the response with sufficient detail to support the overall Vision and Objectives of this Plan and the Project. Conceptual program and building designs will be required to convey the proponent's approach and its alignment with the Vision and Objectives of this Plan for the Project.

After the evaluation of the initial pool of respondents in the RFQ phase, the CRA will engage in a second phase. The CRA expects that it would narrow the field, and a Request for Proposals ("RFP") would be issued to the highest ranked candidates of the RFQ phase. The purpose of the RFP round is to review each project proposal in detail to evaluate the feasibility of the proposal from a design, program, finance and operational perspective, and to ensure that it will achieve the public policy goals and the Visions and Objectives for the Plan and the Project. The RFP evaluation will also involve scrutiny as to the Development Entity's ability to implement the Project in a timely way, including a finance plan that addresses sources and uses of funds sufficient to make building improvements and to sustain the building's operation.

Depending on the response to the initial RFQ, the CRA may choose the following alternate steps: invite all or a selection of the initial respondents to respond to an RFP; or issue a new RFQ with project modification based on information learned from the initial round or other changing circumstances; or issue a RFP, open to all regardless of whether they participated in the RFQ with minor project modifications based on information learned from the initial round or other changing circumstances; or terminate or suspend the solicitation process.

While all of these scenarios are possible, if the CRA receives sufficient responses in alignment with the selection criteria outlined below, and this Plan, it is expected that the second stage of the solicitation will proceed through the limited solicitation RFP.

~~During either or both stages of the solicitation process, the prospective Development Entities will be expected to present elements of their proposals at a public forum. The details of the presentation will be outlined in the RFQ and/or the RFP.~~

~~B. RFQ/RFP Selection Criteria~~

~~The proposals for the redevelopment and operation of the Foundry will be awarded one of the following rankings according to the criteria set forth in the RFQ/RFP—“highly advantageous,” “advantageous,” “not advantageous,” and “unacceptable.” In particular, proposals that are able to demonstrate the delivery of a program with community uses that are significantly above and beyond the 10,000 SF minimum required by the zoning ordinance, will be considered “highly advantageous” in the selection process. The submittals will be evaluated against a number of criteria, which may include the following:~~

- ~~1. Overall approach and alignment with the Vision and Objectives outlined in Section II (achievement of public policy goals)~~
- ~~2. Programmatic partnerships and financial structure~~
- ~~3. Development entity history, experience, and capacity~~
- ~~4. Initial design approach and project schedule~~
- ~~5. Redevelopment design and improvement plan~~
- ~~6. Project feasibility, including proposed program, operations, costs, and financial plan~~
- ~~7. Detailed program description including proposed relationships between uses~~
- ~~8. Project schedule and readiness to proceed~~
- ~~9. Direct community benefit of building program~~

~~C. Development Entity Sublease~~

~~In close coordination with the City and subject to the terms of the Agreements, and approval of the City Manager, the CRA will negotiate a Sublease with the selected Development Entity to redevelop and operate the Foundry. The details of rental payments, capital reinvestment funds, and financial participation of the CRA will be outlined in the Sublease agreement. The CRA will provide oversight of the building’s management subject to the City’s approval pursuant to the governance structure as established in the Agreements. The Agreements, which will also provide the Advisory Committee and the Cambridge community avenues to remain apprised of the ongoing operations of the Foundry. It is anticipated that the tenants, activities and non-profit programs, will evolve over time; however, the CRA Sublease will utilize its ability to direct the Operator include performance criteria and remedies for the CRA and the City to ensure that the Vision and Objectives of the Plan and the Project are met throughout their term of the Lease.-~~

VII. Financial Plan

The City and the CRA will jointly fund the Project. The total redevelopment cost is estimated to be approximately \$26 million to \$31 million, including soft costs (design, fees and other administrative costs), and the construction of the Core and Shell Project (base building, site work, and remediation), and the Fit Out Project (interior finishing, furnishing, equipment, and additional landscape). The CRA has committed to invest \$7 million during the Design and Construction Phase as detailed below, and the City will invest the remaining funds necessary to improve the Foundry as a core City asset. The cost estimates will continue to be refined as the Project moves through design.

Additional funds will be needed to help start up and sustain the Operations Phase. The CRA is committed to set aside an additional \$2 million for the Operations Phase as detailed below.

A. Design and Construction Phase

During the Design and Construction Phase, the CRA funds will be dedicated primarily to sharing the cost of design and other soft costs, and paying for finishing, furnishing, equipment, landscape, and other fit out costs, with any remaining balance going toward the core and shell construction. The City funds will be dedicated primarily to sharing the cost of design and other soft costs, and paying for the Core and Shell Project, including remediation, building improvements, and site improvements. A payment schedule and plan will be determined upon a mutually acceptable basis prior to execution of the City's agreement with the contractor and will address any necessary adjustments to the Project budget.

B. Operations Phase

The design and programming of the Foundry, including the allocation of space to public uses, community-oriented uses, and market rate uses, is intended to achieve a sustainable source of revenues to fund the Operations Phase over the term of the Lease. Since the building may not be fully leased during the first year of operation and there may be other unforeseen gaps in rental streams over the course of its use, the CRA will set aside its funds (\$2 million) to support the Operations Phase, but otherwise the Project is expected to be self-sustaining.

During the Operations Phase, rent and other revenues from community users, market-rate tenants, charitable and third-party funders, and any other sources will be paid to the CRA and will be deposited into separate accounts benefitting the Foundry.

~~_____ The Project will take advantage of multiple public and private sources of funds. One goal is to ensure the long term financial sustainability of the Project by using private investment in the physical asset and its operations. Another goal is to link the commercial success of Kendall Square to deliver a citywide resource, which will be done through the use of the CRA's financial resources. The Sublease will contain provisions triggered by capped return rates for the Development Entity whereby additional profit from building rents above the capped rates will be reinvested by the City and CRA into the building or its programs.~~

A. Development Phase

~~_____ The building requires approximately \$12 million of base building improvements according to the Reuse Report. Additional fit-out costs are anticipated to be another \$5 million to \$10 million above the base building costs, depending on the ultimate uses and programs of the building. Tenant expenses for individualized improvements, furnishing, specialized technology and equipment would be additional expenses.~~

~~_____ The City Council has requested that the City Manager allocate \$6 million as future capital investment in the building. It is anticipated that a portion of this funding may be invested in the building before involving a private Development Entity to prepare the building for redevelopment. These improvements may include interior partition demolition, hazardous material disposal, base building improvements, and any remaining site remediation. The remainder of the capital commitment from the City, if any, would be available to make major investments in the building over the course of the Lease.~~

~~_____ The Development Entity will provide substantial capital or financing for the majority of the building's improvements. The CRA will assist the Development Entity with securing low interest financing and gap funding resources, as they are available. The Development Entity will recover its investment through a mixture of rent levels consistent with the building program described above.~~

B. Operation Phase

~~_____ The CRA will establish a dedicated Foundry Foundation Fund (the "Fund") whose funds shall be dedicated for investment in the Foundry and designed to provide financial resources for the ongoing operations, programming, and capital investment in the Project. Specifically this Fund could be utilized for tenant improvements required by community oriented uses, capital requirements of the building beyond the initial investment from the City and the Development Entity, provision of community-oriented programs within the shared space of the building, financial collateral for below market / community leaseholds need based support for administrative costs associated with the building operation.~~

~~The CRA will start the Fund when the City and the CRA execute the Lease. Additional financing from the CRA's development fees in KSURP will be made as those revenue sources are realized and from other CRA funds, if possible. The CRA will actively work to solicit public grants and philanthropic private contributions to the Fund in order to advance the vision of the Project at both its inception and over the span of the Plan.~~

~~The Development Entity is expected to pay a ground rent or other structured contribution into the dedicated Fund, which will be managed by the CRA pursuant to the provisions of the Agreements. The CRA will reinvest those funds into the building as described above. The Sublease may provide relief from portions of the ground rent in exchange for capital investments or additional programmatic contributions made by the Development Entity, and will include opportunities to renegotiate the ground lease payments over time~~

It is expected that many of the building's tenants, especially non-profit program providers, will not be well-established credit tenants and thus traditional financing may require additional collateral against anticipated rental income. Therefore the CRA shall utilize the Fund to serve as a financial 'backstop' to guarantee a portion of the annual rents of the public-oriented uses to insure the overall building remains in operation, particularly in the initial 10 to 15 years of the Project during which the building's redevelopment model and full tenant lease-up is maturing. The goal of the financial support from the CRA would be to assist Development Entity in securing project financing despite the significant proportion of higher risk tenants expected to fulfill the building's programmatic objectives. The CRA, with the approval of the City may create specific need-based conditions or performance standards to the rental guarantee, and set a cap on its overall financial exposure.

Other financial arrangements may be developed through the Sublease with the Development Entity so long as the financial arrangements provide long-term financial sustainability of the Project that insures for the ongoing investment in the building as a public resource, controls capital and operating costs for community-oriented uses, and limits financial exposure to the City. Alternative financing structures will certainly be explored, and project proponents participating in the Developer Entity selection process will be encouraged to present creative but viable fiscal solutions.

VIII. Citizen Participation and Public Approval Process

A. Community Planning and Outreach as of December 2014

A summary of community outreach to date is provided below. Significant public participation and oversight will continue throughout the Plan approval process, the Developer Entity selection, and the building's ongoing operations.

- *February 9, 2009* - Following about two years of public discussion and deliberation, the City Council adopted a rezoning proposed by Alexandria to allow the development of approximately 1.5 million square feet of commercial office/lab space on several sites along Binney Street. As part of the rezoning, Alexandria committed to convey land and funding to the City to develop two new public parks, to redesign and reconstruct a section of Binney Street, to develop approximately 220,000 square feet of mixed-income housing, and to convey the Foundry to the City.
- *June 1, 2010* - The Planning Board granted a special permit approving the Alexandria Planned Unit Development ("PUD"), allowing Alexandria's development to commence in accordance with the adopted zoning.
- *January 9, 2012* - Alexandria transferred ownership of the Foundry to the City with a preference for "its use for municipal or community purposes".
- *April 29, 2013* - The City Council voted to provide \$40,000 to the City Manager for an independent assessment of the Foundry prior to making a decision regarding whether to retain or sell the Property.

- *July 31, 2013* - The Finance Committee conducted a public meeting to examine the finances of various proposals for the future of the Foundry. The City Manager presented a cost benefit analysis of several scenarios, including sale of the building, retention of the building for rehab and lease, and retention for use by nonprofit rental/community space.
- *August 16, 2013* - A joint committee meeting of the Neighborhood Long Term Planning Committee, Economic Development, Training and Employment Committee and the Public Facilities, Arts and Celebrations Committee was held. HMFH Architects, which was retained by the City to independently assess the Foundry building, presented its report. The report identified two scenarios and estimated the total cost of upgrades. Option A, the minimum scenario, would cost approximately \$9,498,658 and Option B, the optimal scenario, would cost approximately \$11,228,448, though in either scenario not all costs would necessarily be incurred upfront.
- *October 30, 2013* - City staff hosted tours of the Foundry and held an informational session led by the City Manager, Deputy City Manager and CDD staff. Over 50 people toured the building and approximately 45 people attended the informational session. At each event, questionnaires (which were also posted online) were distributed to gather public input on:
 - What types of uses the Cambridge community would like to see at the Foundry;
 - What uses they would not like to see; and
 - What types of partnerships could help further these uses.

Comments and responses to the questionnaires indicated a mix of ideas for the Property. However, the majority of respondents emphasized a desire for public use. This included a strong desire for STEAM activities. For spaces without a designated public use, respondents generally suggested there at least be a public benefit associated with the usage such as mentorship, internship, and educational opportunities for Cambridge residents. Additional takeaways included the desire for multiple rents levels and eighteen hours of activities.

- *February 19, 2014* - CDD and CRA staff facilitated a discussion of the potential role of the CRA in the redevelopment of the Foundry with the CRA Board. The CRA Board adopted a motion asking CRA staff to provide the City Manager with a memorandum describing the available redevelopment tools that could be utilized to facilitate the reuse of the Foundry.
- *February 2014* - The City Council considered two policy orders regarding the reuse program of the Foundry building.
- *March 17, 2014* - The City Manager presented an extensive report evaluating alternative approaches to redevelopment the Foundry building. The City Council

- issued Policy Order that requested \$6 million for base building improvements, asked that the City Manager engage residents and stakeholders in a community process to set development objectives, governance and management strategies, and monetization strategies, and sought to determine the legal process to collaborate with the CRA toward implementing a redevelopment program.
- *April 16, 2014* - After significant public discussion regarding the planning and implementation alternatives available to response to the policy order, the CRA Board considered and approved a letter agreement with the City to explore the creation of a Plan for the Foundry.
 - *June 24, 2014* - The City and the CRA held an interactive Community Workshop at the Cambridge Multicultural Arts Center attended by over 60 individuals. Staff provided an update on the redevelopment process and then led a space planning exercise utilizing Lego blocks to further the conversation about the mix of uses desired in the Foundry's redevelopment program and some financial implications of different program elements.
 - *July 23, 2014* - The CRA held its monthly meeting, open to the public, at which staff discussed the results on the community workshop and the progress on the implementation of the Foundry project.
 - *July 28, 2014* - At the summer meeting of the City Council the City Manager presented an updated report on the Foundry.
 - *July 31, 2014* – The City and the CRA held an interactive workshop with the teen summer interns at the Cambridge Cable Television (CCTV).
 - *August 11, 2014* – The City and the CRA held an interactive workshop with the teen summer interns at the Cambridge Arts Center.
 - *August 13, 2014* – The City and the CRA held an interactive workshop with the counselors for the Mayors Summer Youth Employment Program (MSYEP).
 - *October 29 2014* - the City and CRA held a Community Meeting, at the Cambridge Senior Center, to discuss the financial and governance concepts under consideration. The City and the CRA reviewed the draft Vision and Objectives for the Foundry, and described a proposed transition process and governance model for redevelopment. HR&A Advisors, which was retained by the CRA to model a range of potential programs, presented its feasibility findings. Community members were asked to provide feedback on the ~~Vision~~ Visions and Objectives and suggest evaluation criteria for use during the review of development proposals.
 - *December 17, 2014* - The CRA Board voted to approve the Demonstration Plan.

B. Community Planning and Outreach Since December 2014

The community engagement process has continued since December 2014 as follows:

- May 4, 2015 – The City Council voted to approve the Demonstration Plan and the disposition to the CRA of a 50-year master lease of the Property.
- August 5, 2015 – The CRA hosted an open project information session and building tour as part of the RFQ for selecting a prospective Development Entity.
- January 13, 2016 – The CRA provided an update to the East Cambridge Planning Team regarding the RFQ responses received by the CRA and to allow input into the draft RFP.
- May 18, 2016 – The CRA Board received a Report on Proposal Completeness of the one RFP response from Foundry Development Partners.
- July 21, 2016 – The City and CRA host a televised public presentation from Foundry Development Partners regarding their proposal in City Hall.
- August 24, 2016 – The CRA Board votes to tentatively designate Foundry Development Partners and authorize the initiation of negotiations toward a sub-lease.
- September 12, 2016 – the City Manager and CRA provide an update to the City Council on the Foundry
- October 6, 2016 – The Neighborhood Long Term Planning, Public Facilities, Arts and Celebrations Committee holds a hearing on the Foundry proposal.
- November 9, 2016 – The CRA provided an update to the East Cambridge Planning Team about the Foundry procurement process to date.
- November 30, 2016 – Foundry Development Partners provided an update to the East Cambridge Planning Team about their redevelopment proposal.
- December 21, 2016 – The CRA Board voted to terminate the Development Entity RFP procurement process
- January 21, 2017 – The CRA Board receives a staff update regarding alternative pathways toward redeveloping the Foundry. Similar updates occurred at each of the monthly CRA public meetings throughout 2017.
- May 30, 2017 – The City and CRA host a community meeting at the Dante Alighieri Cultural Center to present the revised approach to redeveloping the Foundry building in the manner described in Section VI above. Approximately 60 individuals attended the meeting.
- May 31, 2017 – The CRA launches an online forum to receive ideas and feedback on the revised Foundry approach at www.courbanize.com/foundry

- July 26, 2017 – The Neighborhood Long Term Planning, Public Facilities, Arts and Celebrations Committee held a hearing on the revised approach toward redeveloping the Foundry building.

Minutes, presentations and/or reports of certain of these meetings are available at www.cambridgeredevelopment/foundry. The CRA is conducting ongoing meetings with stakeholders and subject matter experts as part of the RFI process.

B-C. Advisory Committee

As described in Section V (B, the), an Advisory Committee was will be formed on September 22, 2015 to advise the City Manager and the Executive Director of the CRA, and to provide continuous input relating to the management and programming of the Foundry. Since then, the Committee has met on October 14, 2015, November 18, 2015, January 19, 2016, May 20, 2016, June 10, 2016, November 7, 2016, May 16, 2017, and July 12, 2017.

C. Continued Community Outreach

The community engagement process will continue through the RFQ and RFP phases as the development teams submit proposals. Regular updates of the process will also occur at the monthly CRA Board meetings, which are public.

D. Summary of Project Approval Steps

The approvals discussed in the Demonstration Plan in Sections IV through VII are summarized below:

1. Approval of Demonstration Plan by CRA Board
2. Recommendation from Planning Board regarding Property Disposition
3. Approval of Demonstration Plan by City Council
4. Approval of the Disposition by City Council
5. Approval of Lease to CRA by City Manager
6. Approval of First Amendment to Demonstration Plan by CRA Board
7. Approval of First Amendment to Demonstration Plan by City Council
- ~~6-8. Authorization to Initiate Development Entity Procurement~~
- Selection of Design Team and Construction Contractor Team by the City Development Entity by CRA Board with City Manager approval
9. Selection of Operator Approval of Sublease to Development Entity by CRA Board with City Manager approval.

IX. Appendices

- A. March 17, 2014 Policy Order Resolution O-16
- B. Foundry Site Plan
- C. April 12, 2014 City and CRA Letter of Agreement
- D. May 4, 2015 Cambridge City Council Policy Order O-3 [diminished process]
- E. May 4, 2015 Cambridge City Council Policy Order O-4 [lease disposition]
- F. May 4, 2015 Cambridge City Council Policy Order O-5 [demonstration plan]

Appendix A: March 17, 2014 Policy Order Resolution O-16

CITY COUNCIL

Policy Order Resolution

O-16
IN CITY COUNCIL

March 17, 2014

VICE MAYOR BENZAN
COUNCILLOR MAZEN
COUNCILLOR CARLONE
COUNCILLOR TOOMEY

- WHEREAS: The Foundry Building at 101 Rogers Street was acquired by the city as the result of a real estate development proposal from Alexandria Real Estate in 2012; in public forums since that time, there has been overwhelming community support for the Foundry to be reestablished as a multi-purpose community center; now therefore be it
- ORDERED: The City Manager be and hereby is requested to appropriate up to \$6 million and move forward in facilitating the necessary initial capital improvements to the Foundry Building; and be it further
- ORDERED: The City Manager be and hereby is requested to engage residents and stakeholders in a community process to further establish the development objectives, building programming, governance and management strategies, and monetization strategies consistent with City Council goals for the Foundry building; and be it further
- ORDERED: The City Manager be and hereby is requested to determine the legal and regulatory process necessary to collaborate with the Cambridge Redevelopment Authority (CRA), companies in the private and public sector, and/or local universities, and/or donors that are willing to partner with the City to achieve the desired development objectives in a manner most cost effective to the City and that ensures the City will retain a high degree of flexibility and control over the ultimate outcome before any additional future investment is made; and be it further
- ORDERED: The City Manager be and hereby is requested to report back to the City Council on the best manner in which to implement and fund the future community use of the Foundry Building, and continue to provide periodic updates on the community process, anticipated schedule, funding, building programming, and status of the capital improvements to the Foundry Building.

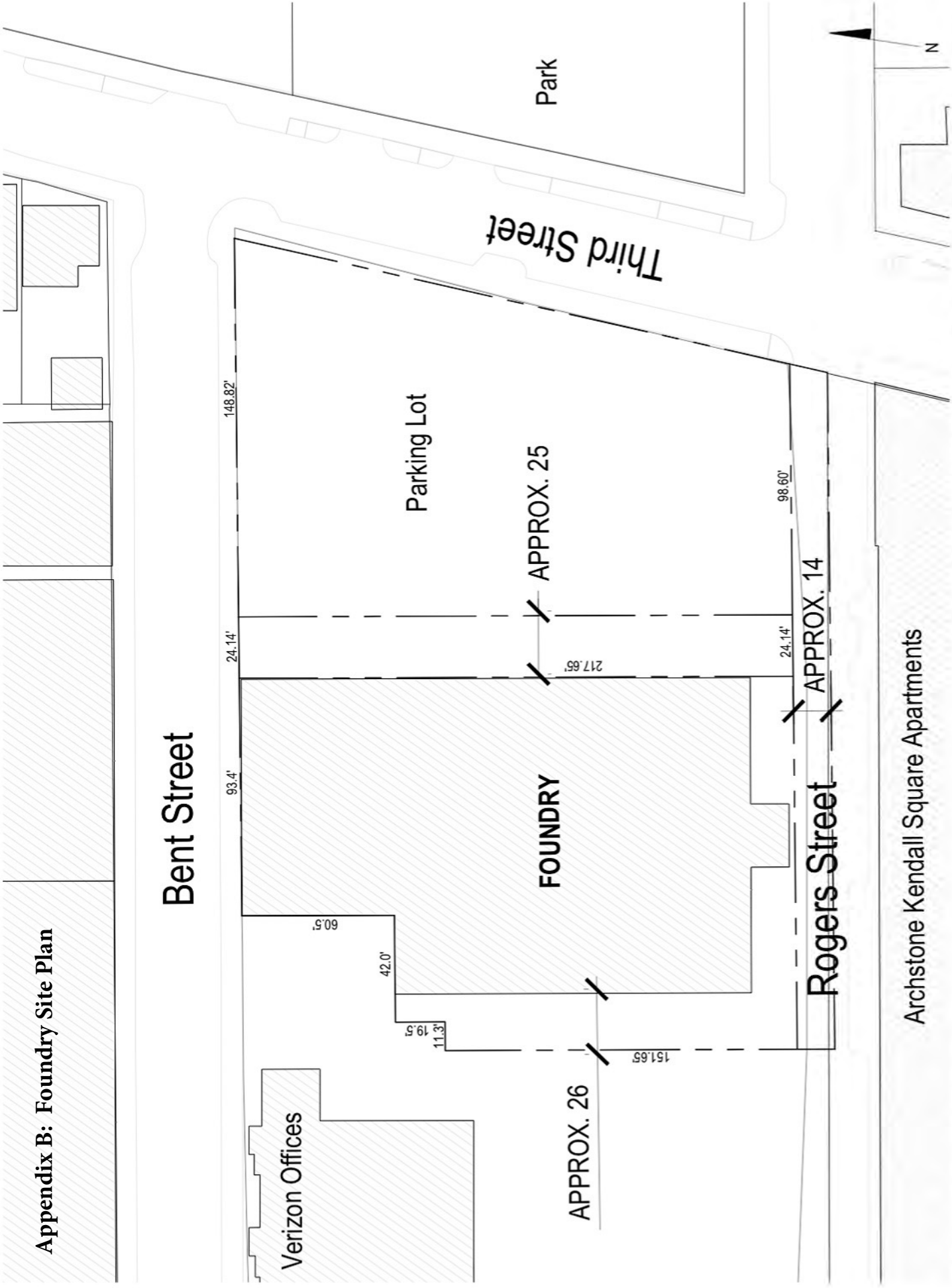
In City Council March 17, 2014
Adopted by the affirmative vote of nine members.
Attest:- Donna P. Lopez, City Clerk

A true copy;

ATTEST:-

Donna P. Lopez, City Clerk

Appendix B: Foundry Site Plan



Bent Street

Verizon Offices

Parking Lot

FOUNDRY

APPROX. 26

APPROX. 25

Rogers Street

APPROX. 14

Third Street

Park

Archstone Kendall Square Apartments

Note: The property boundary is referenced from the City's GIS and recorded deed.

FOUNDRY SITE PLAN

Appendix C: April 12, 2014 City and CRA Letter of Agreement

Cambridge Redevelopment Authority

One Cambridge Center/Fourth Floor
Cambridge, Massachusetts 02142
617 492-6801
617 492-6804 (FAX)



April 14, 2014

Richard C. Rossi, City Manager
Cambridge City Hall
795 Massachusetts Avenue
Cambridge, MA 02139

Re: Letter of Agreement between the City of Cambridge and the Cambridge Redevelopment Authority Regarding the Foundry Building

Dear Mr. Rossi:

This Letter of Agreement (“Letter”) is written to reflect the terms and conditions pursuant to which the City of Cambridge (the “City”) and the Cambridge Redevelopment Authority (the “CRA”) intend to reach agreement on several matters concerning the development of the Foundry Building (the “Property”) as a Demonstration Project (the “Project”) under M.G.L. c. 121B § 46(f). The City and the CRA (collectively, the “Parties”) each acknowledge that this Letter is a non-binding agreement, is in no way intended to be a complete or definitive statement of all the terms and conditions of the proposed transaction and that the negotiation and execution of documentation satisfactory to the Parties will be required. This Letter sets forth a process under which collaboration will be accomplished.

1. The Project

The City owns the Property, a currently vacant former industrial and office building, which is located at 101 Rogers Street, Cambridge, Massachusetts. The City acquired the Property in connection with a zoning amendment sought by Alexandria Real Estate in 2009. Since that time, the City has held public forums in which there has been discussion about the potential redevelopment of the Property into a multi-purpose community center, particularly for community uses in the areas of science, technology, engineering, arts, and math (“STEAM”).

The Cambridge City Council adopted on March 17, 2014 a Policy Order Resolution requesting that the City Manager appropriate up to \$6 million to facilitate certain necessary capital improvements to the Property, and determine the legal and regulatory processes necessary to collaborate with the Cambridge Redevelopment Authority.

Based on the discussions that have taken place in the context of community outreach about the possible uses of the Property, the Property may be rehabilitated to facilitate a broad-range of shared-use activities, particularly education programs focused on STEAM, visual and performing art space, workforce development opportunities, and affordable incubator space for emerging companies. The rehabilitation would optimally use design standards for environmental sustainability and universal accessibility, and would seek to highlight the original architectural features of the buildings while providing energy and spatial efficiency improvements.

April 14, 2014

2. Roles of the Parties

The Parties agree to explore options and possibilities for collaboration. The City Manager's Foundry Building Report to the City Council outlined some possible scenarios. The CRA will dedicate staff and expertise, conduct financial analyses, and participate in planning and outreach efforts.

So that the Parties may achieve the desired development objectives in the most cost-effective manner and consistent with the City Council's March 17 Policy Order Resolution, the Parties shall explore establishing partnerships that may involve companies in the private and public sector, and/or local universities, and/or individual donors,. The City would retain a high degree of flexibility and control over the ultimate outcome throughout the collaboration and planning process.

3. Pre-Conditions to this Letter

The scope of the collaborative process set forth in this Letter is subject to further negotiation and the execution of a more detailed agreement. The Project shall be subject to the completion of the necessary environmental permitting work and the execution of this Letter shall in no event alter the review of alternatives that is a necessary part of the permitting required for the Project, including, without limitation, the requirements of the NEPA and the MEPA.

4. Public Support; Further Cooperation

The CRA agrees to actively and publicly support the Project and to cooperate with the City actively and in good faith.

I enclose a copy of this Letter for your review. Should the terms meet with your approval, I ask that you execute and return that copy to me at your convenience. Thank you. I look forward to a mutually satisfactory transaction.

Sincerely,

Cambridge Redevelopment Authority

Thomas L. Evans
Executive Director

AGREED AND ASSENTED TO:

Richard C. Rossi, City Manager

City of Cambridge

Policy Order Resolution

O-3
IN CITY COUNCIL
May 4, 2015

MAYOR MAHER

ORDERED: Pursuant to Section 2.110.010(G) of the Cambridge Municipal Code, the City Council hereby orders that the City shall utilize a diminished process for the proposed disposition of a long-term lease interest in 101 Rogers Street (also known as 117 Rogers Street, Cambridge) (the "Foundry") to the Cambridge Redevelopment Authority (the "CRA") for the purpose of developing the Foundry consistent with the CRA's Demonstration Project Plan and Lease Term Sheet as set forth in Richard C. Rossi's January 26, 2015 letter to the City Council. The disposition process required by Section 2.110.010 shall be diminished so that the two property appraisals required by Section 2.110.010(B)(7) and the traffic and parking studies required by Section 2.110.010(B)(6) shall not be required prior to disposition.

In City Council May 4, 2015
Adopted by a yeas and nays vote:-
Yeas 8; Nays 0; Absent 1; Present 0.
Attest:- Donna P. Lopez, City Clerk

A true copy;

ATTEST:-

Donna P. Lopez,

City Clerk

View Roll Call Votes from May 4, 2015

Policy Order Resolution

O-4
IN CITY COUNCIL
May 4, 2015

MAYOR MAHER

WHEREAS: The City of Cambridge (the "City") is the owner of a building and parcel of land at 101 Rogers Street (also known as 117 Rogers Street, Cambridge) (the "Foundry") which was acquired by the City as the result of a real estate development proposal from Alexandria Real Estate in 2012; in public forums since that time, there has been overwhelming support for the Foundry to be reestablished as a multi-purpose community center; and

WHEREAS: Cambridge Zoning Ordinance Section 13.59.10 describes the minimum requirements pertaining to the development of the Foundry specifically, including a preference for its use for municipal or community uses, that at least 10,000 square feet of it shall be devoted to educational, cultural or institutional uses, and that development at an FAR of 3.0 shall be permitted; and

WHEREAS: The Cambridge Redevelopment Authority (the "CRA") has partnered with the City to investigate and develop strategies for the use of the Foundry consistent with the goals established by the City Council, including education programs focused on STEAM, visual and performing art space, workforce development opportunities and affordable incubator space for emerging companies; and

WHEREAS: The City has determined the legal and regulatory processes necessary to collaborate with the CRA to achieve the desired development strategies that ensures that the City will retain a high degree of flexibility and control over the Foundry; and

WHEREAS: The City finds that CRA possesses tools that are particularly well-suited for developing a project such as this, as well as the capacity for ongoing collaboration with the City and the community stakeholders to manage the use of the Foundry into the future; and

WHEREAS: Through a robust community engagement process with residents and stakeholders in the community, the City and the CRA have identified development objectives, parameters for building programming, governance and management strategies and monetization strategies consistent with City Council goals for the Foundry building; and

WHEREAS: As a result of that process, the CRA's Board has established a Demonstration Project Plan for the Foundry that is consistent with the goals established for the Foundry by the City Council; and

WHEREAS: The City Council has determined that the disposition of the Foundry would not derogate from the public interest or the public purposes for which the City Council has identified for the Foundry; now therefore be it

ORDERED: That the City Council, pursuant to Section 2.110.010 of the Cambridge Municipal Code, hereby authorizes the City Manager on behalf of the City to dispose of a long-term leasehold interest in the Foundry to the CRA in such form and manner, and at such time, as the City Manager reasonably determines is necessary or advisable.

In City Council May 4, 2015
Adopted by a ye and nay vote:-
Yeas 8; Nays 0; Absent 1; Present 0.
Attest:- Donna P. Lopez, City Clerk

A true copy;

ATTEST:-

Donna P. Lopez,

City Clerk

View Roll Call Votes from May 4, 2015

Policy Order Resolution

O-5
IN CITY COUNCIL
May 4, 2015

MAYOR MAHER

WHEREAS: The City of Cambridge (the "City") is the owner of a building and parcel of land at 101 Rogers Street (also known as 117 Rogers Street, Cambridge) (the "Foundry"); and

WHEREAS: The Cambridge Redevelopment Authority (the "CRA") and the City have agreed to partner in a process for the redevelopment and ongoing management of the Foundry; and

WHEREAS: Staff from the City and the CRA have worked collaboratively on developing a Demonstration Project Plan which is intended to govern the CRA's redevelopment and ongoing management of the Foundry subject to any agreements by and between the City, including but not limited to any lease agreement; and

WHEREAS: The CRA adopted the Demonstration Project Plan on December 17, 2014, attached as Exhibit "A"; and

WHEREAS: In order for the CRA to redevelop and manage the Foundry the City must approve the Demonstration Project Plan for the Foundry; now therefore be it

ORDERED: That the City Council, approves the Demonstration Project Plan dated December 17 2014.

In City Council May 4, 2015
Adopted by a yea and nay vote:-
Yeas 8; Nays 0; Absent 1; Present 0.
Attest:- Donna P. Lopez, City Clerk

A true copy;

ATTEST:-

Donna P. Lopez,

City Clerk

View Roll Call Votes from May 4, 2015

Cambridge Redevelopment Authority
OTHER POST-EMPLOYMENT BENEFITS (“OPEB”) TRUST

This TRUST AGREEMENT made this 13th day of September 2017 by the Cambridge Redevelopment Authority (CRA) acting through its Board

W I T N E S S E T H:

WHEREAS, the CRA wishes to establish an irrevocable trust (hereinafter the “Trust”) for the purpose of funding Other Post-Employment Benefits (“OPEB”) obligations as required to be reported under Governmental Accounting Standards Board (“GASB”) statements in relation to OPEB; and

WHEREAS, the Trust is established by the CRA with the intention that it qualify as a tax-exempt trust performing an essential governmental function within the meaning of Section 115 of the Code and Regulations issued thereunder and as a trust for OPEB under G.L. c.32B, §20.

NOW, THEREFORE, in consideration of the foregoing promises and the mutual covenants hereinafter set forth, the CRA hereby agrees as follows.

ARTICLE I DEFINITIONS

As used herein, the following terms shall have the following meanings:

- 1.1. “Code” means the Internal Revenue Code of 1986, as amended from time to time.
- 1.2. “ERISA” means the Employee Retirement Income Security Act of 1974, as amended from time to time and any successor statute.
- 1.3. “GASB OPEB-related Statements,” shall mean Government Accounting Standards Board, Statement No. 74 and Statement No. 75, Accounting and Financial Reporting by Employers for Post-Employment Benefits Other Than Pensions, and inherently encompasses any subsequently issued GASB statements as it applies to OPEB.
- 1.4. “Other post-employment benefits” or “OPEB,” shall mean post-employment benefits other than pensions as that term is defined in GASB OPEB-related Statements including post-employment healthcare benefits, regardless of the type of plan that provides them, and all post-employment benefits provided separately from a pension plan, excluding benefits defined as termination offers and benefits.
- 1.5. “Retired Employee” means those persons who have retired from employment with the CRA and who are qualified to receive retirement benefits pursuant to G.L. c.32 or as otherwise provided by law.

- 1.6. "Trust" means the Cambridge Redevelopment Authority OPEB Trust as hereby established.
- 1.7. "Trustee" means the duly serving members of the CRA Board, and any successor appointed as provided pursuant to Article 5.
- 1.9. "Trust Fund" means all the money and property, of every kind and character, including principal and income, held by the Trustee under the Trust.

**ARTICLE 2
PURPOSE**

- 2.1. The Trust is created for the sole purpose of providing funding for OPEB, as determined by the CRA, or by any general or special law providing for such benefits, for the exclusive benefit of the CRA's Retired Employees and their eligible dependents and for defraying the reasonable administrative, legal, actuarial and other expenses of the Trust. The assets held in the Trust shall not be used for or diverted to any other purpose, except as expressly provided herein.
- 2.2. It is intended that the Trust shall constitute a so called "Qualified OPEB Trust" according to the standards set forth in GASB OPEB-related Statements and that it further qualify as a Integral Part Trust for all purposes under Article 115(c) of the Code or under any comparable provision of future legislation that amends, alters, or supersedes the Code.

**ARTICLE 3
ESTABLISHMENT OF TRUST**

- 3.1. In order to implement and carry out the provisions of G.L. c.32B, §20, the CRA hereby establishes this Trust, which shall be known as the "Cambridge Redevelopment Authority OPEB Trust."
- 3.2. The Trust shall be irrevocable, and no Trust funds shall revert to the CRA until all benefits owed to Retired Employees have been satisfied or released.
- 3.3. The principal location of the Trust shall be the office of the CRA, located at 255 Main Street, 4th Floor, Cambridge, MA 02142.
- 3.4. The Trustees hereby accept the duties imposed upon them by this Trust Agreement and agree to perform said duties as a fiduciary duty in accordance with the terms and conditions of this Trust Agreement.
- 3.5. The Trustees shall hold legal title to all property of the Trust and neither the CRA, nor any employee, official, or agent of the CRA, nor any individual, shall have any right title or interest to the Trust.
- 3.6. The Trust shall consist of such sums of money as shall from time to time be paid or delivered to the Trustees by the CRA, which together with all earnings, profits, increments and accruals thereon,

without distinction between principal and income, shall constitute the Trust hereby created and established. Nothing in this Agreement requires the CRA to make contributions to the Trust to fund OPEB. Any obligation of the CRA to pay or fund benefits shall be determined in accordance with applicable law and any agreement to provide OPEB.

ARTICLE 4 TRUST FUNDING

4.1. The Trust Fund shall be credited with all amounts appropriated or otherwise made available by the CRA as a contribution to the Trust for the purposes of meeting the current and future OPEB costs payable by the CRA, or any other funds donated or granted specifically to the CRA for the Trust, or to the Trust directly.

4.2. The Trustees shall be accountable for all delivered contributions but shall have no duty to determine that the amounts received are adequate to provide the OPEB Benefits determined by the CRA.

4.3. The Trustees shall have no duty, expressed or implied, to compel any contribution to be made by the CRA, but shall be responsible only for property received by the Trustees under this Trust Agreement.

4.4 The CRA shall have no obligation to make contributions to the Trust to fund OPEB, and the size of the Trust may not be sufficient at any one time to meet the CRA's OPEB liabilities. This Trust Agreement shall not constitute a pledge of the CRA's full faith and credit or taxing power for the purpose of paying OPEB, and no retiree or beneficiary may compel the exercise of taxing power by the CRA for such purposes.

The obligation of the CRA to pay or fund OPEB obligations, if any, shall be determined by the CRA or applicable law. Distributions of assets in the Trust are not debts of the CRA within the meaning of any constitutional or statutory limitation or restriction.

4.4. Earnings or interest accruing from investment of the Trust shall be credited to the Trust. Amounts in the Trust Fund, including earnings or interest, shall be held for the exclusive purpose of, and shall be expended only for, the payment of the costs payable by the CRA for OPEB obligations to Retired Employees and their dependents, and defraying the reasonable expenses of administering any plan providing OPEB Benefits as provided for in this Trust Agreement.

4.5. Amounts in the Trust Fund shall in no event be subject to the claims of the CRA's general creditors. The Trust Fund shall not in any way be liable to attachment, garnishment, assignment or other process, or be seized, taken, appropriated or applied by any legal or equitable process, to pay any debt or liability of the CRA, or of retirees or dependents who are entitled to OPEB.

**ARTICLE 5
TRUSTEES**

- 5.1. The Trust shall be administered by a Board of Trustees consisting of the five (5) members of the CRA Board, who shall include the CRA Chair, CRA Vice Chair, CRA Treasurer, CRA Assistant Treasurer, and CRA Assistant Secretary. The CRA Executive Director shall serve as an ex officio member of the Board of Trustees.
- 5.2. The Treasurer of the Board shall serve as the initial Chairperson of the Trustees.
- 5.3. In the event a Trustee resigns, is removed, or is otherwise unable to serve, the person selected to fill the CRA Board position shall also be appointed as a Trustee to fill the vacancy.
- 5.4. Whenever a change occurs in the membership of the Board of Trustees, the legal title to property held by this Trust shall automatically pass to those duly appointed successor Trustees.
- 5.5. Each future Trustee shall accept the office of Trustee and the terms and conditions of this Trust Agreement in writing.
- 5.6. Upon leaving office, a Trustee shall promptly and without unreasonable delay, deliver to the Trust's principal office any and all records, documents, or other documents in his possession or under his control belonging to the Trust.
- 5.7. The Trustees shall be public officials for purposes of G.L. c.268A and shall be subject to the restrictions and prohibitions set forth therein.

**ARTICLE 6
POWERS OF THE TRUSTEES**

The Trustees shall have the power to control and manage the Trust and the Trust Fund and to perform such acts, enter into such contracts, engage in such proceedings, and generally to exercise any and all rights and privileges, although not specifically mentioned herein, as the Trustees may deem necessary or advisable to administer the Trust and the Trust Fund or to carry out the purposes of this Trust. In addition to the powers set forth elsewhere in this Agreement, the powers of the Trustees, in connection with their managing and controlling the Trust and the Trust Fund, shall include, but shall not be limited to, the following:

- 6.1. To enter into an administrative services contract or other contracts with one or more insurance companies, nonprofit hospitals, medical service corporations, or with one or more health care organizations or health maintenance organizations, or with one or more third-party administrators or other entities to organize, arrange, or provide for the delivery or payment of health care coverage or services (including basic life insurance services), whereby the funds for the payment of claims of eligible persons, including appropriate service charges of the insurance carrier, third party administrator or other intermediary, shall be furnished by the Trustees from the Trust Fund for the payment by such

intermediary to the health care vendors or persons entitled to such payments in accordance with the terms and provisions of said contract.

6.2. To purchase contracts of insurance or reinsurance through such broker or brokers as the Trustees may choose and to pay premiums on such policies.

6.3. To receive, hold, manage, invest and reinvest all monies which at any time form part of the Trust, whether principal or income, provided however that there shall be no investment directly in mortgages or in collateral loans and further provided that the Trustees shall comply with the provisions of Article 7 of this Trust Agreement, applicable law and any investment policy adopted by the Trustees concerning the investment and management of the Trust Funds.

6.4. To borrow or raise money for the purposes of the Trust, in such amount, and upon such terms and conditions as the Trustees shall deem advisable, subject to applicable law and statutes; and for any sum so borrowed to issue the promissory note of the Trust, and to secure the repayment thereof by creating a security interest in all or any part of the Trust or the Trust Fund; and no person lending such money shall be obligated to see that the money lent is applied to Trust purposes or to inquire into the validity, expedience or propriety of any such borrowing.

6.5. To hold cash, uninvested, for such length of time as the Trustees may determine without liability for interest thereon.

6.6. To employ suitable agents, advisors and counsel as the Trustees may deem necessary and advisable for the efficient operation and administration of the Trust, to delegate duties and powers hereunder to such agents, advisors and counsel, and to charge the expense thereof to the Trust. The Trustees are entitled to rely upon and may act upon the opinion or advice of any attorney approved by the Trustees in the exercise of reasonable care. The Trustees shall not be responsible for any loss or damage resulting from any action or non-action made in good faith reliance upon such opinion or advice. All delegated authority shall be specifically defined in any by-laws adopted by the Trustees or the written minutes of the Trustees' meetings.

6.7. To hire employees or independent contractors as the Trustees may deem necessary or advisable to render the services required and permitted for the proper operation of the Trust, and to charge the expense thereof to the Trust Fund.

6.8. To continue to have and to exercise, after the termination of the Trust and until final distribution, all of the title, powers, discretions, rights and duties conferred or imposed upon the Trustees hereunder, by any by-laws adopted by the Trustees or by law.

6.9. To construe and interpret this Trust Agreement and other documents related to the purposes of the Trust.

6.10. To maintain bank accounts for the administration of the Trust and the Trust Fund and to authorize certain Trustees or other appropriate persons to make payments from any appropriate

account for purposes of the Trust.

6.11. To receive and review reports of the financial condition and of the receipts and disbursements of the Trust and the Trust Fund.

6.12. To adopt by-laws, rules, regulations, formulas, actuarial tables, forms, and procedures by resolution from time to time as they deem advisable and appropriate for the proper administration of the Trust, including participation criteria, provided the same are consistent with the terms of this Trust Agreement.

6.13. To purchase as a general administrative expense of the Trust so-called director's liability insurance and other insurance for the benefit of the Trust and/or the protection of the Trustees, Trust officers, employees, or agents against any losses by reason of errors or omissions or breach of fiduciary duty or negligence.

6.14. To enter into any and all contracts and agreements for carrying out the terms of this Trust Agreement and for the administration and operation of the Trust and to do all acts as they, in their discretion, may deem necessary or advisable. Except as otherwise directed by the Trustees, all such contracts and agreements, or other legal documents herein authorized, shall be executed by the Chairperson..

6.15. To receive contributions or payments from any source whatsoever but such contributions or payments may not be utilized for any purpose unrelated to the provision of OPEB as herein provided or properly authorized expenses.

6.16. To pay taxes, assessments, and other expenses incurred in the collection, care, administration, and protection of the Trust.

6.17. To do all acts, whether or not expressly authorized herein, which the Trustees may deem necessary or proper in connection with the administration of the Trust, although the power to do such acts is not specifically set forth herein.

6.18. To compromise, settle or arbitrate any claim, debt, or obligation of or against the Trust or Trust Fund; to enforce or abstain from enforcing any right, claim, debt or obligation, and to abandon any shares of stock, bonds, or other securities, or interests determined by it to be worthless; to prosecute, compromise and defend lawsuits, but without the obligation to do so, all at the risk and expense of the Trust;

6.19. To hire one or more consultants, actuaries, accountants, attorneys or other professionals to assist with the administration of the Trust Fund and to pay such amounts that the Trustees deem to be reasonable, including, without limiting the generality of the foregoing, third party firms to provide legal, tax, accounting and audit services to the Trust.

6.20. To comply with all requirements imposed by applicable provisions of law.

ARTICLE 7
LIMITATION OF TRUSTEES' POWERS, DUTIES AND RESPONSIBILITIES

7.1 Nothing contained in the Trust Agreement, either expressly or by implication, shall be deemed to impose any powers, duties or responsibilities on the Trustees other than those set forth in this Trust Agreement.

7.2. The Trustees shall have such rights, powers and duties as are provided to a named fiduciary for the investment of assets under ERISA (Employee Retirement Income Security Act of 1974). The Trustees shall not be liable for the making, retention or sale of any investment or reinvestment made by the Trustees as herein provided or for any loss to or diminution of the Trust Fund or for anything done or admitted to be done by the Trustees with respect to the Trust Agreement or the Trust Fund except as and only to the extent that such action constitutes a violation of the law or gross negligence.

7.3. The Trustees, in their discretion, may purchase as an expense of the Trust Fund such liability insurance for themselves or any other fiduciary selected by the Trustees as may be reasonable. The CRA, in its discretion, may also purchase liability insurance for the Trustees, and as the CRA may select, for any person or persons who serve in a fiduciary capacity with respect to the Trust.

7.4. The CRA shall not assume any obligation or responsibility to any person for any act or failure to act of the Trustees, any insurance company, or any beneficiary of the Trust Fund. The Trustees shall have no obligation or responsibility with respect to any action required by this Trust Agreement to be taken by the CRA, any insurance company, or any other person, or for the result or the failure of any of the above to act or make any payment or contribution, or to otherwise provide any benefit contemplated by this Trust Agreement.

7.5. Neither the Trustees nor the CRA shall be obliged to inquire into or be responsible for any action or failure to act on the part of the other. No insurance company shall be a party to this Trust Agreement, for any purpose, or be responsible for the validity of this Trust Agreement, it being intended that such insurance company shall be liable only for the obligations set forth in the policy or contract issued by it.

7.6. The Trustees shall invest and manage Trust assets as a prudent investor would, using the judgment and care under the circumstances then prevailing that persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not in regard to speculation but in regard to the permanent disposition of their funds, considering the probable income as well as the probable safety of their capital, pursuant to G.L. c.203C.

ARTICLE 8
ACTIONS BY THE TRUSTEES

8.1 A majority of Trustees may exercise any or all of the powers of the Trustees hereunder and may execute on behalf of the Trustees any and all instruments with the same effect as though executed by all the Trustees.

8.2. The Trustees may, by instrument executed by all of the Trustees, delegate to any attorney, agent or employee such other powers and duties as they deem advisable, including the power to execute, acknowledged or deliver instruments as fully as the Trustees might themselves and to sign and endorse checks for the account of the Trustees of the Trust.

8.3. No Trustee shall be required to give bond.

**ARTICLE 9
LIABILITY OF THE TRUSTEES**

9.1. A Trustee shall not be liable for any mistake of judgment or other action made, taken or omitted by the Trustee in good faith, nor for any action taken or omitted by any other Trustee or any agent or employee selected with reasonable care, and the duties and obligations of the Trustees hereunder shall be expressly limited to those imposed upon them by this Trust Agreement.

9.2. No successor Trustee shall be held responsible for an act or failure of a predecessor Trustee.

9.3. Trustees are public employees for purposes of G.L. c.258, and shall be indemnified by the CRA against any civil claim, action, award, compromise, settlement or judgment by reason of an intentional tort to the same extent and under the same condition as other public employees of the CRA.

9.4. A Trustee shall not be indemnified for violation of the civil rights of any person if he acted in a grossly negligent, willful or malicious manner, or in connection with any matter where it is shown to be a breach of fiduciary duty, an act of willful dishonesty or an intentional violation of law by the Trustee.

**ARTICLE 10
MEETINGS OF THE TRUSTEES**

10.1. The Board of Trustees may meet at such times and at such places, as the Trustees shall determine.

10.2 The Trustees shall comply with the Open Meeting Law, G.L. c.30A, §18-25 and its implementing regulations.

10.2. A quorum at any meeting shall be a majority of the Trustees then in office.

**ARTICLE 11
TAXES, EXPENSES, AND COMPENSATION**

11.1. It is intended that the Trust will be a Code Article 115 trust. As such, it is expected that there will be no income taxes owed by the Trust. To the extent that any taxes are imposed on the Trust, the Trustees shall use the assets of the Trust Fund to pay for any taxes owed.

11.2. All reasonable costs and expenses of managing and administering the Trust and the Trust Fund, and reimbursement for reasonable fees incurred through the use of third party vendors or

agents, shall be paid from the Trust Fund unless the CRA chooses to pay the expenses directly.

ARTICLE 12 ACCOUNTS

12.1. The Trustees shall keep complete and accurate accounts of all of the Trust's receipts, investments and disbursements under this Trust Agreement. Such records, as well as all other Trust records, shall be retained and made available for public inspection and or copying in accordance with the requirements of the Public Records Law, G.L. c.66, §10 and G.L. c.4, §7, clause 26th and their implementing regulations. The person or persons designated by the CRA shall be entitled to inspect such records upon request at any reasonable time.

12.2. The books and records of the Trust shall be audited annually by an independent auditor in accordance with accepted accounting practices. The results of the audit shall be provided to the CRA at the same time as it is presented to the Trustees.

ARTICLE 13 ANNUAL REPORTS

13.1. The Trustees shall furnish to the CRA annually, or more frequently if the CRA so requests, a statement of account showing the condition of the Trust Funds and all investments, sales, income, disbursements and expenses of the Trust and the Trust Fund.

ARTICLE 14 INVESTMENT OF TRUST FUNDS

14.1. The Trustees hereby authorize and direct the CRA Treasurer to invest and reinvest the amounts in the Trust Fund not needed for current disbursement, consistent with G.L. c. 203C[1][2].

14.2. In no event shall the funds be invested directly in mortgages or in collateral loans.

ARTICLE 15 CUSTODY OF THE TRUST FUNDS

15.1. The Trustees hereby appoint the CRA Treasurer as custodian of the Trust Fund and authorize the CRA Treasurer to employ an outside custodial service to maintain custody of the Trust Funds. All funds in the Trust Fund shall be accounted for separately from all other funds of the CRA.

15.2. The CRA Treasurer, with the authorization of the Trustees, may establish one or more checking accounts, which may be interest bearing or non-interest bearing accounts. Such checking account or accounts shall be funded solely from the Trust Funds, and the Trustees may authorize the CRA Treasurer to draw on such checking accounts for the payment of OPEB and for the administrative expenses of the Trust.

**ARTICLE 16
TERMINATION OF TRUST**

16.1. The Trust shall continue unless and until terminated pursuant to law or by an instrument in writing signed by at least three Trustees, provided, however, that continuance of the Trust shall not be deemed to be a contractual obligation of the CRA.

16.2. Upon termination of the Trust, subject to the payment of or making provision for the payment of all obligations and liabilities of the Trust and the Trustees, the net assets of the Trust shall be transferred to the CRA and held by the CRA Treasurer to be used exclusively for providing OPEB to Retired Employees and their eligible dependents and for no other purpose.

16.3. The powers of the Trustees shall continue until the affairs of the Trust are concluded.

**ARTICLE 17
AMENDMENTS**

17.1. The Trust may only be amended as set forth herein. The CRA may amend the Trust at any time as may be necessary to comply with the requirements for tax exemption under Section 115 of the Code, to conform the Trust to the laws of the Commonwealth of Massachusetts and to meet the standards set forth in GASB OPEB-related Statements to be treated as funded through a qualifying trust or equivalent arrangement.

17.2. This Trust Agreement may be amended, but not revoked, from time to time by the CRA Board, subject to the following limitations:

- The assets of the Trust may not be used for or diverted to any other purposes prior to satisfaction of the CRA's OPEB obligations, and reasonable expenses of administering the Trust.
- The duties and liabilities of the Trustees cannot be substantially changed without their written consent.

17.3. Any amendment to this Trust shall be executed in writing.

**ARTICLE 18
MERGER**

18.1. The CRA may provide for the merger of the Trust with one or more other trusts established by the City of Cambridge or other government entities for similar purposes as may be provided by law by vote of the CRA Board.

ARTICLE 19
SEVERABILITY OF INVALID PROVISIONS

19.1. If any provision of this Trust Agreement is determined invalid, illegal, or unenforceable for any reason, then the provision shall be severed from the remaining provisions of the Trust Agreement for any reason, and the remaining parts of the Agreement shall be construed to give the maximum practical effect to the purposes stated herein, as if the invalid, illegal, or unenforceable provision was never a part.

ARTICLE 20
MISCELLANEOUS

20.1. This Trust Agreement shall be interpreted, construed and enforced, and the Trust hereby created shall be administered in accordance with and governed by the laws of the United States and of the Commonwealth of Massachusetts.

20.2. The titles to Articles of this Trust Agreement are placed herein for convenience of reference only, and the Trust Agreement is not to be construed by reference thereto.

20.3. No person shall be obliged to see to the application of any money paid or property delivered to the Trustees, or as to whether or not the Trustees have acted pursuant to any authorization herein required, or as to the terms of this Trust Agreement. In general, each person dealing with the Trustees may act upon any advice, request or representation in writing by the Trustees, or by the Trustee's duly authorized agent, and shall not be liable to any person in so doing. The certification of the Trustees that they are acting in accordance with this Trust Agreement shall be conclusive in favor of any person relying thereon.

20.4. This Trust Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original but all of which together shall constitute but one instrument, which may be sufficiently evidenced by any counterpart.

20.5. Until advised to the contrary, the Trustees may assume this Trust is entitled to exemption from taxation under Section 115 of the Internal Revenue Code of 1986 or under any comparable section or sections of future legislation that amend, supplement or supersede one or both of those sections of the Internal Revenue Code.

IN WITNESS WHEREOF, the parties hereto have caused this Trust Agreement to be executed in their respective names by their duly authorized officers as of the day and year first above written.

Witnessed By:

CRA Executive Director

Date:

BOARD OF TRUSTEES:

Trustee
(current Chair of CRA Board)

Trustee
(current Vice Chair of CRA Board)

Trustee
(current Treasurer of CRA Board)

Trustee
(current Assistant Treasurer of CRA Board)

Trustee
(current Assistant Secretary of CRA Board)

Staff Report to the Board

September 13, 2017

Contracts and Administration

Alexandra Levering joined the CRA staff at the end of August. She recently completed her masters at the Tufts Urban and Environmental Policy and Planning program, after gaining experience in planning, commercial development and construction in New York.

Staff has been conducting a review of the CRA's insurance requirements and has made some adjustments to the insurance coverage of our existing policies, to respond to evolving uses on its properties, and existing and proposed agreements with landowners and contractors. Most significantly is the investment in an expanded umbrella policy that combined with other policies provides \$5 million of coverage.

Staff has drafted a document management scope for a contract to assist with the organization of historic and active files, with the goal of reducing paper storage and moving toward digital records. CDD is undertaking a similar effort and we hope to utilize their RFP responses to inform our procurement process. Two interns from the Mayor's Youth Summer Program worked with staff to organize a collection of large format plans in the office.

Forward Calendar Items

1. Foundry Lease Amendment and Operator RFQ/RFP
2. Building Identity Signage for 145 Broadway
3. Broad Institute – DNatrium
4. 2016 Audit Report
5. Kendall Transportation Report RFP

Projects and Initiatives

145 Broadway

In August, Boston Properties (BP) was issued its full building permit for 145 Broadway. BP promptly provided the CRA with its development rights payment per the Cambridge Center Development Agreement. The CRA Staff took part in a site tour of the slurry wall construction and were briefed on the project phasing. BP has worked with DPW and TPT toward implementing a traffic and pedestrian management plan during the two years of construction.

Grand Junction

CRA Staff have continued to work with Veolia to coordinate the replacement of the condensate return line under the northern half of the CRA's Grand Junction Park. Veolia will replace the fence in a location closer to the railroad and the actual property line. A revised plan has been proposed that should minimize the impact on the existing trees and provide some additional areas for planting along the revised fence line.

Parcel Six

CRA staff has worked to recruit two new operators to fill the vacant food truck slots. CRA has continued two partnerships with education programs to enhance the activity at the civic space; the Community Charter School garden program is tooling up again for the school year, and the Community Art Center has advanced the Totem mural project with the hope to install the graphics in September. Staff is putting together an RFP for potential Christmas tree vendors to utilize the site in December.

Foundry

CRA and DPW Staff have been working with Equity Partners on their construction staging for the 84 units of housing to go up at 249 Third St, next to the Foundry. Staff had reviewed existing condition documentation and the vibration and settlement monitoring plan developed by Equity's engineering team. Staff have also discussed with Equity ideas for creating coordinated streetscape enhancements to Rogers Street to improve connectivity between Rogers Street Park and the Foundry.

Binney Streetscape Redesign

CRA staff, City staff, and the Alta Design team has met with MITIMCO to coordinate the 25% design phase for the Binney, Galileo and Broadway streetscape project with the Volpe GSA building design. Staff has met with Alexandria Properties to inform them of the streetscape plans so they may be incorporated into their future planning for Binney Street as it relates to the Metropolitan Pipe site redevelopment.

105 Windsor Street

On Tuesday, September 12th, the Community Preservation Act Committee discussed the allocation of CPA money between historic preservation, open space, and affordable housing. Under state law, each category must be allocated at least 10% of the whole CPA budget. The building at 105 Windsor Street will be considered for funds for exterior historical preservation improvements.



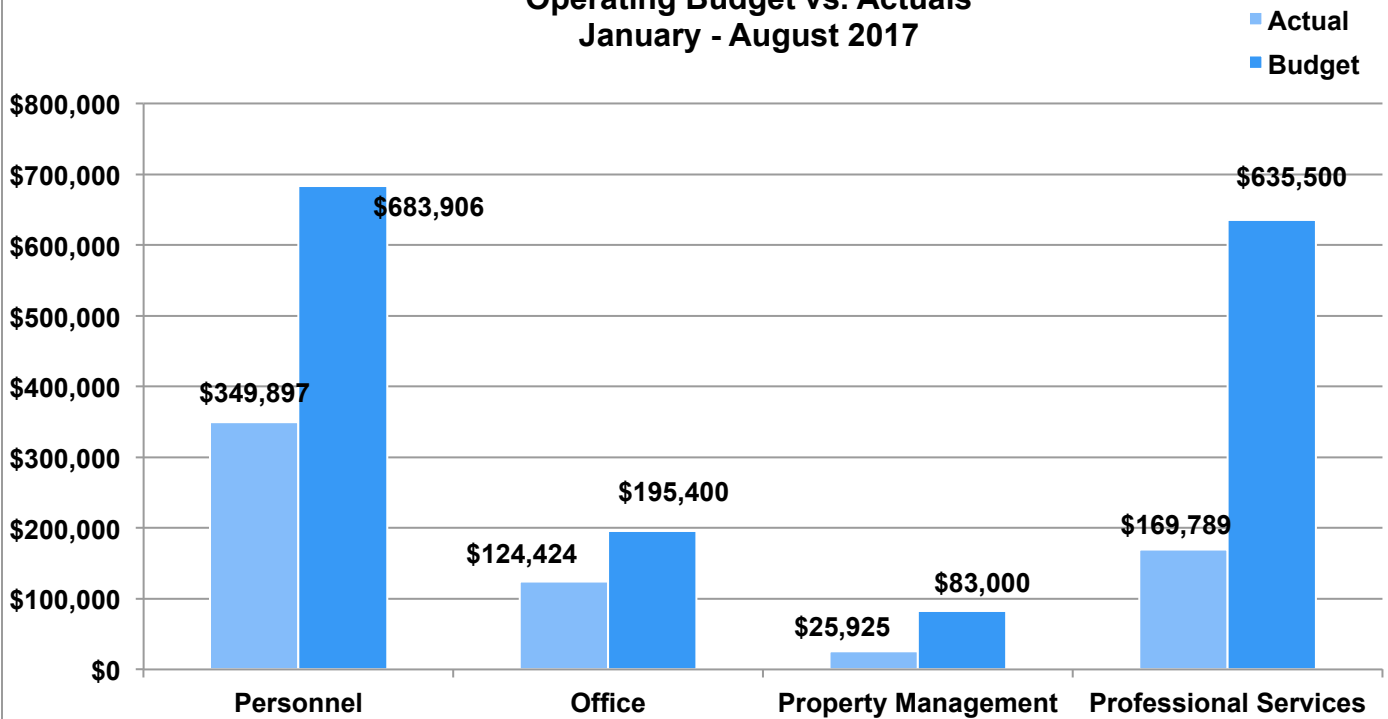
Budget vs. Actuals January - August, 2017

	Total	
	Actual	Budget
Income		
4000 Income		
4200 Operating Revenue		
4210 Grants		\$0
4220 Proceeds from sale of development rights	\$23,043,079	\$23,043,079
4230 Reimbursed Expenses	\$1,079	\$2,000
4240 Rental Income		
4241 Lot License Agreements	9,200	5,000
4242 Foundry Ground Lease		\$0
4243 Parcel Six Rental Space	\$14,317	\$10,000
Total 4240 Rental Income	\$23,517	\$15,000
4250 Other	\$2,997,000	\$3,000,000
Total 4200 Operating Revenue	\$26,064,674	\$26,060,079
4300 Other Income		
4310 Dividend Income	\$16,834	\$12,000
4320 Interest Income	\$64,388	\$134,000
Total 4300 Other Income	\$81,222	\$146,000
Total 4000 Income	\$26,145,896	\$26,206,079
Total Income	\$26,145,896	\$26,206,079
Gross Profit	\$26,145,896	\$26,206,079
 Expenses		
6000 Operating Expenses		
6100 Personnel		
6110 Salaries	\$215,668	\$440,000
6120 Payroll Taxes		
6121 Medicare & OASDI (SS)	\$4,855	\$12,000
6123 Unemployment & MA Health Ins	\$465	\$506
Total 6120 Payroll Taxes	\$5,320	\$12,506
6130 Personnel and Fringe Benefits		
6131 Insurance - Dental	\$3,410	\$6,400
6132 Insurance - Medical (for Employees)	\$21,455	\$70,000
6133 Pension Contribution (Employees & Retirees)	\$64,851	\$72,000
6134 T Subsidy	\$2,221	\$5,000
6135 Workers Comp & Disability Insurance	\$839	\$1,000
Total 6130 Personnel and Fringe Benefits	\$92,776	\$154,400
6140 Insurance - Medical (for Retirees, Survivors)	\$29,133	\$70,000
6150 OPEB Account Contribution	\$7,000	\$7,000
Total 6100 Personnel	\$349,897	\$683,906

	Total	
	Actual	Budget
6200 Office		
6210 Community Outreach		
6211 Materials	\$4,079	\$4,000
6212 Public Workshops	\$545	\$4,000
6213 Other	\$351	\$12,000
Total 6210 Community Outreach	\$4,975	\$20,000
6220 Marketing & Professional Development		
6221 Advertising		\$3,400
6222 Conferences and Training	\$1,665	\$10,000
6223 Dues and Membership	\$4,609	\$4,000
6224 Meals	\$342	\$600
6225 Recruiting	\$285	\$400
6226 Staff Development	\$40	\$2,000
6227 Subscriptions		\$300
6228 Travel	\$147	\$500
Total 6220 Marketing & Professional Development	\$7,088	\$21,200
6230 Insurance		
6231 Art and Equipment	\$5,675	\$5,800
6232 Commercial Liability	\$3,132	\$3,400
6233 Special Risk	\$3,705	\$3,800
Total 6230 Insurance	\$12,512	\$13,000
6240 Office Equipment		
6241 Equipment Lease	\$2,864	\$4,300
6242 Equipment Purchase (computers, etc.)	\$2,649	\$2,500
6423 Furniture		\$800
Total 6240 Office Equipment	\$5,513	\$7,600
6250 Office Space		
6251 Archives (Iron Mountain)	3,218	6,200
6252 Office Rent	74,797	102,000
6253 Office Utilities	2,194	4,200
6254 Other Rental Space	4,788	4,800
6255 Parking		400
6256 Repairs and Maintenance		300
Total 6250 Office Space	\$84,997	\$117,900
6260 Office Management		
6261 Board Meeting Expenses	\$296	\$600
6263 Office Supplies	\$829	\$2,000
6264 Postage and Delivery	\$164	\$300
6265 Printing and Reproduction	\$399	\$1,000
6266 Software	\$899	\$700
6267 Payroll Services	\$627	\$1,000
6268 Financial Service Charges	\$97	\$100
Total 6260 Office Management	\$3,310	\$5,700
6270 Telecommunications		
6271 Internet	\$2,096	\$3,200
6272 Mobile	\$1,169	\$2,600
6273 Telephone	\$1,868	\$2,200
6274 Website & Email Hosting	\$419	\$800
6275 Information Technology	\$477	\$1,200
Total 6270 Telecommunications	\$6,029	\$10,000
Total 6200 Office	\$124,424	\$195,400

	Total	
	Actual	Budget
6300 Property Management		
6310 Contract Work	\$4,088	\$4,000
6320 Landscaping Maintenance	\$10,583	\$42,000
6330 Repairs		\$3,000
6340 Snow Removal	8,320.00	\$30,000
6350 Utilities		
6351 Gas & Electric	\$2,934	\$4,000
Total 6350 Utilities	\$2,934	\$4,000
6360 Other		
Total 6300 Property Management	\$25,925	\$83,000
Total 6000 Operating Expenses	\$500,247	\$962,306
7000 Professional Services		
7001 Construction Management		
7002 Design - Architects	\$13,013	\$30,000
7003 Design - Landscape Architects		\$20,000
7004 Engineers	\$4,033	\$35,000
7005 Legal	\$44,234	\$150,000
7006 Real Estate & Finance	\$5,488	\$30,000
7007 Planning and Policy	\$12,430	\$20,000
7008 Retail Management / Wayfinding		\$1,000
7009 Accounting	\$840	\$19,500
7010 Marketing / Graphic Design		\$4,000
7011 Temp and Contract Labor	\$744	\$30,000
7012 Web Design / GIS	\$656	\$11,000
7013 Land and Building Surveys	\$6,500	\$10,000
7014 Records Management / Archivist		\$20,000
7015 Energy & Environmental Planning	\$1,650	\$2,000
7017 Transportation	\$80,200	\$253,000
Total 7000 Professional Services	\$169,789	\$635,500
8000 Redevelopment Investments		
8100 Capital Costs	\$10,786	\$120,000
8200 Forward Fund	\$59,357	\$125,000
8400 Foundry Fund		TBD
8500 KSTEP Fund		\$6,000,000
8600 Affordable Housing		\$540,000
Total 8000 Redevelopment Investments	\$70,143	\$6,785,000
Total Expenses	\$740,178	\$8,382,806
Net Operating Income	\$25,405,718	\$17,823,273
Net Income	\$25,405,718	\$17,823,273

Cambridge Redevelopment Authority Operating Budget vs. Actuals January - August 2017



Expenses By Project

