



**FIFTY-SEVENTH ANNUAL REPORT 2013
CAMBRIDGE REDEVELOPMENT AUTHORITY**

March 15, 2014



Cambridge Redevelopment Authority

The Cambridge Redevelopment Authority (CRA) was founded on November 12, 1956 pursuant to the authority granted by Massachusetts General Law Chapter 121B, § 3.

CRA Board Officers

Kathleen L. Born, Chair
D. Margaret Drury, Vice Chair
Christopher F. Bator, Treasurer
Conrad Crawford, Assistant Treasurer
Barry Zevin, Assistant Secretary

Tom Evans, Executive Redevelopment Officer

Cambridge City Council 2013

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Leland Cheung
Marjorie C. Decker
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David P. Maher
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Minka vanBeuzekom
Timothy J. Toomey, Jr.

Robert Healy & Richard Rossi, City Managers



The CRA office at One Cambridge Center looks down over the now lively Kendall Square Plaza.

Introduction

With the leadership of the Cambridge Redevelopment Authority (CRA) Board, and the support of the City of Cambridge, 2013 was focused on rebuilding the institutional capacity of the organization. This involved a reworking of its administrative functions and re-visioning the CRA's purpose within the City.

The Board began 2013 with a Transition Report that recommended a broader Strategic Planning process to define the CRA's mission, structure and future work program. This Annual Report shares the framework of the draft Strategic Plan and is organized into Internal Operations, Financial Considerations, External Activities & Programs, and Outreach & Learning.

Internal Operations

At the onset of 2013, the CRA's administrative functions were run by the City's Community Development Department (CDD), under interim Executive Director Susan Glazer. At the January Board meeting the CRA Board adopted a revised set of bylaws clarifying the role of the Board oversight of staff activities. Planning consultant Kathy Spiegelman recommended the employment of a full-time Redevelopment Officer for a limited term contract to lead the CRA through a Strategic Planning process.

The Board then undertook an employment search which resulted in the hiring of Tom Evans as the Executive Redevelopment Officer beginning in April. In June, the Board also hired Kathryn Madden on a part time basis to organize the strategic planning process. To assist with programmatic and logistical work, the CRA hired

graduate student interns from local universities' urban planning programs. The CRA also hired part-time, limited term administrative assistance.

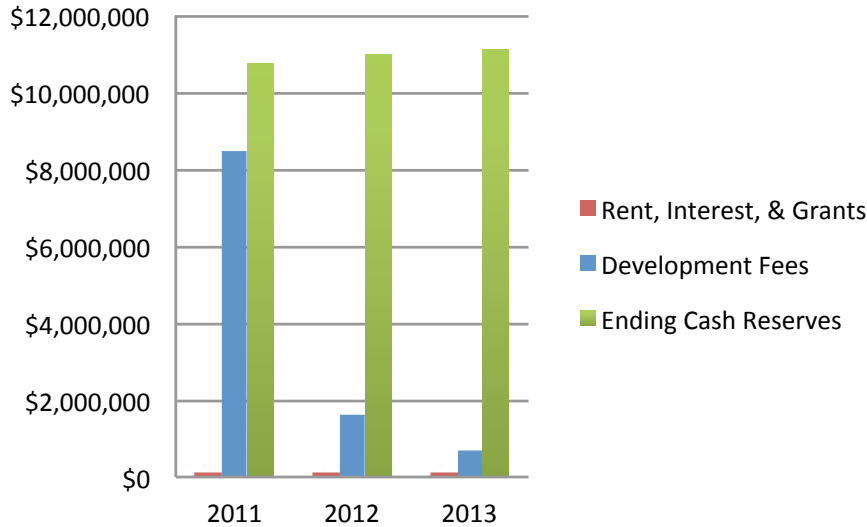
Staff brought the CRA office at One Cambridge Center into working order. New phone and internet systems were put into place. Office equipment was evaluated, and relocated, repaired, replaced, and/or set aside for disposal. Furniture, files, plans, and unsorted boxes of materials were reorganized to create usable workspaces.

In September, the CRA agreed to license a portion of its office space to the Kendall Square Association as their staff was displaced from another location in Cambridge Center. CDD staff continued to provide administrative support for bookkeeping, Board meeting logistics, and website maintenance for much of the year.

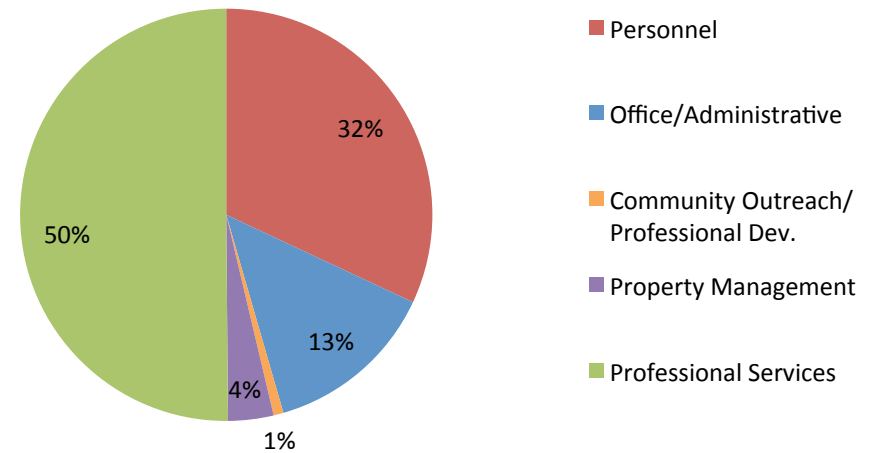
The CRA staff and Board undertook a review of all its internal policies and procedures in 2013. The CRA Personnel Policy was completely revised to better align with the City of Cambridge benefits and leave policies, and to add critical sections on ethics, workplace safety, computer usage, and staff reporting obligations. The Board established that all CRA accounts must include Board members as its signatories, and individual bank accounts have been updated accordingly.

Protocols for signage review are under development in response to a wide array of signage proposals. Broader financial controls, investment policies and procurement procedures are also under development.

CRA Income and Cash Assets



2013 Operating Expenses



Finances

The accounting firm of Roselli, Clark, and Associates provided the CRA with a thorough audit of both 2011 and 2012 fiscal year, after completing the unfinished audit for 2010. The audits include Reports on Internal Controls and Management Letters detailing areas of concern with the CRA decision-making procedures and fiduciary practices from those years.

Beginning in 2012, the CRA committed significant time and resources toward proactively correcting the issues identified in the audits. The progress in improving Board oversight made since 2011 was clearly evident in the 2012 Management Letter. CRA staff continued to address other issues over the course of the past year including reduction in extraneous administrative expenses, increased Treasurer oversight of check disbursements, careful adherence to state

procurement regulations, and improved public access to CRA documents and meeting information (see 2013 Operating Expenses chart). In November the CRA hired additional accountant consulting services to assist in tackling some of the more technical elements of the identified weaknesses in internal controls.

This demonstrates a 46% reduction in expenses from 2012, due to reduced scope of legal & engineering activities, a reduction in CRA payroll, and streamlining of office expenses. Legal expenses were the largest cost in 2013, followed by retiree benefits, salaries, and office rent.

Over the past three years, fees for development rights in Cambridge Center have been the primary source of operating revenue. Over this time the CRA's revenues included \$10.8 million in fees,

while funds from rent have been \$27,400 and investment income has totaled \$182,200 (see CRA Income & Cash Assets chart).

The CRA revenues in 2013 were \$699,610 from additional square footage built at 17 Cambridge Center, \$77,375 in interest from CD accounts, and \$11,844 in rent from Parcel 6 and the sub-lease of the CRA office, totaling \$788,800. It must be noted that the development fees for the Google Connectors were considered by the audit as 2012 income although the cash was received in 2013.

Although the CRA is not required to run a balanced budget, in 2013 revenues were nearly equal to operating expenses.

CRA BUDGET SUMMARY		
	2013	2013
	Budget	Actuals
Operating Revenue:		
Proceeds from sale of development rights	\$0	\$699,610
Rental income	\$6,000	\$11,844
Equity Participation Income	\$0	\$0
Project Income (land and building sales)	\$0	\$0
Reimbursed Expenses	\$0	\$0
Grants	\$0	\$0
Total Operating Revenue	\$6,000	\$711,454
Non-Operating Revenue		
Interest Income	\$75,000	\$77,375
Dividend Income	\$0	\$0
Asset Write-Downs	\$0	\$0
Total Non Operating Revenue	\$75,000	\$77,375
TOTAL ALL SOURCES OF REVENUE	\$81,000	\$788,829
Cash Reserves	\$9,357,656	\$9,357,656
Operating Expenses:		
Personnel	\$174,000	\$239,009
Office/Administrative	\$616,350	\$101,361
Community Outreach/Professional Dev.	\$450	\$5,821
Property Management	\$67,000	\$26,613
Total Operating Expenses	\$857,800	\$372,804
Project/Program Expenses		
Unassigned Professional Services	\$220,000	\$374,837
Redevelopment Investments		
Real Estate Acquisitions		
Community Loan Fund Program		
Capital Costs		
Sub-Total		
Total Project/Program Expenses	\$220,000	\$374,837
TOTAL ALL EXPENSES	\$1,077,800	\$786,916
ALL REVENUES LESS ALL EXPENSES	(\$996,800)	\$1,913



Left: 2013 Budget verses Actual Expenditures
 Top: The Biogen office building at 17 Cambridge Center was occupied in June.
 Bottom: Greenscape completes the demolition of the former tot lot at Main Street and Galileo Way.

Cambridge Center
Development
Activity Map

- ① 300 Binney
- ② CC Connectors
- ③ 75 Ames
- ④ Ames Housing



Activities & Projects

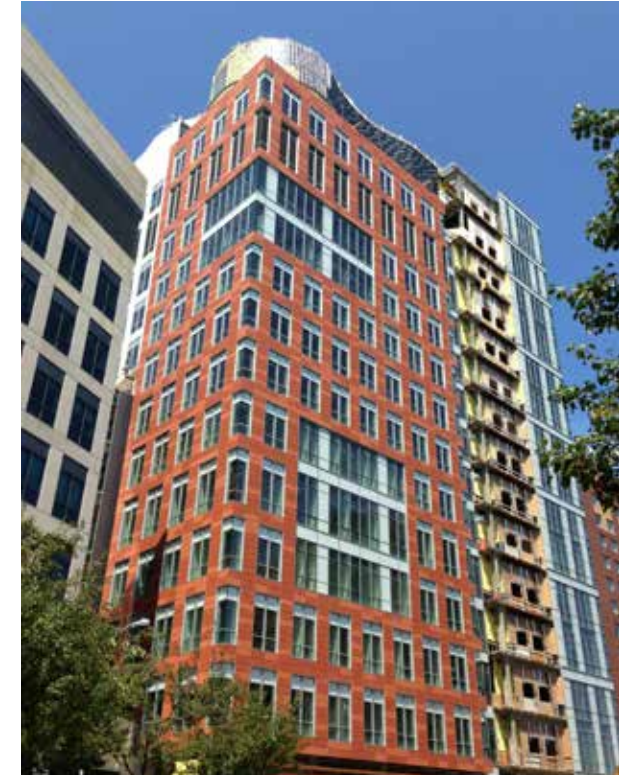
Within the Kendall Square Urban Renewal Area (KSURA), Boston Properties (BP) completed the construction of 240,000 square feet (sf) of new office space, and made significant progress on an additional 246,000 sf of R&D space, and advanced the planning for 200,000 sf of housing. These include:

① 300 Binney Street at 17 Cambridge Center is a 188,000 square foot office building built with the flexibility to accommodate future laboratory uses, developed by BP for Biogen. This building, along with 225 Binney Street outside the KSURA provided Biogen with sufficient space to return their corporate headquarters to Cambridge. 300 Binney has applied to be designated as LEED Platinum and is notably not tied into the utility grid, relying solely on the co-generation plant at 14 Cambridge Center for its energy needs.

② BP and Google made significant renovations to the office buildings at Three, Four, and Five Cambridge Center including linking the building with a pair of multi-level connector structures that increase the commercial square footage of the site by 52,000 sf. The connectors include a public atrium lined with retail bays, a green roof, and improvements in wayfinding to the public garden.

③ BP completed substantial construction on the 246,000 sf expansion of the Broad Institute research & development (R&D) building at 75 Ames Street. The structure is built over the West Parking Garage, enhancing the Ames Street façade with 10,000 sf of retail space.

Left: Rendering of the new streetscape and retail facade with the Ames Street Residential project.
Below: 75 Ames Street nears completion.



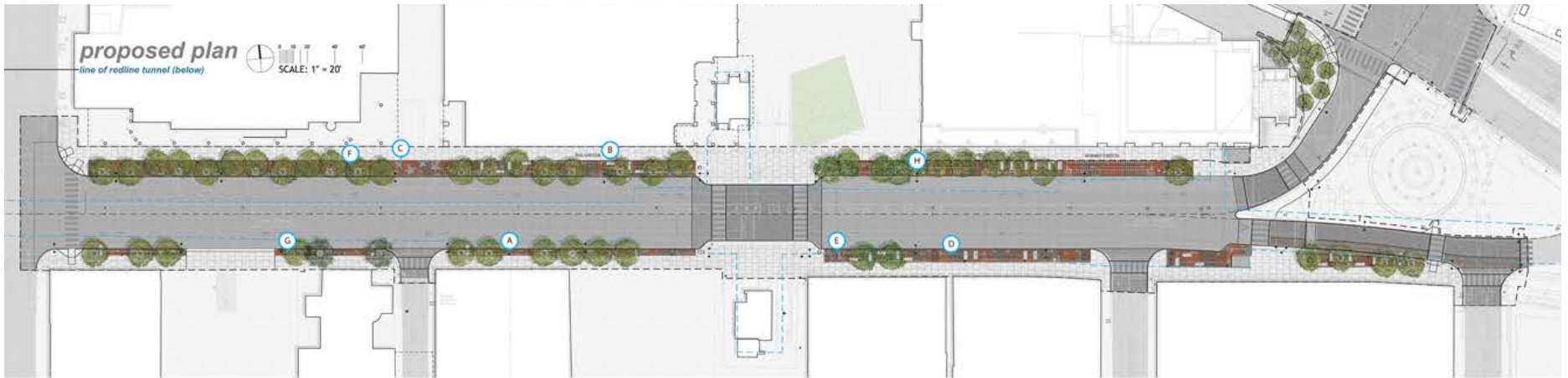
④ The City of Cambridge, Boston Properties, and the Cambridge Redevelopment Authority (CRA) worked collectively toward the development of a long-awaited major residential project on Ames Street.

To accommodate this infill project, the City conveyed 20 feet of right-of-way along the east side of Ames Street. In addition, the City Council adapted an amendment to the MXD Zoning to allow the project to proceed.

In exchange for numerous public improvements on Parcel Four of Cambridge Center, the CRA agreed to a deferred schedule of development fee payment.

The development program includes 200,000 sf of housing and approximately 9,000 sf of retail space.

Elsewhere in the Kendall Square Urban Renewal Area, the CRA reviewed and approved the designs of replacement signs for Akamai, Boston Private Bank, and Microsoft. New signage was approved for the Broad Institute expansion. Revised 'Kendall Center' building identity and way-finding signage is under development. Additionally, a roof deck for Microsoft was approved and installed at One Cambridge Center.



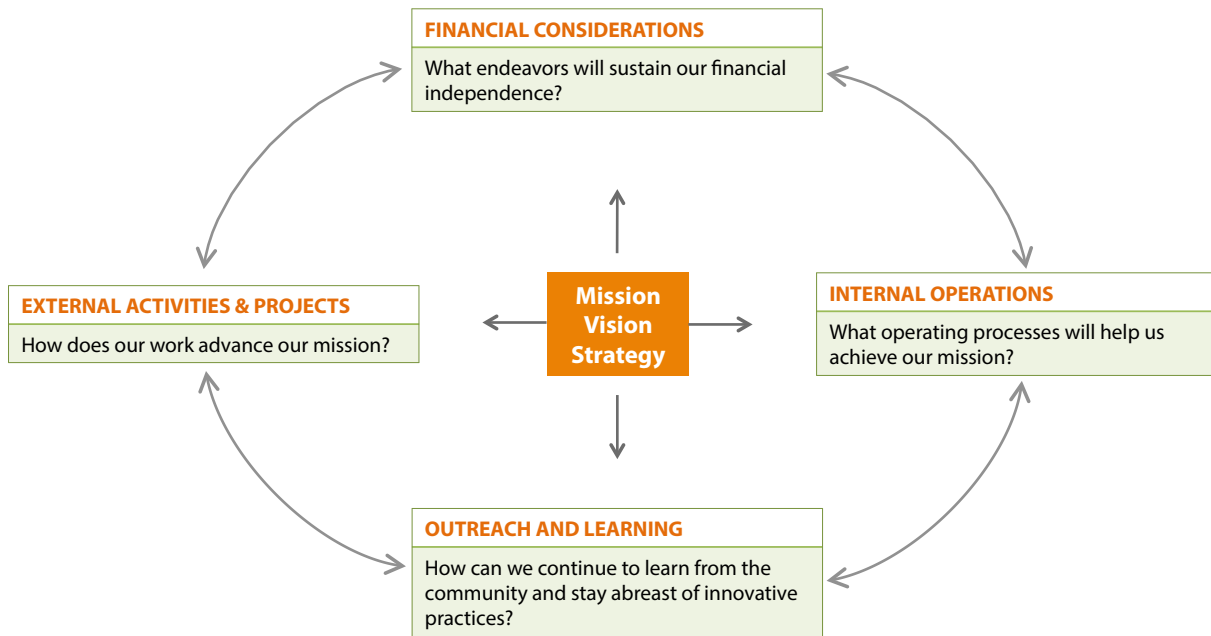
MassDOT has nearly completed the reconstruction of Broadway under the guidance of Department of Public Works, utilizing federal funding initially secured by the CRA. The three-year Longfellow Bridge Reconstruction project is underway. The MassDOT Accelerated Bridge project includes the modified design for the “Gateway” median project that had been initiated by the CRA.

Design work was completed for a new streetscape on Main Street. Planning work is underway for the Grand Junction Trail. Additionally, the CRA removed old playground equipment and fencing, as well as graded and replanted the park site at Main Street and Galileo Way.



Above: Plans for the reconstruction of Main Street includes a new connection to Third Street.

Left: Construction of the replacement sidewalk on Broadway was completed in the fall.



Outreach & Learning

The most significant policy work of the CRA in 2013 was undertaking a strategic planning process. The process has included interviews and a retreat with Board members, and multiple meetings with city staff and area stakeholders. The Board has developed a vision, draft mission, a set of operating principles, and a preliminary set of potential projects and programs for future implementation.

The CRA launched a new website in the fall. It provides information of past and current meetings, past and current redevelopment projects, and resource pages including plans, historic documents, and growing a gallery of photographs. CRA staff have conducted significant research into past redevelopment activities of the CRA.

The Cambridge Historical Commission assisted with an oral history project that included interviews with former senior staff members. The Public Library agreed to serve as the archive for CRA photographs and documents.

Looking forward, the CRA has joined the City and multiple Kendall Square property owners in the Kendall Square EcoDistrict and the Cambridge-wide Compact for Sustainable Communities. The CRA has also participated in the East Cambridge Kendall Square Open Space Committee, which has grown out of the K2 Planning process to imagine ways to create a network of high quality open space in the Kendall Square area.



The Galaxy fountain and the rest of Point Park are within the scope of the open space planning process underway for Kendall Square.



Photo Credit:
Sue Rothburg Productions