

Special Board Meeting  
Cambridge Redevelopment Authority

Wednesday, April 25, 2018 5:00pm  
Robert Healy Public Safety Center / Cambridge Police Station / Community Room  
125 Sixth Street, Cambridge, MA

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FINAL Meeting Minutes

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**Call**

Chair Kathleen Born called the regular meeting to order at 5:08 p.m. Other Board members present were Vice Chair Margaret Drury, Treasurer Christopher Bator, Assistant Treasurer Conrad Crawford, and Assistant Secretary Barry Zevin. Executive Director Tom Evans and other CRA staff members, Ellen Shore, Carlos Peralta, and Alex Levering, and CRA Strategic Planner Kathryn Madden were in attendance. Lisa Hemmerle and Taha Jennings from the City were also present.

The meeting is being recorded by the CRA and a member of the public.

Ms. Born explained that for tonight's meeting, public comment will be accepted now and then again after the Board has finished their discussion which will be before the board takes any actions.

**Public Comment**

*Mr. Ilan Levy* said that he was surprised by the announcement of the selected group. He will request to speak again later.

Mr. Alan Greene echoed what Mr. Levy said. He is surprised that decision was made so quickly.

Ms. Born emphasized that nothing has been decided yet.

There were no other requests to comment.

*The motion to close public comment was seconded and carried unanimously.*

**Reports, Motions, and Discussion Items**

**1. Presentation: Foundry Operator Selection Process**

***Motion: To tentatively designate the Foundry Consortium, led by the Lemelson--MIT Program, as the Operator of the Foundry Building, subject to the approval of the City Manager and successful negotiation of a Master Lease agreement.***

Mr. Evans distributed a packet which included a memo summarizing the Evaluation Committee process, its recommendation to the Board, the Operator RFP Evaluation Manual which detailed the process which listed members of the Foundry Advisory Committee and the Evaluation Committee, a list of questions sent to the candidates before their interview, and a summary of findings. The RFP and the three responses were publicly available via the CRA website. The process was considered a procurement process. The Foundry Consortium, led by the Lemelson-MIT Program, in partnership with Lesley University and including several other collaborators, was recommended by the Evaluation Committee.

Procedurally, the Evaluation Committee provides a recommendation to the CRA Board for consideration. If the Board makes a decision to proceed, the City Manager would need to concur. This is only a tentative designation to work towards a sublease underneath the CRA's lease with the City, the terms of which require discussions with the Board and will involve review and input from the Foundry Advisory Committee. All three submissions imagined the formation of a new entity as the lease holder. To move forward, the Foundry Consortium will continue to work on programming and governance. In the last process, the CRA and a development entity would have entered into a 50-year agreement. The current agreement is only for five-years, although if it works out, it can continue.

Ms. Born introduced two members of the Foundry Advisory Committee, Jamie Sabino and Marie Saccoccio. City Councilor Alanna Mallon was also introduced.

Mr. Evans said that he could go into more detail about the evaluation process after the Lemelson team presented their proposal. Ms. Stephanie Couch from Lemelson-MIT introduced those Foundry Consortium participants who were able to attend tonight's meeting - Betsy Boyle and Leigh Estabrooks (Lemelson-MIT), Sue Cusack and Martha McKenna (Lesley University), Jeff Goldenson (Olin College), Steve Gardiner (Centerpoint and resident of East Cambridge), Jeanne Dubois (Dubois Consulting Associates, formerly Dorchester Bay Economic Development Director of Boston), Joan Squeri (Healthy Communities Capital Consulting), and Ron Mallis (Boston APP/Lab). She explained that most of the Lemelson participants are Cambridge residents who share a mutual passion to create a new form of civic engagement and community building that is very inclusive. The group is open to all those who are engaged towards forging new partnerships and developing new programs that are responsive to the needs of the neighborhood, as well as collaborating with the other spaces that exist in the community. She noted that this could be a national model. Mr. Goldenson showcased a video created by students of Olin College of Engineering communicating their vision for the Foundry and how a college could work to help make the Foundry a fun institution that serves the community. Ms. Couch emphasized that the process is more than just thinking about what is going to benefit residents when the doors open three years from now. It is a process to bring the community together to create a space and partnerships. As part of that process, she spoke about forming a new nonprofit, as soon as possible, that is structured to allow many participants to collaborate on the work involved. Currently, there are Foundry Consortium members who are donating time and expertise for this front-end work. The Lemelson-MIT Program offered to be the single point of contact until the nonprofit is established. A diverse core group of 19 people have been identified to facilitate the initial work. Even with their broad expertise, more expertise is needed.

Ms. Couch spoke about the concern voiced by the community regarding Lemelson-MIT. This project will not be taken over by MIT. She explained that Lemelson-MIT is a small group within the MIT School of Engineering but they have been funded for 23 years by a foundation out of Oregon, the Lemelson Foundation. The Lemelson Foundation allocates grants to high school teachers and teams of high school students across the US and helps young women and kids from under-represented backgrounds learn how to be inventors. She named several local Lemelson projects. They recently located to the American Twine Building across the street from the Foundry. Ms. McKenna and Ms. Cusack of Lesley have national and local experience with arts and maker education. Their backgrounds are in STEM and invention education. Ms. Couch has worked with California communities around regional STEM collaboratives and nonprofit management, as has Ms. Boyle. Their faculty director has started many companies. Ms. Dubois and Ms. Squeri have expertise in creating small business opportunities. Partners already in the consortium and any other people who would like to be part of the work will form action groups to flesh out details. Coordination would also occur with a neighborhood advisory committee and the Cambridge STEAM Initiative. The design of the programs would complement what exists in Cambridge, not compete. Ms. Couch was optimistic that the Foundry will be a community asset, a warm and welcoming neighborhood resource servicing the community. It needs to address the arts, but it also has an opportunity to address STEM and bring those two together in ways that serve people of all ages. The Foundry will forge partnerships to address workforce development needs that have not been well served by the innovation community. It must also be self-sustaining.

Honoring the work that has been done so far and reflected in the RFP, their proposal balances the arts with STEM and the office space. Many of the spaces are flexibly designed so they're shared by many different groups. Much thought has been given to accessibility. She noted that there are still unanswered questions regarding the new nonprofit's makeup and governance and welcomed participation in the decision process. She spoke about

balancing the need to ensure free and low-fee access to the community and nonprofits by attracting for-profits at market rates. A building plan will also be balanced. She said that the current team is missing expertise in property management but would engage an experienced professional firm to handle that aspect. She again welcomed all to join them in the process and offered a contact email address for ideas or names of people with whom the team should be speaking.

Ms. Born recognized Mr. Fred Fantini, an East Cambridge resident, and the longest-serving elected official in the City. Mr. Evans recognized Folakemi Alalade, a member of the Foundry Advisory Committee.

In response to Mr. Crawford, Ms. Couch said that there could be immediate opportunities to support the community. If selected, they could issue an RFP for a property manager to do the day-to-day responsibilities but, with the City's support, there could also be a requirement to provide internship opportunities for a professional development pathway for City residents. On the programming side, the unique blend of a performance space and maker space provides possibilities for electronic textiles or new career pathways with sound and lighting. She will be looking at every space, from the perspective of traditional arts and more technical possibilities with people who work in Kendall Square and want to give to the community. Mr. Goldenson said that bringing in a facility manager early in the process could be a learning opportunity. Cambridge's high sustainability goal for the building could involve students of all levels and expertise in preparing for the use of the building. Ms. Dubois stressed that working with experienced management companies who are committed to developing the workforce of the local communities is an important part of the project. Ms. McKenna spoke about Lesley University's involvement with education, the arts, and makerspaces in Cambridge and her work with the Cambridge Community Foundation. She added that Lesley students and University would be a resource for the Foundry.

Mr. Crawford recognized that other Board members would now like to ask questions, but asked that the financial aspect of the proposal be discussed at some point during the meeting.

Ms. Born reiterated that due to the larger size of the audience, questions from the public will be taken after comments and questions are taken from the Board and the Foundry Advisory Committee.

Ms. Drury asked for clarification regarding how the group would determine which programs will be implemented as everything cannot be done in the space. Ms. Couch said that the Foundry's programs should not compete with other areas in Cambridge, but rather fill a void. Realizing the need for performing arts space, her group would focus on obtaining more information. She would build consensus around prioritizing programs, raising funds, and partnering on collaborative programming. Ms. Squeri added there are multiple opportunities coming up for satellite programs and places so it's important to know what those are and not try to incorporate everything into the Foundry.

Ms. Drury asked for clarification in the allocation of the nonprofit office space to people who want to be a part of the mission, the amount of square footage, and the use of the space as classrooms. Ms. Couch explained that to make the fiscal model work and to respond to the RFP, the assumption is that 15,000 square feet will be market-rate offices and 5,000 will be nonprofit offices that would pay below market rents. The market-rate offices could include nonprofits that can afford higher rents, like Lemelson, who would be making a positive contribution to the finances. For a lower rate, the six artist studio spaces may incorporate community access, but, she admitted that more conversations and research are needed with artists to define the structure. The classroom spaces are projected to be available on a fee-for-service basis. This could run as an arts-learning opportunity coordinating with artists in residence to teach in these classroom spaces. There could also be larger spaces that could be shared by multiple artists. Ms. Couch said that she would investigate the possibility for local businesses to sponsor a market-rate office space and provide materials and employees who would work with community residents.

Mr. Bator said that much of the proposal is very exciting. The CRA is concerned with the practicalities of the proposal and the business model that has a 12% or so dependency on grants which puts a burden on the Consortium's directors or people to raise money. The ideas are exciting but the project needs to work financially. Mr. Gardner, a Consortium participant, explained his background with nonprofits, fundraising, strategic planning, community development and affordable housing. He spoke very highly of Ms. Couch's background in data collecting and analysis and her ability to create a community focused strategic plan that will interest many

individuals and corporations who have resources. He said that 12% is actually a small number given what this program's impact is going to be on the community and the recognition it will get in all these big office buildings that are built around it. Ms. Couch spoke about her past experience which was very successful in getting funding sources for a regional collaborative in East Bay California.

Mr. Zevin noted that a high cost for market rent might not be a bad thing. He thinks that the available square footage might not be as great as expected. He would like to focus on the quality of the space so as not to wreck the building. Ms. Couch said that the Consortium used the most conservative number in the architect's presentation. Ms. Boyle said that a market study, given to Lemelson for its recent relocation to Kendall, showed that \$60/sq. ft. is reasonable for a for-profit company given the amount of space available and the type of building.

Ms. Born said that the process is on schedule and has not been rushed. Extra copies of the Evaluation Committee's selection document are available tonight and will be posted on the website. Ms. Born said that this document clearly relays the reasoning of the recommendation. She noted that there is a concern by many regarding the MIT branding. Ms. Couch gave more detail about Lemelson-MIT programs, which fund various prize programs and invention educational programs across the United States. Lemelson staff runs the program with MIT alum support. The Lemelson-MIT participants of the Consortium are still working at Lemelson-MIT offices. Lemelson-MIT signed onto the Consortium as the lead entity but will be partnering with others. Ms. Couch said that the RFP requested a five-year proposal from when the doors are opened. However, there is much work to do before the doors open. Only after the space is leased will there be a revenue stream to fund for positions that would run the Foundry Consortium. The nonprofit, once established, would hire a director, an associate director, a financial manager, two part-time event coordinators, an administrative assistant, and a property manager. Until then, participants are carving out bits of their time to get this going. Lemelson-MIT can be the entity to accept funds until papers for the Foundry Consortium nonprofit are filed. Record keeping would be a very transparent process. Ms. Couch spoke about conversations she has begun to have with potentially interested funders and explained her qualifications for attracting major corporate funding. Mr. Mallis said that a key criterion of the project is focusing on what can be done together that cannot be done separately.

Ms. Born opened the discussion to public comment, starting with the three Foundry Advisory Committee members. Ms. Folakemi Alalade, an artist and designer who resides on Rogers Street, is looking for affordable studio space so that she doesn't need to go to Providence. She said that there is a lot that is happening on her street that should be taken into consideration. Although she thinks as STEAM as a platform for the arts, many of her fellow artist colleagues do not agree and would prefer a primary focus on visual and performance arts. It is currently too focused on STEAM. She added that as long as MIT is in the name, the perception will be that MIT is encroaching on the area, unless it can be shown that others are helping to fund the project.

Ms. Marie Saccoccio, a fourth generation East Cambridge resident, was disappointed with the presentation as the proposal is too student-focused. Cambridge already invests more per capita in students than any other city in the state. She said that there are seven East Cambridge residents present tonight who don't have children, as well as numerous senior housing residences in the area. There wasn't anything in the presentation for seniors. Mr. Goldenson commented that the education programs would be for a mixed demographics and the programming would pull people together.

Ms. Alalade said that there was a lot of criticism in the first round of the Foundry process, so there is a need to do it right this time around. The process should have allowed the Foundry Advisory Committee a chance to work with the Evaluation Committee, with those who selected the architect, and with Ms. Couch before recommendations and decisions were made. (The Foundry Advisory Committee reviewed all the proposals, and their insights and comments were taken into consideration by the Evaluation Committee in their recommendation.)

Ms. Born emphasized that the discussion tonight is not about a specific program. The discussion is about a menu of possibilities. Tonight we are considering the selection of a lead entity and their qualifications, rather than the specific programs.

Ms. Jamie Sabino, a member of the Foundry Advisory Committee, lives in Central Square, said that this is just the beginning for the Foundry Advisory Committee. Being too flexible can be problematic if it's not useful to anyone. She requested that the phrase "performance space" replace the phrase "black box." A black box is not wanted.

Mr. Crawford agreed with a goal of creating opportunities for intergenerational programming. There was a discussion about the requirement for CORIs for every adult.

Mr. Alan Greene, an East Cambridge for 12 or 13 years, questioned the Foundry Evaluation Committee's recommendation because tonight's proposal has a smaller percentage for arts and performance space than a proposal from the Friends of the Foundry. Profit and nonprofit office space comprise the largest percentage so he feels that this is basically an office building. He would like to see a proposal that has more emphasis on the arts.

Ms. Born emphasized that a strong financial plan was a criteria for recommendation.

Mr. Ilan Levy, a resident of East Cambridge, thanked everyone for their efforts and time but said that the recommended choice is the wrong choice. The discussion in a previous Foundry Advisory Committee meeting was anchored more in elevating the community versus the STEAM and educational aspects highlighted tonight. The community is here now. Students will come and go. All the proposals were vague regarding their financials, but this group seems to be chosen since they are an institution with a fundraising advantage. The two other proposals are from local organizations with existing community-oriented connections. He added that instead of trying to have lower-end rents and raise people up from the bottom, only those who can afford the rents will be able to be in the Foundry which will start a filtering process against the community. He was concerned that the Lemelson group hadn't contacted the East Cambridge Planning Team to discuss the building as they have been involved from the beginning. The proposals from the other two groups were more original and enlightening than the one from the Consortium.

Mr. Evans said that one of the biggest concerns that the Evaluation Committee had about the proposal from the Friends of the Foundry was that the ask from the grant-making world to sustain operations was five times that of the Foundry Consortium. So while the decision did involve grants, it was a different scale. Mr. Michael Shia, part of the Friends of the Foundry, explained that the grant numbers in their proposal were taken from projects that have worked elsewhere, such as the Crucible in Oakland and AS220.

Mr. Chuck Heinz, a local resident, spoke on his own behalf, although he is the chair of the East Cambridge Planning Team (ECPT), a nonprofit 501(c)4 organization that's recognized by the city of Cambridge as a de facto neighborhood organization. It has been a neighborhood organization for over 40 years with 180 active members. He is annoyed that the Lemelson-MIT team did not contact the ECPT regarding neighborhood preferences for programming. He feels that the programming should reflect the historic aspect of the Foundry and the cultural history of East Cambridge. Given the ever changing landscape in East Cambridge evident by the cancelled Constellation Center, the Foundry programming should be dynamic and change as the neighborhood changes. The Foundry was given to the neighborhood as mitigation for the Alexandria development and he expects any operator to acknowledge and respect that and act accordingly.

Mr. Bator reiterated that he and the Board have discussed the fact that the Foundry should be a neighborhood resource as well as being attractive and complementary citywide.

Ms. Betty Saccoccio, a resident of East Cambridge, said that the programming discussed by Lemelson is student-based, not resident-based. The programming in this building is important to the seniors and retired persons in the neighborhood. She is concerned about corporation grants as this could lead to corporations taking over the whole project. She said that CORIs are necessary. Ms. McKenna clarified that her comments referred to Lesley's history of work with the Cambridge Public Schools but the projects are community based and often for families and seniors. The community needs to be brought in to develop the program. Lemelson can offer a process to engage the community members in defining how the space would be used for the community's benefit.

Mr. Levy brought up the original zoning and stated that the intent was for this building to be for East Cambridge residents. The amount of square feet and percentage are changing so the East Cambridge residents are being left with a much smaller footprint.

Ms. Born again said that the programming is not fixed. There is a need to zero in on a financial model. Since the process began, the commitment of initial public money has increased from \$0 to over \$30 million. The CRA does not have the resources to fund the operations of this building. The vision of the City does not include ongoing funding of operations either. The goal is to engage a private (non-profit or for profit) entity to act as the operator of the building and to balance the operational budget.

Mr. Michael Dawson runs Innovators for Purpose, a nonprofit organization that works specifically with under-resourced youth in the Port, East Cambridge, and other surrounding communities in Cambridge. Although his work focuses on young people, he feels certain that everyone's concerns will be addressed and acknowledged with the Consortium. While the other teams could do a great job running the building, he joined the Consortium because it has visionary leadership in Ms. Couch who will tackle the obstacles that have just been too difficult for the other teams to overcome in decades. He feels that this team can help him create a pipeline to jobs for the kids.

Mr. Mallis read the first sentence of the mission statement in the RFP for an operator which states that the Foundry is an adaptive reuse project to build a self-sustaining center for creativity and collaboration for the Cambridge community.

Mr. Levy said that there is a website ([thefoundryequation.org](http://thefoundryequation.org)) that explains the organization of the first Foundry event in June 2013. The underlying mission statement of that event was for the Foundry to provide a building that is going to serve the community, the arts, and the nonprofits not being served in East Cambridge. He strongly expressed that it is the East Cambridge community who has been fighting for the past 10 years for the building.

Ms. Born explained that a vote could occur tonight so the process can start to hone in on the program or a vote could wait for more information. Mr. Bator thought that things won't change in one or even two weeks. There has been contention concerning the Foundry since the process started. Meeting the mission of the RFP is a huge public policy task and mountain to climb. This is the CRA's second iteration. The CRA Board and staff have learned from the first round. This is not an easy process. Mr. Bator liked the proposal very much. He emphasized that no programming has been decided. The operator's proposal is about process. Even after the door is open, there will still be contention and concern because of the long history.

Mr. Crawford said that people focus on inactivity versus the opportunity. The process has been going on for four years. He said that it might not be a bad idea to have a prominent institution supporting an effort that people aren't getting right might. He agreed that not much will change in two weeks. He likes the proposal and thinks moving forward is the right call. He is curious to see what discussions regarding programming and financial resources and partnerships develop.

Ms. Drury agreed with what's been said so far by her fellow Board members. After listening to the inclusive vision discussed tonight, she believes that there is room for all of the people in this room to participate, to have their views heard, to possibly compromise, and to get to something that reflects something of everyone.

Mr. Zevin agreed and thanked Mr. Evans for the memo, which clarified a great deal.

Mr. Evans explained that staff is working to catch up with the design process so it would be helpful to move forward. He suggested milestones be set based on the tenant designation.

Ms. Born assured the audience that there will be a place for seniors in the Foundry.

Ms. Erin Harris said that the Foundry should fill the gap for a community center or central location in East Cambridge for people to meet regardless of the programming.

*A motion to tentatively designate the Foundry Consortium, led by the Lemelson-MIT Program, as the Operator of the Foundry Building, subject to the approval of the City Manager and successful negotiation of a Master Lease agreement was moved and seconded.*

*A role call was taken.*

*Mr. Zevin – yes*

*Mr. Crawford yes*

*Ms. Born – yes*

*Ms. Drury – yes*

*Mr. Bator – yes*

*The motion carried unanimously.*

There was a small break before the next item.

## **2. Update: 2017 – 2019 Auditor Selection**

***Motion: Authorizing the Chair and the Executive Director to enter into a three-year contract with Roselli, Clark, and Associates to conduct annual audits of the CRA financial activities for an amount not to exceed \$36,000***

Ms. Shore said that Roselli & Clark have been the CRA auditors for the past three years- 2014, 2015, 2016. The CRA is up for an audit in June for 2017. Mr. Evans said that the firm actually audited the years starting with 2010. In previous Board meetings, there have been discussions of scheduling an auditor procurement process, although it is not mandated. It is evident that the CRA finances are going to get more complicated with more projects and more contractors. There are new Government Accounting Standard Board (GASB) rules in play and more are expected. The financial bookkeeping complexities are increasing with the Foundry and the KSTEP commitments. There is the potential for the CRA to create new loan programs and larger grant programs. There is a concern that the QuickBooks bookkeeping program might be inadequate going forward. There's also a high probability that the CRA finances will need to be incorporated into the City's auditing because of the income that was received in 2017. Considering all these issues, staff feels that it is better to continue with a company who knows the history and understands the mission of the CRA rather than start with a new firm during such changes.

For the past three years, the fee has been \$9,900. The new three-year proposal has incremental increases each year - \$11,500 for the 2017 audit, \$12,000 for the 2018 audit and \$12,500 for the 2019 audit. The tiered pricing is designed to get the firm to the targeted fee for government auditing services over a three-year period, with the expectation of the forthcoming complexities.

In response to Ms. Born, Ms. Shore was fairly certain that Mr. Clark would again be assigned to the CRA as they are a small firm. Mr. Evans added that although other staff help out with the field work, Mr. Clark has been the partner in charge and the CRA's contact. Mr. Rosetti was involved in the conversation with the City's financial team regarding the calibration of the Cambridge Retirement System's audit and the City's audit.

*The motion authorizing the Chair and the Executive Director to enter into a three-year contract with Roselli, Clark, and Associates to conduct annual audits of the CRA financial activities for an amount not to exceed \$36,000 carried unanimously.*

Ms. Born will sign the contract since the amount is over \$10,000.

### **Adjournment**

The motion to adjourn was seconded and carried unanimously at 7:45 p.m.