



Annual Board Meeting  
Cambridge Redevelopment Authority

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

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FINAL Approved Meeting Minutes

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### **Call**

Chair Kathy Born called the meeting at 5:45pm. Other Board members present were Vice Chair Margaret Drury, Treasurer Christopher Bator, Assistant Treasurer Conrad Crawford and Assistant Secretary Barry Zevin. Staff members present were Executive Director Thomas Evans, Jason Zogg, Carlos Peralta, and Ellen Shore. Kathryn Madden will be joining the meeting later on.

John Hawkinson and Ellen Shore are recording the meeting.

### **Public Comment**

Heather Hoffman said that she had no issue with the signage proposal for the Cambridge Trust bank. She encouraged the CRA to strongly consider the Just-A-Start (JAS) proposal and requested that the Board encourage JAS to refrain from demolishing the beloved historic church building. She also hopes that the Foundry gets kick-started soon and that the plans make everyone happy.

Stephen Kaiser is happy that the new administration of the CRA is bringing life to Kendall Square with narrower streetscape designs, retail plans and interesting buildings. He would like to see non-standard architectural structures used above the ground level. He said that the CRA Strategic Plan should include a chapter on transit using its submitted EIR. He requested that the CRA Board speak at the MBTA Control Board meetings and have a consistent presence. He suggested that the CRA look into a recent report done by the Pioneer Institute regarding increased MBTA ridership in combination with the planned capacity improvements (new cars) for increasing MBTA revenue.

Mr. Crawford said that he has attended a MBTA Fiscal Control Board meeting supporting the Green Line extension. He agreed that the CRA should have a presence.

A motion to close public comment carried unanimously.

### **Minutes**

#### **1. Motion: To accept the minutes of the Regular Meeting of the Board on January 11, 2017**

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

#### **2. Motion: To accept the minutes of the Joint Meeting of the CRA and Planning Board on January 17, 2017**

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

### **Communications**

#### **3. Correspondence from Charles Sullivan, Cambridge Historical Commission regarding Historic Landmark Study of Foundry January 12, 2017**

The discussion of this letter was referred to agenda item #10.

#### **4. Letter to City Manager regarding the 2017 Forward Fund Program, February 1, 2017**

Mr. Evans noted that a similar letter appeared on the City Council's agenda.

A motion to place the communication on file carried unanimously.

### **Reports, Motions and Discussion Items**

#### **5. Election of Officers**

Ms. Born noted that the CRA annual meeting occurs in February. This is the fourth annual meeting. Mr. Evans added that officers were first selected in May 2012.

Ms. Drury moved the slate of Kathleen Born as Chair, Margaret Drury as Vice Chair, Christopher Bator as Treasurer, Conrad Crawford as Assistant Treasurer and Barry Zevin as Assistant Secretary. The motion was seconded and a roll call was taken.

Mr. Zevin -yes  
Mr. Crawford - yes  
Ms. Born – yes  
Ms. Drury – yes  
Mr. Bator - yes

The motion was carried unanimously.

#### **6. Report: 2016 Annual Report of the Cambridge Redevelopment Authority**

The Board thanked staff for the work done on the report. Mr. Evans said that 2016 was a year of project delivery so there were more photo opportunities. There were public realm improvements as well as ongoing planning work for Kendall Square. The map on Page 9 shows the geographic extent of the projects within Kendall Square, its immediate area, and beyond via the Forward Fund. There has been some exploratory work outside of the MXD. In addition to interest in open space and vertical commercial and residential development, the topical scope of the CRA has broadened with a large focus on transportation via the streetscape design and the Kendall Square Transit Enhancement program. In addition, the CRA has piloted new ideas for placemaking and creating more interesting urban dynamic spaces via the wayfinding KSA Kiosks, the Soofa digital bulletin boards, and the temporary civic space on Parcel 6. In keeping with the format of the Strategic Plan, there is a section on community outreach and adaptive management of CRA programs. He noted the historic "lumpy" income story in the section on finances and operations. The last page of the report shows an initial list of 2017 staff priorities, many of which come from the Infill Development Concept Plan. Some items are being discussed tonight and others will be discussed and modified as the strategic plan evolves and conversations occur with the CRA Board and the City. Mr. Evans noted that the Sixth Street Walkway might now be called the Officer Loughrey Greenway since a bike path is being added to it. Mr. Evans noted that the report is a draft. Minor typographical corrections received from Mr. Zevin will be incorporated and a final version will be sent to the City administration and the State. Mr. Evans gave a "shout-out" to GSD intern Hanna Schutt who compiled all the information.

The report, with corrections made, will be placed on file.

Mr. Evans asked to move to agenda item #9.

## 9. Update: Cambridge Bank Signage Proposal

***Motion: To approve the schematic signage packet proposal for Cambridge Trust Bank, 415 Main Street, Parcel Three, Kendall Square Urban Renewal Project***

Mr. Ben Lavery, from MITIMCO, was joined by Tom Johnson and Denis Sheahan from Cambridge Trust (CT), Tom Chiudina from DRL Architects, and Jason from Back Bay Sign. Mr. Lavery said that the project was initially brought before the CRA Board in September, and tonight a more detailed signage proposal and presentation will be given. The demolition and some modifications to the space have already taken place. The expectation is to have CT open for business in May, along with completing significant modifications to the smaller space of Sebastian's. Mr. Sheahan noted that there has been a cooperative relation with MITIMCO in bringing the next generation space to Kendall Square. CT has been in Kendall Square since 1969. It is their second largest office, next to Harvard Square. Mr. Johnson noted that the Board had seen much of tonight's presentation in September. The two identical logo signs at the top of the windows on Ames and Main Streets are halo lit. The dimensions that are listed meet the maximum allowed square footage for each street. CT will place new standard fabric awnings, in corporate color, below the logo signs. There will not be signage on these awnings. There is also a business line tag at the bottom of each glass window. The plans for planters and seating have not been decided. The two sets of front doors will have the company logo and hours of operation in the center.

In response to Mr. Zevin, Mr. Lavery said that the logo sign dimensions include the halo backing. In regards to the non-alignment of the CT awnings to the adjacent awnings of Sebastians, Mr. Lavery said that he expects to come back to the CRA Board when Sebastians decides how to manage their front space. Mr. Zevin stated that seating is preferred over planters. Mr. Zevin also requested that the CT clock be reused somehow in Kendall Square. Mr. Lavery said that this can be considered along with the F&T Diner's plaque and a Rinaldi Tile sign into the MIT project's redevelopment. Mr. Lavery will bring the furniture and the Sebastian's front area to the Board at a later time.

Because of the size of the sign, Mr. Evans said that CRA Board approval is required under the MXD guidelines. In full disclosure, Ms. Born noted that the CRA does business with CT and at least two Board members bank with CT. Mr. Evans said that according to CRA counsel, there is no conflict of interest since the CRA/Board members are using bank products that are available to the public. If a member were actively looking for a loan or mortgage, they would need to recuse themselves. Ms. Born said that she holds a line of equity but the balance is zero.

*The motion to approve the schematic signage packet proposal for Cambridge Trust Bank was carried unanimously.*

Neither Tom Doolittle from Alta Planning, Kathryn Madden, nor the Just-A-Start representatives were in attendance yet so the meeting skipped to agenda item #11

## 11. Report: Strategic Planning Update

Mr. Evans noted that the update is intended to be a conversation starter. Although the CRA is in year three of the five-year Strategic Plan, evaluating the mission, vision and the set of operating principles should occur and a realignment or a restatement be made, if necessary. Mr. Evans would like to shorten the mission statement without losing its message. The vision and operating principles are still valid. He suggested assessing the external activities and project plans that were on the CRA "radar" in 2014, which are noted in Figure 5 on Page 12 of the Strategic Plan. While staff continues to work on some of these (Foundry, MXD, Community Loan Fund, Ames Street, 3<sup>rd</sup> Street Parcel 6 lot), some are no longer a priority for various reasons (Vail Court, O'Brien/1<sup>st</sup> Street, Ecodistrict) and some have an unknown level of CRA involvement (Volpe, Alewife). There was a discussion about more work associated with Galaxy (Point) Park with respect to the curve from Main Street to Broadway in relation to the ground floor that MITIMCO is planning. The EcoDistrict was absorbed by the KSA. Mr. Evans said that Veolia has infrastructure issues under the Grand Junction Greenway so that project continues to occupy staff time. Mr. Zevin noted that the large development complex that is planned for Allston highlights the importance of the Grand Junction as a

transit corridor and suggested that this be a priority. Mr. Evans said that the Kendall Square Mobility Task Force (MTF) agrees that this is an important corridor but is hesitant about making commitments. He added that MTF is having a public meeting on Tuesday, February 28, from 6 – 8 p.m. at One Main Street, 1st Floor - East Arcade Conference Room.

Mr. Evans noted that in 2014, other possible projects that might have involved the CRA at some point were listed on Page 14 of the Strategic Plan, such as Alewife, O'Brien, and the Webster Avenue corridor in connection with a Union Square transit stop. Since then, other projects have been brought to the CRA, such as parking lots in Central Square that the City owns as well as 105 Windsor Street.

Mr. Evans explained that the spreadsheet on the last page forecasts a possible financial future. It assumes \$23+ million in income from the sale of development rights from the first Boston Properties project which looks likely to occur in May. Also anticipated is income for the other Parcel 2 developments. Additional income comes from the Ames Street agreement which spread the \$4 million payment over 11 years starting with occupancy in 2018. It is unclear what is happening with Whitehead and the Broad. There have been conversations to move to a more aggressive, but still conservative, investment strategy to increase interest income. Looking at line 11, the income for 2018 and 2019 is about \$900,000. This would balance out the baseline expenses of personnel and office expenses. Mr. Evans noted that moving the CRA office into the Foundry could significantly decrease the rental expense. The projects to be done (rows 22-32) which require CRA money need to be decided. The CRA is committed to projects such as the Forward Fund and the KSTEP. Commitments to the Foundry or to the Wellington-Harrington area via Just-A-Start might be decided tonight. Other projects such as 105 Windsor Street, real estate acquisitions, small business or nonprofit loan funds can also be implemented but he reminded the Board that as money is spent on projects, there is less to invest and therefore less income from interest and dividends. Mr. Evans said that the future of the CRA is optimistic assuming that Boston Properties follows through on its special permits. Although \$20 million is a lot of money, it can be spent quickly and the "burn-rate" of the CRA needs to be monitored from a sustainability viewpoint. On the other hand, the CRA shouldn't be sitting on its money. The CRA should be making strategic investments in the City and/or the community.

There was a discussion about how to continue the conversation with the Board, the Cambridge community, and the City administration.

Mr. Bator said that according to initial discussions with Morgan Stanley, the large amount of revenue on hand could generate enough interest income to cover a large percentage of operating expenses. This presents the opportunity to do good work. He added that there is also the need to be prudent so that the CRA can continue to do this over a long period of time. The CRA should take the wealth of Kendall Square and use it citywide. There will be choices to make.

Mr. Evans said that the discussion should start with an analysis of the vision and mission. He suggested allowing the City's Envision Cambridge results as a guide. He restated that the CRA is not the planning agency of the City. The impetus of the exercise is determining what to do with the large amount of funding that the CRA is getting. Regarding the community involvement at this time, Ms. Born would like to concentrate on the Foundry since that process is ongoing. Mr. Zogg noted that there is a lot of public participation already occurring within the City. There was a discussion regarding the results of the Envision Cambridge project. Mr. Hawkinson said there is a public meeting on March 9 but the focus is on Alewife. There was a discussion of the Alewife traffic issues.

Ms. Born is satisfied leaving the Strategic Plan as is for now. It's a five year plan so there's time to rewrite it. Mr. Bator added that selecting large projects could prevent the organization from doing anything else. Mr. Evans suggested providing periodic updates and allowing the public to provide input at these Board meetings.

The agenda moved to item #8.

**8. Report: Just-A-Start Proposal for Housing Improvement Loan for Sprinkler Systems Installation in Affordable Housing Units, primarily in the Wellington-Harrington Project Area**

***Motion: To authorize the Executive Director and Treasurer to structure a pilot loan program for affordable housing rehabilitation, and further authorizing an initial loan to Just-A-Start for an amount not to exceed \$540,000.***

Bill Gordon, Director of Real Estate, and Robert Macarthur, Senior Project Manager of the consolidated project, spoke to the Board about the submission.

Mr. Evans said that immediately after the fire, the CRA Board talked about helping the Wellington-Harrington community. Conversations with Just-A-Start (JAS) outlined two ways that the CRA could help. One way was to assist in facilitating a community discussion about the reconstruction of 50 York Street, which was a central property impacted by the fire. The other way was to assist in the broader consolidated project thematically to deal with life safety issues in the affordable housing parcels.

Mr. Gordon said that much thought was put into how CRA resources could leverage something really important. This project includes 112 units. Many of the buildings in this project are old. Although fire suppression systems are not mandated by code, they are a good thing to provide. However, JAS didn't have the resources. The \$540,000 requested would be earmarked for fire suppression systems in the 40+ units in nine buildings. Many of the units are in the Wellington Harrington neighborhood. It can come in as a grant but JAS would prefer it to be a very low or zero interest loan. This would be a soft loan which means repayment comes out of surplus but the timeline can be determined. The details can be worked out. Mr. Gordon added that JAS is on a tight timeline since they have to close in 2017 or they will lose other allocated funds. JAS lost housing in a community that needs more so they are motivated to start construction in the fall.

Mr. Macarthur explained that the JAS consolidation project is bringing together 10 different properties, which are either owned by JAS directly or through subsidiary organizations that are wholly controlled by JAS, and treating them as one property. These properties are scattered throughout Cambridge. Many are in the Wellington-Harrington area, a number are in Area 4, one is in North Cambridge and one is in the Riverside neighborhood. A consolidated property is easier from an operational standpoint. It's also easier to finance a larger project through the low income housing tax credit program. Many upgrades are needed for new kitchens, new baths, window replacements, new roofs and new heating systems. The project is being financed with tax exempt bond financing, low income housing tax credits, proceeds from the fire insurance policy, and a funding request to the State for accessible housing. More accessible units are being added to the portfolio. The building at 50 York will be made into an elevator building. Mr. Macarthur emphasized that the project is very much family housing and a critical resource for Cambridge. The ten properties are a subset of the properties owned by JAS. There was a discussion of the other JAS properties.

Mr. Zevin said that the fire attacked from the outside so no amount of sprinkler construction would have stopped it. Mr. Macarthur said that the sprinklers are for life safety and limiting the fuel for a fire since the building won't catch. Mr. Zevin suggested that the arrangements of new building be done in a way that limits a fire from spreading. Mr. Macarthur restated that only the St. Pats building is being rebuilt within the same footprint but as a sprinkled building with modern building codes which incorporate fire suppression materials.

Mr. Evans stated that the motion before the Board is a proof of concept question for staff to pursue with counsel. The Board was excited about the idea and thought that it fits well with the CRA mission. Mr. Bator said that this is an example of why the CRA should manage its funds in a way that enables it to do things like this in the future.

*The motion to authorize the Executive Director and Treasurer to structure a pilot loan program for affordable housing rehabilitation, and further authorizing an initial loan to Just-A-Start for an amount not to exceed \$540,000 was 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.

Mr. Evans said that he will report back to the Board.

The meeting continued with item #7

## **7. Report: Conceptual Streetscape Design for Binney Street, Galileo Way and Broadway**

Mr. Zogg said that the goal of this project is to create a cohesive streetscape design that will be given to different developers as they rebuild streets along the corridor as part of their special permit packages. In the special permit approved for Boston Properties (BP) a few weeks ago, BP made a commitment to rebuild, by the second building occupancy, a section of the corridor from the 6<sup>th</sup> Street Walkway around the Galileo/Binney curve to the Broadway intersection as well as the portion of Broadway from Galileo to Ames in front of Akamai and the Residence Inn. By the end of the first building occupancy, they need to bring the 25% designs to 100% design and construction drawings. In its special permit, MIT committed to rebuilding the Vassar - Main intersection and the approaches to that. It is assumed that the Volpe developer would commit to rebuilding the section of Binney in front of Volpe from the 6<sup>th</sup> Street Walkway to 3<sup>rd</sup> Street. The project is split into multiple pieces in multiple phases. None of the construction work is expected with the City's Binney Park project since the park scope of work ends at the sidewalk. This has been a collaborative project. Meetings have occurred with CDD, TPT, DPW, the fire department, and all of the property owners. Although ARE just completed a design on Binney Street between 1<sup>st</sup> and 3<sup>rd</sup>, the design will likely differ. There are issues regarding the median, the number of lanes in both directions, the amount of green space, and what to do regarding potential bus rapid transit.

Tom Doolittle, from Alta Designs, made a PowerPoint presentation. The project scope is Binney Street from the 3<sup>rd</sup> Street intersection all the way around to Galileo Galilei Way down to Main Street and down a little on Vassar to connect to the cycle track on Vassar. It also includes a section of Broadway from Ames Street to just past the railroad tracks. The major priorities that were established as part of the RFP are zero fatalities, connectivity of bike facilities, facilitated bus travel, improved pedestrian and bicycle movements and access at intersections, streetscape improvements, and preservation of street trees. The work to date includes preparing a baseline analysis of existing traffic conditions and developing an evaluation criteria for selecting alternative alignments. Two alternatives have been prepared – the Median Concept and the Island Concept. Protected intersection designs have been developed. A very preliminary assessment has been done of the utility conditions and there are no fatal flaws which is encouraging. There are some major and minor impacts which are expected. Most of the utility conflicts are due to the need to lower the street when reconfiguring the street cross-sections. There have been a number of meetings with various stakeholders which will continue through the completion of the 25% design. Mr. Zogg added that he is presenting this at the ECPT meeting next week.

Mr. Doolittle said that the primary focus of the transportation analysis is bike and pedestrian movement while avoiding gridlock of cars and buses. A synchro analysis was used to develop the traffic projections. The existing volumes were calculated using historical data since the Longfellow Bridge is closed. A no-build scenario for 2026 was done which assumed the existing alignments for the streets, the existing projects to date that will add more volume to the area, and a 0% annual background growth as defined by the City. Mr. Evans clarified that Kendall Square is the background so any growth is defined by the known projects. Alta also looked at pedestrian and bicycle delays to understand their impacts and did a summary of corridor and intersections by mode to project a complete picture of all traffic volume out to the year 2026. Mr. Doolittle showed charts depicting the volume of each mode at the intersections of Galileo Galilei Way at Broadway and at Main in the morning and in the afternoon. The charts showed that there is a high percentage of non-

car traffic and a very high percentage of pedestrian traffic at these intersections so it is important to design for those uses when developing the plan for the corridor. Mr. Doolittle discussed existing signal phasing at the three intersections and the proposed signal timings and turn movements with respect to pedestrian, bicycles and vehicles.

There are presently two schemes. The Median Scheme retains the existing center median, but shrinks it. The Island Scheme removes the median in many, but not all, sections. It offers more green space than what currently exists. Mr. Doolittle showed three cross-sections from the existing streetscape and then spoke of the modifications with each of the two variations. He noted that five feet is the suggested minimum for an on-street bike lane. Mr. Zogg emphasized that the modifications in both schemes are inside the curb edges because Alta was instructed to protect the curb trees. Mr. Doolittle spoke about the width of travel lanes, shoulders, buffers that separate the traffic from the cycle track, raised cycle tracks, and tree zones. He noted that the fire department requires an 18'-wide path (not necessarily in the same direction) to get through in emergencies.

In response to Ms. Born, Mr. Doolittle said that the crabapple median trees might be movable depending on several factors, which he said could be evaluated. Ms. Hoffman added that it takes many years for a new tree to grow to be equal to their current size.

Mr. Doolittle spoke about improving all the bus stops, with bike movement in mind, to create spaces where passengers are positioned more safely than they are now. Where space allows, floating bus stops (areas between the travel lane and the cycle track) will be incorporated. Where a floating bus stop was not possible, the location of the stop could change. He noted that depending on the location, median sizes will vary. Medians are also used to prevent illegal turning. Mr. Doolittle showed a video on protected intersections that are being proposed for the two intersections at Main/Galileo and Broadway/Galileo. With respect to transit, Alta is working closely with EZ Ride to get their stop locations incorporated. There are also discussions occurring with the City regarding the possibility of a larger transit corridor running through Binney to Galileo.

Mr. Doolittle outlined the benefits and tradeoffs of both alignment schemes. More benefits were listed in the island scheme. However, the major tradeoff was the removal of the existing median trees.

Ms. Hoffman noted that the only way to stop illegal turns in Cambridge is by putting up a wall. Mr. Zogg said that a 6" curb might be a good hindrance.

Mr. Doolittle went into more detail about the Island Scheme although he said that more work is needed in various areas. He noted that all the plans include a truck apron which provides a wider turning radius for larger vehicles. Regarding the Main and Galileo intersection, more design work is needed to tighten the radius at the intersections to slow down bikes, which will protect pedestrians. There was a discussion of funneling cyclists so that they naturally use the protected intersections correctly. The need for the Grand Junction multi-use path was discussed. Mr. Zogg explained that the cycle path is used by a different user, going a different speed, with a different origin and destination. The Grand Junction corridor theoretically goes from Somerville to Boston and only comes together with the street network at this one single block. Mr. Zevin suggested integrating the two paths at this spot, at least in one direction. Mr. Doolittle said that in response to current bike-pedestrian conflicts on the multiuse path, a sidewalk path was being added outside the trees along Galilei Way. An island opposite the loading dock of the Whitehead Institute would prevent trucks from making left turns. Mr. Zevin suggested getting the loading dock moved to the other side, on the alley. Mr. Doolittle said that there would be three lanes approaching each intersection and a single lane of traffic going out of an intersection to create the protected signal cycle for the pedestrians and bicycles moving across.

Mr. Crawford noted a concern about the storage capacity for queuing cyclists east bound on Broadway during rush hour. Mr. Doolittle said that will be addressed. Mr. Zevin noted that the maps would be easier to read if the existing sidewalks were more clearly marked. Mr. Kaiser noted that there is a greater possibility of collisions of pedestrians and bikes at intersections if the bike path is at the same level as the sidewalk.

Mr. Doolittle noted parking areas on the north side of Galileo to service the park. Mr. Evans said that the City is concerned about parallel parking on a bus route that has one lane. Mr. Crawford suggested something like a carriage road option to take the parkers out of the traffic flow. Mr. Doolittle noted an issue with the Binney - Fulkerson intersection that might need to cut into park space. He mentioned the issue of using islands to prevent dangerous left turns, but needing them to be mountable for fire trucks to make turns. Mr. Zevin is concerned about creating emergency access problems by narrowing streets and introducing medians to block turns into and out of the service drives.

Mr. Doolittle said that the new bike path that is being built by Boston Properties will need to be incorporated. He noted additional parking spaces and shortened crosswalks. Mr. Zevin also suggested that too much green space might not be good for creating an urban street. Mr. Doolittle stated that the reconfiguration of Ames Street needs to be further studied with Boston Properties. Mr. Zevin said that the sidewalk on the north side of Broadway from Ames Street to 3<sup>rd</sup> Street is uncomfortably narrow. There is also the unknown situation with the Volpe development. Mr. Zogg said that the City has asked for a new standard configuration for Broadway. Since Broadway is two lanes at Hampshire and in front of Volpe, it would make it consistent to bring it down to two lanes in front of Akamai. Mr. Evans suggested that the final plan come back to the Board using a plotted poster for the discussion.

Mr. Doolittle started discussing the details of the other scheme which keeps the median. As with the Island scheme, the placement and size of medians are dependent on the driveways and bus stops. In response to Mr. Zevin, Mr. Doolittle said that the designs for the continuation of the Grand Junction multi-use path have not been received by Stoss so they are not shown yet. A two-way crossing would need to be incorporated for the multi-use path. The conversation turned again to the possibility of combining the cycle track and the multi-use path. Mr. Zevin and Ms. Born feel there is redundancy in having both.

Mr. Bator requested that this level of review continue at a design review meeting rather than at Board meetings. Mr. Zevin said that Boston Properties moved trees onto the Grand Junction that were close in size to the crab apple trees in the median. Mr. Evans said that evaluations will be done to salvage as many trees as possible. Mr. Doolittle added that trees should be prepped years before they are actually moved to compress the root mass. Mr. Zevin said that center medians don't seem to be as useful as those adjacent to the curbs. Mr. Kaiser suggested that the traffic analysis should include intersections just outside the project area since these create a traffic limitation when gridlocked. In response to Ms. Hoffman, Mr. Doolittle said that the one lane approach will cut down on truck speeds. Mr. Kaiser added that this increases safety.

Alta will come back to the Board again.

## **10. Update: Foundry Redevelopment Project**

Mr. Evans summarized the current situation. The CRA entered into a process over the course of two years to look at a private-developer driven model in which the developer would bring equity and financing into the project, create a plan for what would happen in the building, and run that program. The CRA would have been a resident of the building and serve a watchful eye but it would not directly manage it. The conclusion of that process, through the fall of last year, was that a sub-lease negotiation could not be reached that satisfied community expectations. In addition, the expanded vision for community uses wasn't able to meld with the investment returns of private equity in the project. There was also discomfort of the overall shared use of space throughout the building in that the equity needs of the developer might overcome the community desired use of the space. After reevaluation, such a model for a developer using private equity to finance capital costs of the project is difficult and perhaps impossible given community expectations for the building.

Looking at past discussions with the community, there was a focus on the arts and workforce development goals and overlapping uses by all members of the community. Mr. Evans noted that co-working spaces was not the key tenant in most people's minds. The vision and objectives written into the demonstration plan still hold true, however. It is still important to have a collaborative environment with a mix of generational

use and to build for maximum flexibility recognizing the potential for change throughout the 50-year term. The process was informed by HR&A's testing of five financial scenarios in 2014, which ranged in the amounts of below market and market uses. Mr. Evans described the respective roles in a public / private partnership, but suggested that the balance of roles might change if the building has a higher percentage of community use.

Mr. Zevin commented that the square footage numbers used by HR&A were not realistic because they did not account for removal of floor area to create high bay spaces. Mr. Evans agreed.

The direction that is now being explored by the CRA and the City is to increase the role of the public sector and decrease the role of the private sector. Although it is still a public / private partnership, the public might contribute more of the capital, and drive the process to select designers, contractors, and operators. The private sector would then carry out the construction, deliver the program, and manage the building, but this might involve a series of consultants and contractors rather than a single partner. In this scenario, the CRA could play the role of the developer using public funds as the primary capital investment. Mr. Evans stated that the revised approach would be much more CRA driven. The CRA needs to decide if this is feasible since the CRA would be the project manager, picking a team to do the design, construction and operation rather than having the developer do this. Mr. Evans feels that this approach might better meet the community's perspective.

HMFH is re-analyzing the original design assumptions, looking at the core and shell of the building with respect to envelope expansion, various modular open floorplans, various floor heights, parking availability, entry scenarios, circulation scenarios, and cost implications. In addition to being a tenant, the CRA would have an ongoing stewardship role over the life of the building. Mr. Evans emphasized that the revised approach would still expect a level of income to sustain the operational costs.

Mr. Bator is very concerned about such an expanded role. The increase in capital commitment, the large sustained financial and time commitment could easily prevent the organization from doing much of anything else.

Mr. Crawford agrees with the effect of the monetary commitment on the CRA's flexibility. He had assumed that the City Council's renewed interest would provide ideas, responsibilities and an increased capital commitment. Mr. Evans said that the City Councillors are not all in agreement. The City has many priorities.

Ms. Born wondered how much the CRA, as a tenant, should take on. Mr. Evans said that this is what was expected of CIC, and noted that in this case, the CRA would be taking on the risk. While the CRA would strive for as much community benefits as possible, a financial situation could occur which would necessitate a rent increase. Ms. Born said that public and Council scrutiny, among other reasons, is why the City stepped away from being the landlord. If the CRA goes forward with the project, a level of independence needs to be implicit or acknowledged, so it is not subject to a political bent.

Mr. Bator questioned whether ongoing management should be a role of the CRA. Mr. Evan said that many redevelopment authorities in other states run commercial properties. Mr. Evans said the new approach would give the CRA more control of the project than the initial approach. He added that the CRA would be subject to political views in both approaches. Ms. Drury said that the CRA has potential to be more broadly involved in the community than putting staff in the position of program managers. Ms. Madden said that if the City wants the project to have more community use, the initial outlay should be renegotiated in order to make that happen. She added that the CRA has learned that it is hard to find a single partner for 50 years, so breaking the project into four different RFP's for each of the phases gives the CRA more control. Mr. Bator was open to that approach. The CRA already has a 50-year lease on the building. Mr. Zevin suggested that the City could deliver the building shell. Ms. Drury noted that she hasn't heard any financial discussions from the City on increasing its commitment from \$6 million to \$20 million. Ms. Drury is hesitant about spending more time researching and negotiating and ending up in the same situation. Ms. Born wants the CRA autonomy defined with respect to property management and ongoing stewardship. Ms. Madden referenced the Transportation Building that has a master operator which does the leasing and the

property management. Ms. Drury added that the project became political, which completely overran the work of the community Foundry Advisory Committee (FAC), the entrusted group to figure out the best fit for the community.

Mr. Zevin said that an understanding is needed that either the FAC or the City Council is responsible for what goes into the building. Ms. Born said that some of this could be addressed with a City Council vote on the structure for the deal that established the CRA's independence. Ms. Madden noted that although the City Council did not have a role in the sublease negotiation, they are a political force. Ms. Born emphasized that the CRA and City Manager need a mutual trust. Mr. Evans noted that the current lease gives the City opportunities to reset the lease every 10 years. Mr. Bator said the City Manager could decide to change things as s/he has four appointees to the CRA Board, which the City Council has to approve. Aside from the initial money outlay, Mr. Bator is extremely reluctant to enter into a long-term relationship where the CRA is second-guessed along the way. Mr. Evans said that the CRA was in the middle of the selection process but was unable to even begin negotiations with the tentatively selected developer. Ms. Drury assumes that there was only one respondent because other developers couldn't afford to do the project. Ms. Madden added that the political nature of the project was also a deterrent.

Ms. Folakemi Alalade, a member of the Foundry Advisory Committee, said that she feels less enthusiastic about how much progress the project can make. There is friction between community members who state that the FAC isn't a representation of the community when clearly there is ethnic and vocational diversity in its members. Mr. Bator said that this project was at the mercy of the most intense and loudest minority. Ms. Alalade is comfortable with the CRA being the shepherd of the project.

Ms. Hoffman said that the process might be different with a new City Manager. The biggest issue was the initial financial commitment by the City, which is the City Manager's decision. Without a sufficient outlay of money, a satisfactory outcome was unable to be reached. Ms. Born restated that the ongoing management role is a risk that exposes the CRA to potentially 50 years of political controversy. Ms. Drury restated that the community is divided about what they want to happen in the space, and the CRA cannot solve that problem. Mr. Evans said that the City looks to the CRA to do the awkward challenges of public / private real estate development.

Ms. Drury categorized her three issues of concern. The first issue is negotiating a required outlay of money from the City that would allow the Foundry to have more public space. The second issue is the ongoing operations of the building while setting rents that the community could tolerate. The last issue is the lack of autonomy that the CRA would experience.

Mr. Evans said that meetings with the City are occurring but will take time because there's a lot of busy City staff involved, which makes scheduling harder. In the meantime, conversations with many factions are needed in order to develop the three financial scenarios requested by the City Manager. The Board told Mr. Evans that they are not sure that a successful project is feasible given the current community and political divisiveness. The Board does not want the Foundry to be the sole project of the CRA. Mr. Evans said that the Foundry could hire a turnkey developer but that is an expensive path to follow. Ms. Drury clarified that the Board is still open to discussing possibilities. Mr. Zevin brought up the possibility of leveling the building to create a bigger one but that the land-marking situation would need to be decided. The Board wants this project entrusted to the CRA only with the City administration's full support and confidence. Ms. Alalade said that the FAC echoes the Board's sentiment.

Mr. Evans will come back to the Board with an update in March.

### **Adjournment**

The motion to adjourn the regular Board meeting at 10:31 p.m. carried unanimously.