

Regular Board Meeting
Cambridge Redevelopment Authority

Wednesday, January 11, 2017, 5:30pm
Robert Healy Public Safety Center / Cambridge Police Station / Community Room
125 Sixth Street, Cambridge, MA

FINAL Regular Board Meeting Minutes

Call

Chair Kathy Born called the meeting at 5:38pm. She noted that although CRA Board meetings are usually held on the third Wednesday of each month, tonight's Board meeting is being held on the second Wednesday this month since the CRA Board will be meeting with the Planning Board on Tuesday, January 17. Other Board members present were Christopher Bator, Conrad Crawford and Barry Zevin. Staff members present were Executive Director Thomas Evans, Project Manager Jason Zogg, Program Manager Carlos Peralta, Office Manager Ellen Shore and intern Hanna Schutt.

Public Comment

There was no request for public comment.

A motion to close public comment carried unanimously.

Minutes

1. Motion: *To accept the minutes of the Regular Meeting of the Board on December 21, 2016*

Mr. Zevin gave Ms. Shore some corrections. Ms. Born asked that the word "caption" be replaced by the word "quotation."

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

2. Motion: *To accept the minutes of the Executive Sessions of the Board on September 16, 2015, October 21, 2015, February 24, 2016, October 19, 2016, and December 21, 2016*

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

Communications

Mr. Evans handed out a notice from DPW regarding the Foundry. Soil contaminants have been found on the neighboring residential property when digging for a new foundation. CRA review of the remediation action plan noted that Alexandria had put in three feet of clean fill on top of the yard. An environmental investigation of the grass area adjacent to the Foundry Building is occurring. Mr. Evans emphasized that the machinery on site is not for the Foundry building itself. Mr. Evans will keep the Board and others informed.

A motion to place the communication on file carried unanimously.

Reports, Motions and Discussion Items

3. Update: Proposed Amendment to the Cambridge Center Development Agreements

Motion: To approve the proposed amendment to the Cambridge Center Development Agreement to provide for additional development rights as allowed under the 10th amendment to the Kendall Square Urban Renewal Plan

Mr. Evans said that work on this agreement has been going on for two years while working on the MXD zoning and the Kendall Square urban renewal plan (KSURP) amendment. The topic was part of five Executive Sessions to discuss terms of the existing agreement and the future proposal. Mr. Evans summarized the staff memo in the packet.

The agreement allows for additional development. It reserves some of the square footage in the KSURP for the Whitehead proposal (separately entitled through a zoning petition) and a small slice for the Broad Institute's plans to reuse some mechanical space, within the existing building envelope and below the highest occupied floor, as commercial space. This agreement merges the agreement for Parcel 2 with that for Parcels 3 & 4 so they now function as one from a purchase price and square footage allocation. The original Parcel 2 agreement was with a different developer. When they backed out, Boston Properties (BP) took over but separate agreements existed and both needed to be maintained. The development payment schedule is a confirmation of the existing purchase price noted in the current agreement. The existing Parcel 2 development agreement uses an accelerator of 200% once a certain threshold of office and/or commercial square footage is reached. This does not apply to residential, retail or industrial. The price point changes every June. The current cost is \$76 per square foot for office and R&D and \$38 per square foot for housing, retail and other uses. Square footage for middle income housing, small scale retail or innovation space is also exempt from the purchase price payment.

In response to Mr. Zevin, Mr. Evans said that the only industrial allocation is part of Biogen's existing manufacturing facility. He added that industrial uses are not being proposed in the Infill Development Concept Plan (IDCP). Hotels would fall into the same category. Ms. Born added that these would be considered major amendments to the IDCP and would need to go through a review process with further discussion.

A new element of the development agreement is the Kendall Square Transit Enhancement Plan (KSTEP). The six million dollar program funding would be split between the CRA and BP. The agreement also exempts transferred GFA and/or reused GFA on site so that payments are only tied to new infill GFA. For example, payment for the new Akamai building does not include GFA of the existing building that is being replaced or that are being transferred to One Cambridge Center.

An attachment to the development agreement (Exhibit C) replaces an older document. This Design Review and Document Approval Procedure (DRDAP) outlines the guidelines and process for design review. The DRDAP includes the interagency review process, which has been discussed with the Planning Board and the CRA Design Review Committee. A discussion of design guidelines was removed from this document as many of these are discussed in other places like the KSURP, the K2 Plan, and a major component of the IDCP. The requirement for submission of the financial feasibilities of the buildings was also removed as the development partner and financial climate has changed since the agreement was originally written.

Requirements for deposits are still part of development agreement but these are tied to the start of a project. The original block-by-block plan was replaced by the IDCP since it is a more unifying plan.

Since the motion presumes the approval of the IDCP being heard on January 17 with the Planning Board, Mr. Evans suggested changing the motion to allow for format changes. He would also like to change the date on page 4 of the development agreement, item iii, since the MOU has not been executed yet. It is in MassDOT, awaiting the Secretary of Transportation's return from a conference.

There also needs to be a reference to 6,000 square feet of existing 2015 GFA which Boston Properties did not use with the Ames Street residential project. The pricing will be dependent upon whether it lands in the north or south parcel.

Mr. Zevin commented on the “lawyer-ese English” used in the document. He noted that the formula on page 3 is hard to understand. Mr. Evans said that Exhibit B, Table 1 tabulates the math. Ms. Born noted that she’ll defer to the lawyers but is confused with the x, y, z, and i on Pages 3 and 5. There was a long discussion about this and footnoting. Mr. Evans stated that Jeff Mullan has approved the agreement.

Mr. Evans will talk to the lawyers about removing the standalone ‘x’ on page 3. Ms. Born commended the specificity included in the DRDAP. The document covers many situations. In response to Ms. Born, Mr. Evans explained that the Planning Board knows about the concepts of the DRDAP and Mr. Jeff Roberts talked about it in a December memo to the Planning Board. A lot of time was spent with CDD staff reviewing the diagram on the last page of the DRDAP. They haven’t voted on it but that would be part of the conditions to approve the special permit. CDD has another process with ISD. Ms. Born said that this solves the uncertainty discussed at the end of the last joint meeting. It also aspires to include members of the Planning Board. It is a very transparent and publicly accessible process.

Ms. Madeleine Timin, attorney for Boston Properties, joined the meeting. She believes that the ‘x’ on Page 3 can be removed and will confirm with CRA attorney Mr. Mullan.

Mr. Zevin questioned the advisory-only role of the Design Review Committee. Mr. Evans added that CDD said that the Planning Board doesn’t want decisions or formal recommendations to be made by only a subset of its members. It is presumed that the decisions of the Design Review Committee will have some weight. If there is no consensus, the designer would need to come up with another response. Mr. Evans confirmed that consultants could still be used after the construction documents are received, especially for a complex building.

A motion was seconded to approve the proposed amendment to the Cambridge Center Development Agreement to provide for additional development rights as allowed under the 10th amendment to the Kendall Square Urban Renewal Plan, substantially in the form of the materials presented on January 11, 2017.

A role call was taken.
Mr. Zevin - yes
Mr. Crawford- yes
Ms. Born- yes
Mr. Bator - yes
Ms. Drury – absent

The motion carried.

4. Update: Foundry Redevelopment Project

Along with the memo that was handed out earlier, Mr. Evans summarized the status. The CRA Board reset the procurement process in its December meeting. The Cambridge Historic Commission met last week and is moving forward with the landmark designation process. Precise details and schedule are unknown at this time. Also last week, CRA staff met with City administration to relay the hopes to move quickly with some next-step scenarios. The CRA has entered into a contract with HMFH to take another look at the building with respect to development cost scenarios, which might reduce the usable square footage of the building but provide more flexible space for adaptation to multiple uses in the future. The idea is to keep the core and shell cost calculations separate from the programming and tenant fit-out calculations. There is also a contract with a structural engineer to better understand the technical elements of the building’s architecture to get the costs of needed core, shell or infrastructure work. Mr. Evans also wants to refine what the City and the community wants with respect to the programming in the building. The final step is then structuring a development strategy to meet those needs. The last procurement approach kept the strategy idea open. This actually helped the CRA learn a lot, so that time was not lost. A new procurement approach hasn’t been determined. The Foundry Advisory Committee (FAC) has an open seat that will be filled. The FAC will be part of the process. Staff is currently preparing a memo to the City Manager outlining a work timeline.

Ms. Born noted that Ms. Folakemi Alalade, a FAC member, is present. Mr. Ivan Levy remembered that the HMFH cost was \$22 million for a simple renovation of the building, using a specific agenda given. He felt that the initial process was not community driven and that just having FAC members is not enough. Ms. Alalade stated that the FAC are all community members who did get the community involved.

Mr. Evans emphasized the need to understand what assets are already available. Within the next couple of weeks, staff should be getting the City's Community Needs Assessment and the East Cambridge Planning Team survey results. The Demonstration plan was trying to do too much in one space. The next round needs to provide clarity in the programmatic focus, which was something CIC mentioned. However, since the goals could change over the life of the building, the mechanics of the CRA sublease to the tenant of the building might need to be restructured to not be a 50-year term.

Ms. Born emphasized the need for flexibility in the life of a building. Mr. Levy stressed that the building was promised for community oriented usage. Mr. Bator added that the CRA has always considered this as a community building but it has to be doable. There are intense differing views; it is a neighborhood building as well as a Cambridge-wide building. There was extensive community outreach and input. This new process should identify whether the economic feasibility and community needs can be matched.

Mr. Evans said a determination is needed of the initial capital outlay required to make the building viable. In the original Demonstration Plan, there was interest in getting private investments for the initial capital needs. This complicated the financial equation because it combined equity and debt structures with rental revenue. There is also the need to understand what subsidy, if any, is needed to keep the building functioning, given various programming uses. Mr. Bator noted that there are finite limits of what can be done unless the City is willing to commit a new line item for the Foundry.

Mr. Levy said that in June 2013, he held an art exhibit /open house in the Foundry building, called the Foundry Equation, to highlight a proposal that the building be used for the arts, community and nonprofits serving kids of Cambridge. He got 1200 (online + physical) signatures on a circulated petition which stated that with \$22 million in initial capital, there would be no debt and money to maintain the building with rents of \$25-\$30/per square foot in a filled building with 50,000 square feet. He added that both Alexandria and CIC agreed that this number was feasible. He suggested to look at community individuals as innovators who can come up with ideas as much as businesses. He added that the community has already come up with an idea that will work and have also "activated" a City Councilor to make changes. Ms. Alalade urged him to remember that the FAC are community members and to share his idea with the FAC. She also said that she has never seen the City Councilor at a meeting where the Foundry was discussed. Mr. Bator said that the CRA Board members are also Cambridge residents and part of the Cambridge community.

Mr. Sam Seidel noted that the process is now reset. Option A didn't work and that the City will allocate more money. Mr. Evans emphasized that he is not sure how much City money will be involved. He added that with more City money, public procurement and public bid jobs could be required which increase costs. Mr. Seidel added that the management structure might need to come from the CRA or a nonprofit stemming from the CRA instead of the private sector. Mr. Evans added that there is an option for a phased occupancy.

5. Report: Proposed 2017 Seasonal Food Truck RFP for Third and Binney

Mr. Peralta stated that the 2017 Food Truck RFP will be posted tomorrow. Applications are due February 22. Mr. Peralta has already been in contact with many vendors and other network avenues to help distribute the RFP. The site will be available to vendors on April 3. The CRA strives to provide unique high-quality offerings in a clean sustainable area, add street life to the corner, enhance the retail and residential corridor of Third Street and create opportunities for entrepreneurs entering the retail or food industry. The goal is to complement the diverse food offerings of Kendall with distinctive affordable offerings and provide a great public amenity for the Kendall Square area.

In response to the lessons learned from last year's pilot program, there will be some changes to the program. There will be two entrée trucks instead of just one, to strengthen the program. Vendors will bid on

days and hours instead of a mandatory 11am – 2pm timeframe, opening the program to dessert vendors and breakfast vendors. Vendors are encouraged to track and share statistics to analyze visitor frequency. Invoices will go out twice during the season rather than monthly to reduce administrative overhead.

The entire program timeline is in a memo in the packet. Mr. Peralta explained that the vendors selected will be determined by the most hours offered. Trucks will be on site Monday through Friday. The restaurants did not offer any feedback – negative or positive - once last year's season started. Mr. Evans spoke with Za and EVOO, which didn't feel any effect from the food trucks' presence. Mr. Evans stated that a Kendall restaurant food truck would have first consideration if it applied. It was agreed that notifying the KSA does a good job of getting the word out to the restaurants.

Mr. Hawkinson commented that taking feedback from the local restaurants crippled last year's program making it unsuccessful. Even if they were to object, more feedback should be gathered from others who might not complain as loudly. He also suggested asking for uniform statistics for easier comparisons. He also noted that the highest bidder or the one with the most hours might not make the best choice if it means all dessert trucks, for example. He added that the program needs to be actively managed to be successful.

There was a discussion about ways to help advertise. It was suggested that the food truck location should have its own Twitter site so that it doesn't get intertwined with other CRA work. It was suggested to request that the trucks tweet their arrival when they get to the site. Certain food trucks have better followings. Mr. Zogg noted that certain food trucks are better at social media than others.

In response to Mr. Evans, the Board said that the food truck selections can be deferred to staff. They would like a report but specific approval is not required.

6. Report: Proposed CRA Deaccession Policy and Octahedron Sculpture

Motion: To adopt the proposed Deaccession Policy for Public Art owned by the Cambridge Redevelopment Authority

Motion: To authorize staff to initiate the Deaccession Process for the Octahedron Sculpture

Using a Powerpoint presentation, Mr. Zogg explained the proposed policy. He said that Ms. Lilian Hsu, Director of Public Art for the Cambridge Arts Commission, advised the CRA to create a deaccession policy. This CRA policy is developed using language from the Cambridge Arts Commission, the Americans for the Arts, and the Visual Artists Rights Act of 1990 (VARA).

He explained that deaccessioning is a procedure for the withdrawal of artwork from public exhibition and is intended to maintain the value of the CRA's collection and guard against the arbitrary disposal of any of its pieces. Mr. Zogg then explained the conditions and steps for deaccessioning, and the recommended language for future art contracts.

Currently, the CRA owns the Octahedron, the Galaxy structure and a tile collage found in the CRA storage area before 80 Broadway was remodeled.

Mr. Zogg told the story of the Denver airport Blue Mustang deaccession story.

Mr. Zogg spoke about the Octahedron: its artist, original location, current location, creation date, removal date, materials, history and the CRA background. There are no records of the selection process or artist contracts. Mr. Zogg showed pictures of the structure. The context of the structure is gone and without it, the scale of the structure makes little sense. Recreating the structural support system is unfeasible. The gold leaf is worn. The gilded trap door was stolen which made the sculpture more susceptible to the elements, so a safety analysis of the internal fasteners would be required. Moving it is expensive in its current form, as it would need a wide-load flatbed trailer truck and a crane.

Although the CRA policy hasn't been technically adopted yet, the octahedron does meet many of the conditions stated. Although the original cost of the structure is unknown the concrete pad needed to hold up the octahedron at ground level would be costly. Significant changes in the use, character, or actual design of the site occurred when the plaza was redone so the artwork has lost its contextual meaning. The artwork is not on display because of the lack of a suitable site. When Boston Properties took ownership of the plaza, they requested the artwork be removed and the future owner of the current site does not want it. Mr. Zogg listed the other agencies he has contacted. Of those, Ms. Naomi Lipsky, President of the Massachusetts Society of Gilders was interested. She has been investigating moving it to a location in Pontiac, Illinois. The quoted price from a trucking agency is \$15,000 plus a \$2500 cost to rig it onto a trailer.

There was a discussion about transporting it by rail or water. Mr. Zevin suggested unfolding it and repurposing it as part of a shade structure on Parcel 6. There was a suggestion that it belonged in an office park atrium. There was a suggestion of Craigslist or some online auction site. Mr. Zogg did not have a quoted price for a concrete pad with a steel column.

The next steps are to continue the conversation with Ms. Naomi Lipsky, to contact the artist, to provide public notification per the policy, write up the decision, have the artist sign the document, and then execute the decision.

Although not stated in the policy, Mr. Evans asked if staff should get the artwork appraised. The Board feels that staff is already stretched so taking more time is not advisable. If a change to the policy is needed, the Board can amend the policy.

The motion to adopt the proposed Deaccession Policy for Public Art owned by the Cambridge Redevelopment Authority carried unanimously.

The motion to accept the report and authorize the staff to initiate the Deaccession Process for the Octahedron Sculpture carried unanimously.

7. Monthly Staff Report and Financial Update

Motion: To designate the Executive Director to function as the Records Access Officer for the Cambridge Redevelopment Authority

Mr. Evans said that the Commonwealth changed the public records law in 2016 which became effective on January 1, 2017 with respect to digital access to public records and response times for record requests. The most immediate concern from counsel was the need for state agencies to designate a Records Access Officer to be in charge of responses to public record requests. For the time being, the person with the most institutional knowledge is the Executive Director. There is also the need to improve the organization of all the CRA's historic records by hiring an archivist in 2017.

The motion to designate the Executive Director, Tom Evans, to function as the Records Access Officer for the Cambridge Redevelopment Authority carried unanimously.

Some contracts have been executed for the Foundry design work, mapping the Kendall Square data, and surveying some properties. Since these are under the \$10,000 threshold, the Board is notified and the Chair signs the contract.

Staff has initiated the money market account at Cambridge Trust and has opened an OPEB fund with Morgan Stanley although no money has been transferred into this account to date. An accounting consultant has not yet been hired.

On the future calendar, the annual meeting is in February with the election of officers and presentation of the annual report. Concepts for the Binney Street design and the Cambridge Trust signage proposal are expected to be presented in February or March. Tenant improvements are already underway and Sebastian's has been reorganized.

Mr. Evans stated that the initial phase of the existing Strategic Plan has been accomplished. Assuming the approval of the Infill Development Concept Plan, the Strategic Plan should be updated to include other things that the CRA can do for the City of Cambridge. There was a discussion on the process for doing that. Mr. Bator does not want to constrain future options and opportunities to allow the CRA to remain flexible and imaginative.

The Forward Fund 2015 has finally closed and most of the 2016 projects are completing their work. The 2017 Fund is being launched this month. Galaxy Park now has wood benches, which look nice. There are Dig Safe markings related to MIT's work. The markings can be powered washed but it will be harder to remove it from the glass-aggregate paving. Boston Properties was very upset since Galaxy Park is private property.

Air-spading is being done on the 6th Street Walkway to investigate the location of the tree roots. Biogen also wants to run cogeneration infrastructure along their building but on CRA property. The CRA is working to coordinate these efforts. Alta has finished the first round of the traffic analysis and is now developing concepts to come before the CRA Board for review. Past concepts have focused on the intersections but concepts for the whole corridor are being incorporated.

The Budget vs. Actual report for the year shows amounts that will change as several 2016 invoices are still expected and the last payroll in 2016 is not included. The actual income was more than predicted due to investments that did better than estimated. Most of the expenses were below expectations except for some computer equipment purchases related to the unexpected CRA server transition. Much of the professional budget wasn't spent as some planned work did not occur. The actual property management expense was lower than budgeted since there was less snow and CRA management of the Grand Junction Park (GJ) was delayed by two months while the contractor was completing their work. The largest investment was the construction of the GJ. There were also significant resources spent on the MXD review and Foundry work.

The bank accounts holding matured CD have been closed and the funds have been shifted to the investment account at Morgan Stanley, to the operating account at Cambridge Trust or to the payroll account at Boston Private. Per government accounting, reports on finances need to show today's market price of all assets, which includes unrealized gains/losses and accrued interest. CDs and bonds could have a value today that is different from their value at the time of maturity. The CRA intends to hold all CDs and bonds to maturity. Conversations with the Treasurer and Assistant Treasurer will be scheduled regarding a strategic investment plan for the expected revenue if the Infill Development Concept Plan is approved and the project gets built. In response to Ms. Born, Mr. Evans explained that the price of the development agreement gets set when the schematic design is approved.

Ms. Born reminded staff and Board members to send their Commonwealth online ethics certificate to Ms. Shore.

Adjournment

The motion to adjourn the regular Board meeting at 8:05 p.m. carried unanimously.