

## Foundry Governing Documents

### CONSIDERATIONS FOR PERFORMANCE MEASURES

July 10, 2020

The following excerpts are a selection of references related to performance measures to serve as a reference and backdrop to guide the current considerations. Note: “Committee” refers to the FAC, and “Agreements” refers to the Lease and any other legal agreements between the City and the CRA.

#### **From the Amended Demonstration Plan, 2017:**

##### *5. Operations Phase (2021- forward)*

*The Operator will be expected to manage all aspects of building operations including property management and leasing and/or the designation of operators to manage programs within the building and will work cooperatively with the CRA regarding subleasing all or portions of the Property. The Advisory Committee will play a role in making sure that the Project remains consistent with the Plan’s Vision and Objectives. (p. 16)*

*Since the Foundry is expected to be a center for creativity and innovation, a regular process of assessment and evaluation of the programs and the Property will provide valuable feedback on its success in meeting the Vision and Objectives, or alternatively, the need to update them. The process of assessment and evaluation shall be conducted in consultation with the City, the CRA, the Committee and the Operator. The assessment should take into account the Lease agreement and other legal agreements by and between the City and the CRA (“Agreements”), actual operations, changing demand or market forces, updates in technology or other innovations, the condition of the building, and other outside forces. (p. 16)*

*Subject to the terms of the Lease, it is the responsibility of the CRA to engage in a process to select (with the input of the City) an Operator that can deliver and maintain the defined programs of the Property per the Vision and Objectives stated above and otherwise in accordance with this Plan. (p. 17)*

*The Agreements will address the City Manager’s establishment of the Committee, the Committee’s membership and member terms, as well as the role of the Committee in ensuring that the use of the Foundry is consistent with the Visions and Objectives of this Plan. (p. 17)*

*The Committee will continuously re-evaluate proposed Programs through the term of the Agreements and make recommendations consistent with community needs as they may evolve over time, and will also review any significant capital changes to the building as they affect the value of the Foundry as a City asset. (p. 17)*

*The Advisory Committee shall provide annual updates to the CRA Board at a regular public meeting to provide the public with information regarding its activities as well as for the purpose of soliciting input from the public about the programs associated with the Foundry throughout the Design and Construction, and Operations Phases. (p. 17)*

*The CRA will provide oversight of the Foundry's management, subject to the City's approval pursuant to the governance structure as established in the Agreements. The Agreements will also provide the Committee and the Cambridge community avenues to remain apprised of the ongoing operations of the Foundry. It is anticipated that the tenants, activities and programs will evolve over time; however, the CRA will utilize its ability to direct the Operator to ensure that the Vision and Objectives of the Plan and the Project are met throughout the term of the Lease. (page 19)*

**From the City/CRA Lease, 2018:**

*5.3 Performance Measures. The Operator shall maximize the benefits to the community from the redevelopment and use of the Property while maintaining the financial sustainability of the Property. The Operator Agreement will include performance measures and reporting requirements that comply with the Governing Documents. (page 3).*

*5.4 Continuous Operation. The Operator Agreement shall require the Operator to use its best efforts to keep the Property continuously occupied during the Lease Term. (page 3).*

*5.8 Remedies. The Operator Agreement shall provide remedies for Landlord and/or Tenant if the Property is not managed and operated in accordance with the Governing Documents, including termination or modification of the Operator Agreement, injunctive relief, and reimbursement for expenses and attorneys' fees associated with remedies under the Operator Agreement. (p.4)*

*7.3 Oversight. Tenant shall play an active management role in overseeing operations at the Property consistent with the Governing Documents and this Lease, including but not limited to oversight of the Operator's adherence to the Operator Agreement, emphasizing community uses and public programming of shared-spaces. (p. 5)*

**From the Cooperation Agreement, Attached to the City/CRA Lease, 2018:**

*11. The Operator is expected to assume the following three roles, subject to the management and oversight of the CRA: .....*

*b. Program Manager: The Operator will manage the marketing, scheduling, and coordination of the use of all public spaces and spaces available for municipal or community uses. The Operator will seek anchor community tenants to utilize and program the community spaces and will partner with community tenants and other organizations to program and activate shared spaces and public spaces.*

*The Operator will also conduct outreach into the Cambridge community to raise awareness of the Foundry's events and programs. The Operator will negotiate subleases and other agreements with Community Users to specify rents, membership fees, and other revenues; to define Community Users' rights and responsibilities to utilize shared resources and participation as building occupants; and to define responsibilities for all fit-out and furnishings.*

**From the Amended Demonstration Plan, 2017 (pp 4-5):**

**II. Vision and Objectives**

1.

2. A. Vision

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

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

B. Objectives

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

**1. Innovative Programs**

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

## **2. Building and Site Development**

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

## **3. Operational and Financial Structure**

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

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