



## MEMORANDUM

**To:** CRA Board  
**From:** Gardy Laurent  
Director of Finance and Operations  
**Date:** March 20, 2024  
**Subject:** CRA Financial Report as of January 31, 2024

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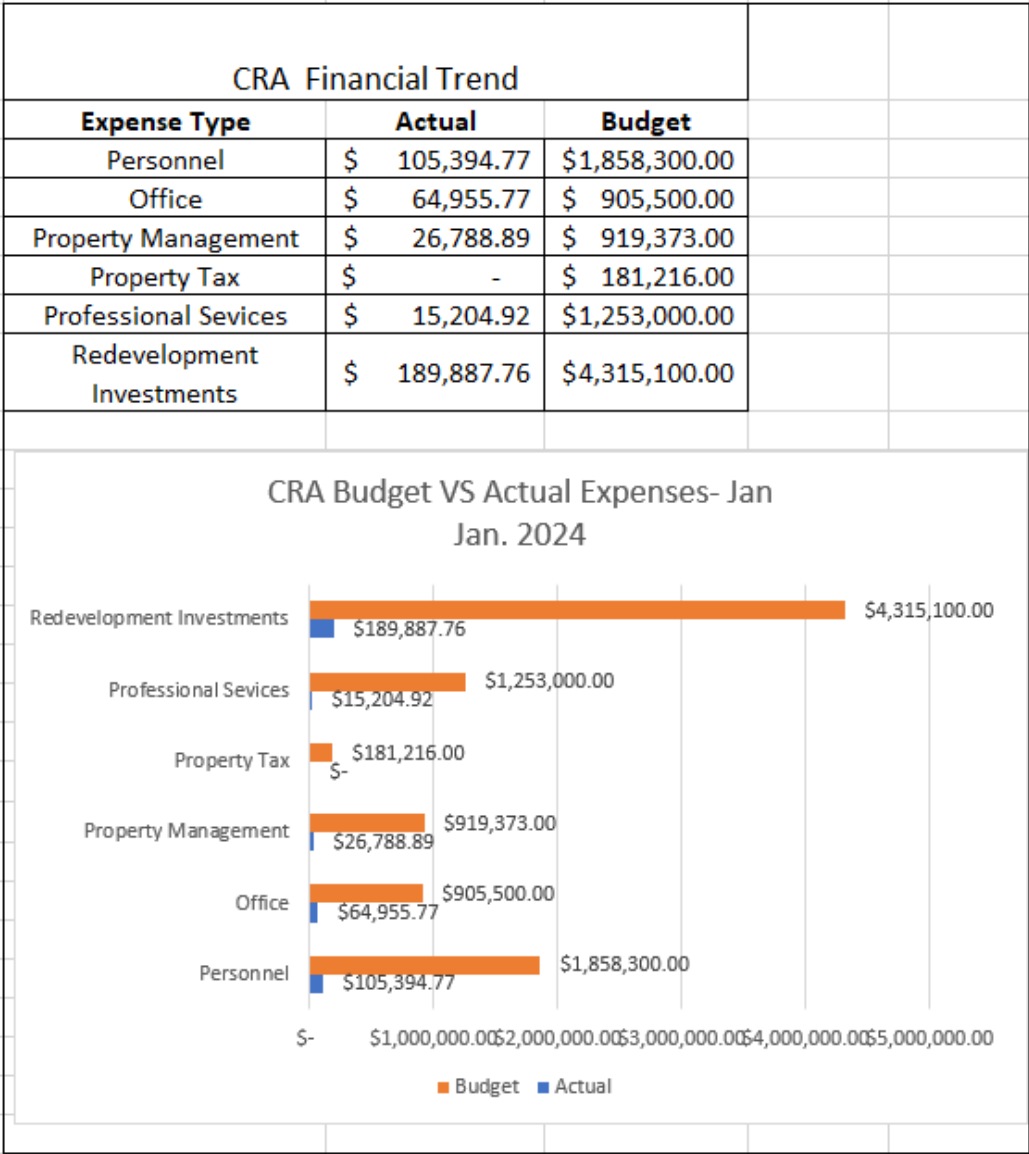
## CRA CONSOLIDATED STATEMENT OF ACTIVITIES

The Cambridge Redevelopment Authority’s (CRA) primary sources of income are Proceeds from the Sale of Development Rights, Rental Income for 99 Bishop Allen and Foundry (101 Rogers St), Investment Income (i.e. interest, dividends, investment gains/losses), and other miscellaneous revenue. As of January 31, 2024, The CRA’s total year-to-date (YTD) income was \$67,915,859 with YTD expenses totaling \$463,192. Accounting adjustments for building and equipment depreciation expenses were recorded for \$60,960.

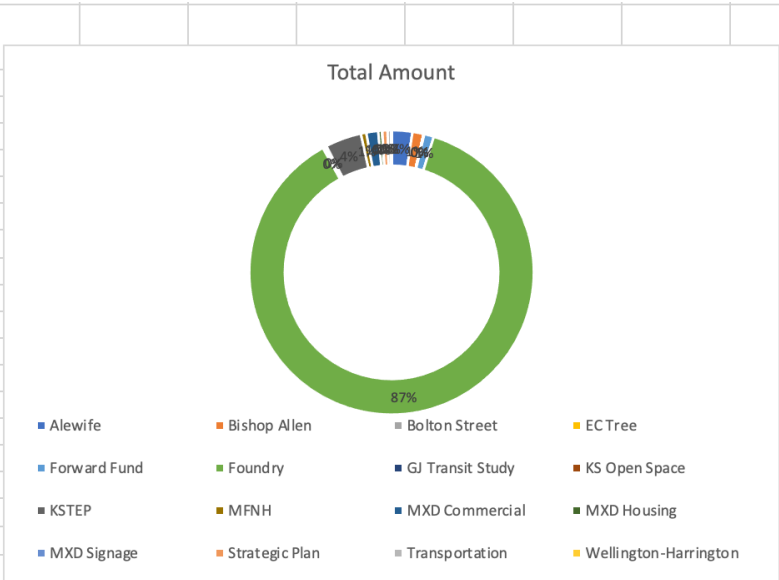
For January, the CRA’s consolidated statement of activities had a net operating income of \$67,513,627 and a total Change in Net Assets of \$67,452,667. This is primarily due to the billing of a lump sum for Proceeds from the Sale of Development Rights to Boston Properties (BxP) for a total of \$67,540,494 regarding the development of 290 Binney Street (\$47,015,450) and 121 Broadway (\$20,525,0444). Per the development agreement stipulation, the CRA can bill the developer upon building permit issuance by the City.

<b>Cambridge Redevelopment Authority</b>				
<b>Consolidated Statement of Activities- CRA</b>				
<b>31-Jan-24</b>				
		Actuals VS YTD Budget		Annual Budget Reference
<b>Income</b>	Actuals	YTD Budget	Variance	
Proceeds from sale of development rights	\$ 67,540,494	\$ 61,912,120	\$ 5,628,375	\$ 67,540,494
Reimbursement/other	\$ 14,723	\$ 73,333	\$ (58,610)	\$ 80,000
Rental Income	\$ 144,424	\$ 1,383,250	\$ (1,238,826)	\$ 1,509,000
Investment Income	\$ 216,217.71	\$ 916,667	\$ (700,449)	\$ 1,000,000
Other Revenue Adj.	\$ -	\$ 275,000	\$ (275,000)	\$ 300,000
		\$ -	\$ -	
<b>Total</b>	<b>\$ 67,915,859</b>	<b>\$ 64,560,370</b>	<b>\$ 3,355,490</b>	<b>\$ 70,429,494</b>
		Actuals VS YTD Budget		Annual Budget Reference
<b>Expenses</b>	Actuals	YTD Budget	Variance	
Operating Expenses	\$ (197,139.43)	\$ (2,538,983)	\$ 2,341,843.90	\$ (2,769,800.00)
Professional Services	\$ (15,204.92)	\$ (732,417)	\$ 717,211.75	\$ (799,000.00)
Redevelopment	\$ (189,887.76)	\$ (1,911,250)	\$ 1,721,362.24	\$ (2,085,000.00)
<b>Total Operating Expenses</b>	<b>\$ (402,232)</b>	<b>\$ (5,182,650)</b>	<b>\$ 4,780,418</b>	<b>\$ (5,653,800)</b>
<b>Net Operating Income</b>	<b>\$ 67,513,627</b>			
Other expenses (Depr.)	\$ (60,960.00)			
<b>Net Income</b>	<b>Actuals</b>			
Change in Net Assets	\$ 67,452,667			

The expense types in the table below reflect the CRA’s first month of operation in 2024. The top expense category is Redevelopment Investment totaling \$189,888, primarily from the provision of Operator Support for the Foundry (\$164,466). The second highest expense type is personnel which includes salaries and fringe benefit costs for the CRA’s staff. Other project expenses are listed in the chart below (ex: GJ Transit Study, KS Open Space, etc.).



Total Expenses by Project through Jan. 2024		
Project Name	Total Amount	Percentage
Alewife	\$ 5,185.01	2%
Bishop Allen	\$ 2,797.84	1%
Bolton Street	\$ 0.00	0%
EC Tree	\$ 163.69	0%
Forward Fund	\$ 2,430.82	1%
Foundry	\$ 191,749.33	87%
GJ Transit Study	\$ 412.32	0.2%
KS Open Space	\$ 554.77	0%
KSTEP	\$ 9,031.27	4%
MFNH	\$ 1,367.31	1%
MXD Commercial	\$ 2,957.59	1%
MXD Housing	\$ 952.85	0%
MXD Signage	\$ 48.72	0.0%
Strategic Plan	\$ 1,319.09	1%
Transportation	\$ 978.28	0%
Wellington-Harrington	\$ 0.00	0.0%
<b>Total</b>	<b>\$ 219,948.89</b>	



The CRA’s cash, cash equivalents, and investments totaled \$26,564,566. The investment account includes \$7 million of KSTEP balance, Other Post-Employment Benefits (OPEB) for \$467K, and the CRA’s US Bank portfolio of \$16.6 million.

In early January, the CRA executed an equity deal for the development of 2400 Massachusetts Ave for \$5 million, resulting in the balance sheet showing a decrease in the Investment account balance by \$5 million and an increase to “Other Asset” by the same amount. The high balance in Accounts Receivable includes the invoices billed to Boston Property for 121 Broadway and 290 Binney Street. When including these items along with other assets such as loan/interest receivable, fixed assets, and other assets the CRA had a total asset of \$125,822,466 (See Balance Sheet).

Under the Liabilities and Equity section of the balance sheet, the total net position for Restricted Funds, Net Assets, and Change in Net Assets was \$119,065,825. Total current liabilities for credit cards (\$6,099) and other payables such as for Danny Lewin Work were \$308,284 and with added long-term mortgage and deferred revenue yielded a total liability of \$6,756,641.

Balance Sheet

<b>CAMBRIDGE REDEVELOPMENT AUTHORITY</b>			
<b>Statement of Financial Position - January 31, 2024</b>			
<u>Assets</u>			<b>Actual</b>
Cash & Cash Equivalents			
Bank		\$	2,447,455
Restricted		\$	-
<b>Total Cash</b>		\$	2,447,455
Current Assets			
Accounts Receivable		\$	68,334,647
Investment		\$	24,117,111
Prepaid Expenses		\$	20,175
Loans & Interest Receivable		\$	804,889
Other		\$	-
<b>Total Current Assets</b>			95,724,277
Fixed Assets		\$	23,689,529
Less: Accum Deprec/Amort			-1,176,377.54
<b>Net Fixed Assets</b>			22,513,151
Other Assets		\$	7,585,038
<b>Total Other Assets</b>			7,585,038
<b>Total Assets</b>		\$	125,822,466

Balance Sheet

<b>CAMBRIDGE REDEVELOPMENT AUTHORITY</b>		
<b>Statement of Financial Position - January 31, 2024</b>		
	<u>Liabilities &amp; Equity</u>	<b>Actual</b>
	Current Liabilities	
	Accounts Payable	\$ 244,050
	Credit Cards	\$ 6,099
	Other Current Liabilities	\$ 58,135
	<b>Total Current Liabilities</b>	<b>308,284</b>
	Long-Term Liabilities	
	Deferred Compensation	\$ -
	Loan Payable	\$ 6,370,260
	Deferred Revenue (Security Dep)	\$ 78,096
	<b>Total Lon-Term Liabilities</b>	<b>6,448,357</b>
	<b>Total Liabilities</b>	<b>\$ 6,756,641</b>
	Restricted Funds	\$ 10,051,394
	Net Assets	\$ 41,561,764
	Change in Net Assets	\$ 67,452,667
	<u>Equity</u>	
	<b>Total Net Position</b>	<b>119,065,825</b>
	<b>Total Liabilities &amp; Net Assets</b>	<b>\$ 125,822,466</b>

## BISHOP ALLEN STATEMENT OF ACTIVITIES

The CRA receives rental income for operating the commercial building located at 99 Bishop Allen Drive, Cambridge, MA, and the Foundry located at 101 Rogers St., Cambridge, MA. The two statements of activities below break down each location's financial operating performance.

In January total income was \$61,446 with a positive net operating income of \$9,885.1. After adjusting for building depreciation expense, Bishop Allen had a negative change in net assets of \$41,279. With the close of construction project at end of December 31, 2023 for the building, accounting standards require reporting depreciation for amount reported as construction in progress part of the balance sheet. The CRA continues to address water intrusion and moisture mitigation issues as part of capital improvement to the building. Bishop Allen is fully rented with nine office suites.

<b>Cambridge Redevelopment Authority</b>					
<b>Statement of Activities- Bishop Allen Ave</b>					
<b>31-Jan-24</b>					
			<b>Actuals VS YTD Budget Variance</b>	<b>Annual Budget Reference</b>	
<b>Income</b>	<b>Actuals</b>	<b>YTD Budget</b>			
Grants	\$ -	\$ -	\$ -	\$ -	\$ -
Operating Income	\$ 2,223	\$ 3,762	\$ (1,538)	\$ 45,141	
Rental Income	\$ 59,217	\$ 55,236	\$ 3,981	\$ 662,832	
Investment Income	\$ 6	\$ -	\$ 6	\$ -	
Other Revenue	\$ -	\$ -	\$ -	\$ -	
<b>Total</b>	<b>\$ 61,446</b>	<b>\$ 58,998</b>	<b>\$ 2,449</b>	<b>\$ 707,973</b>	
<b>Expenses</b>	<b>Actuals</b>	<b>YTD Budget</b>	<b>Actuals VS YTD Budget Variance</b>	<b>Annual Budget Reference</b>	
Operating Expenses	\$ (34,082.10)	\$ (25,958)	\$ (8,123.77)	\$ (311,500.00)	
Professional Services	\$ -	\$ (2,167)	\$ 2,166.67	\$ (26,000.00)	
Mortgage Interest Expense	\$ (17,479.19)	\$ (29,614)	\$ 12,135.23	\$ (355,373.00)	
<b>Total Operating Expenses</b>	<b>\$ (51,561)</b>	<b>\$ (57,739)</b>	<b>\$ 6,178</b>	<b>\$ (692,873)</b>	
<b>Net Operating Income</b>	<b>\$ 9,885.11</b>				
Other expenses (Building Deprec.)	\$ (51,164.00)				
<b>Net Income</b>					
<b>Change in Net Assets</b>	<b>Actuals</b>				
	\$ (41,279)				

## FOUNDRY STATEMENT OF ACTIVITIES

The Foundry had a total rental and operating income of \$92,967 with a total expense of \$186,814. Net operating income was negative \$93,847 and after depreciation of equipment had a negative change in net assets of \$103,643. On the third floor, the CRA is completing the modification of office Suite 3B creating a new Suite 3C to accommodate a new tenant with a lease start date of April 1, 2024.

In the FY24 budget, the CRA appropriated \$300,000 for capital improvement to the building relating to the expected construction. The lowest construction bid was \$475,000, without a responsive electrical contractor onboard. The construction team had to seek new bids for the electrical work which resulted to an increase of \$105,000 more above the original general contractor price of \$475,000. The CRA is requesting that the Board approve the reallocation of \$280,000 from the Foundry Operator Support budget line to Foundry Capital Improvement budget to keep the project moving so that the tenant can move in by April 1, 2024. It is estimated that under the existing lease terms, the CRA will recuperate its construction cost by 2026 through rent from the new suite. Additionally, the CRA is awaiting reimbursement funds from the City from the settlement of the cooperation agreement expenses, which should exceed this additional contract value.

In November 2023, the CRA initiated a tax abatement request to the Assessor's office for both the office and community space of the building. In January, the Assessing office approved the abatement request and abated all the community space and part of the commercial offices for a total amount of \$51,482. The CRA continues to have conversation with the City about next steps and future tax bills. Minimizing these tax bills allow the Foundry to expand consistent operations into Sunday and providing additional event services to the public. The abatement also recognizes that the Foundry is providing viable office space to non-profits while aligning with the CRA's objective to make the Foundry operation self-sustaining.



<b>Cambridge Redevelopment Authority</b>				
<b>Statement of Activities- Foundry</b>				
<b>31-Jan-24</b>				
			<b>Actuals VS YTD Budget</b>	<b>Annual Budget Reference</b>
<b>Income</b>	<b>Actuals</b>	<b>YTD Budget</b>	<b>Variance</b>	
Operating Income	\$ 12,500	\$ 16,174	\$ (3,674)	\$ 194,091
Rental Income	\$ 80,467	\$ 85,927	\$ (5,460)	\$ 1,031,125
Investment Income	\$ -	\$ -	\$ -	
Other Revenue	\$ -	\$ -	\$ -	
		\$ -	\$ -	
<b>Total</b>	<b>\$ 92,967</b>	<b>\$ 102,101</b>	<b>\$ (9,135)</b>	<b>\$ 1,225,216</b>
			<b>Actuals VS YTD Budget</b>	<b>Annual Budget Reference</b>
<b>Expenses</b>	<b>Actuals</b>	<b>YTD Budget</b>	<b>Variance</b>	
Operating Expenses	\$ (22,348.11)	\$ (63,768)	\$ 41,419.89	\$ (765,216.00)
Professional Services	\$ -	\$ (6,667)	\$ 6,666.67	\$ (80,000.00)
Redevelopment	\$ (164,466.00)	\$ (66,667)	\$ (97,799.33)	\$ (800,000.00)
<b>Total Operating Expenses</b>	<b>\$ (186,814)</b>	<b>\$ (137,101)</b>	<b>\$ (49,713)</b>	<b>\$ (1,645,216)</b>
<b>Net Operating Income</b>	<b>\$ (93,847)</b>			
Other expenses (Equipment Depr.)	\$ (9,796.00)			
<b>Net Income</b>	<b>Actuals</b>			
Change in Net Assets	\$ (103,643)			

## CLOSING STATEMENT

The Finance and Operations group started the new year with numerous fiscal projects for operational improvements. The group consists of a Finance Manager (Sabrina Nunez-Diaz), Operations Director (Ellen Shore), and Director of Finance and Operations (Gardy Laurent). With the expansion of the team, staff successfully launched a new fiscal operation system that tracks assets, budget expenditures, procurement contracts, purchase order, assets, and many more administrative processes. The COVID loan issued by the CRA in 2021 is being re-assessed to revamp collection/servicing strategies.

A few major financial activities to highlight in January 2024 were the execution of an equity deal for the development of 2400 Massachusetts Ave, abatement received from the City for Foundry paid property tax, and invoicing Boston Properties for Sales of Redevelopment Rights at 290 Binney Street and 121 Broadway. As of this report date, the CRA plans to meet with the Finance Committee to discuss investment financial strategies that will lead to a sustainable long-term fiscal strategy.