

FAC Meeting  
November, 3<sup>rd</sup> 2017  
Police Station

## PARTICIPANTS

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CRA: Kathryn Madden, Carlos Peralta, Alex Levering & Ellen Shore

### **Advisory Committee**

Mark Tang  
Deborah Ruhe  
Jason Slavick  
Folakemi Alalade  
*Not in attendance – Marie Saccoccio, Jamie Sabino and Richard Thal.*

### **Community Members**

Ron Mallix  
Michael Shia  
James McClurkin  
Stephen Moore  
Kyla Astley  
Rick Kuhn  
Betsy Boyle  
Zhanina Boyadzhiera  
Phyllis Brethottz  
Michael Dawson  
Irene Kang  
Matt Boyes-Watson

## DISCUSSION AND COMMENTS

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### **Operator Role and Responsibilities**

Michael Shia – Concerned about getting the tenant mix correct – Community space vs non-profit vs. for profit – wants to make sure the process is not balkanized.

Jason & Folakemi – Wants to seek out more collaboration with the Cambridge Arts Council. – Asked if they are interested in running it.

Ron Mallix – Wants to make sure that as time goes on, new needs will come up and that community outreach will be an elastic and ongoing process.

Marie noted that it will be important for the operator to connect to the elder service organizations in East Cambridge, as that is a large part of the East Cambridge population.

Question was raised about whether or not the operator had to be a 501c(3), or if the FAC and CRA will be looking at private organizations or individuals as well? → Mark Tang indicated that the FAC should be open to all applications, from for and not for profit organizations. He also noted that the FAC received previous criticism for steering the process too much, and that they should learn from their experience.

Phyllis Brethottz from the Cambridge Arts Council emphasized looking at Creative Hub in Worcester as a good case study. – Kathryn mentioned that she and Tom got a tour of the facility and met the owners.

Folakemi noted that she wanted to see the operator as having existing connections to the community. In her own experience, she's seen examples like the Foundry where the property manager was too rigid, and it caused the development to not succeed.

Jason sees the Boston Center for the Arts is a good example to look at, as they help to shepherd the vision while organizing the many different groups that participate there.

Betsy Boyle clarified that the CRA needs space in the Foundry when it is completed. Kathryn clarified that the CRA will rent about 2,000sf of for-profit space.

Clarification was asked about the 60% - 40% for profit vs. community rents. Deborah asked if the Initial Building Program the 60-40 breakdown was an assumption, or if it was analyzed. Kathryn clarified that it was analyzed, but that that data was not public.

Noted that the Operator and the CRA needs to come together to decide the methods of measuring success, and the metrics to be used. Ex: reporting monthly occupancy rates.

## **Submission Requirements**

Jason asked about the CRA budget and how that will be worked about with the selected operator during the first year, and after. Noted that the operator will need to submit the budget to the CRA for approval/review.

The FAC noted that the RFP should clarify that the self-sustaining model of the Foundry in the submission requirements, programming concept and management approach as well.

Ellen – Asked if the rates for rents and community amenities will be reviewed annually and if the operator will need to show the CRA or FAC this or if they can manage that internally? Ex. Need to raise fees 5%.

Marie – noted that the up-zoning by MIT and other projects in the area could be used to help fund the Foundry. She also indicated that East Cambridge has extra funds in scholarship programs that aren't used. She wants to make sure that RFP does not discourage 3<sup>rd</sup> party funding.

Jason mentioned concern about the operator not generating a profit. Concerned that the operator will have a profit motive and not rent to organizations that align better with the mission, but that make them more profit.

Questions was raised about having a set management fee of ex: 3%. → Mark wants to leave this open, and see what the operators respond with.

Deborah noted that in her experience with affordable housing management, that they set operator performance incentives, where management companies get a certain bonus if they meet certain agreed upon expectations ex: 90% occupancy.

Ron – If this then what questions in the RFP

Ex: If the operator brings in more revenue then what...  
If the operator brings in less revenue then what...  
If there are not enough tenants in the building then what...  
If expenses exceed revenue then what...

Mark expressed concern about the City's designer and the CRA's operator collaborating about design, where design constraints, money and program operation needs to be discussed together. What happens when there are disagreements. ← need to indicate that both the designer and the operator will come to the table with their own feasibility studies (probably in March 2018)

Matthew from Bow Market expressed concern about the operating team to run the Foundry being too large. Noted that Bow Market is experiencing this problem now.

## **Evaluating and Operator Selection Process**

Add workforce development to the evaluation criteria.