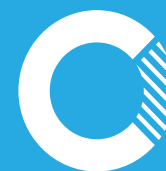


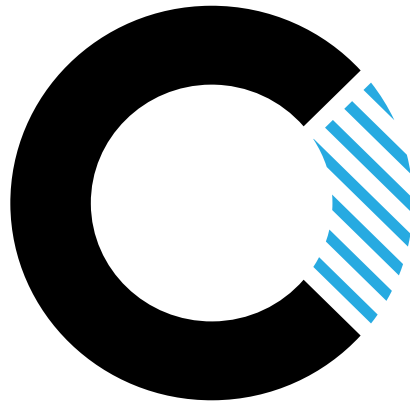


2019

ANNUAL REPORT



CAMBRIDGE
REDEVELOPMENT
AUTHORITY



CAMBRIDGE
REDEVELOPMENT
AUTHORITY

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Draft: February 7, 2020

Cambridge Redevelopment Authority

The Cambridge Redevelopment Authority (CRA) was founded on November 12, 1956 pursuant to the authority granted by Massachusetts General Law Chapter 121B, § 3.

CRA Board Officers

Kathleen Born, Chair
D. Margaret Drury, Vice Chair
Christopher Bator, Treasurer
Conrad Crawford, Assistant Treasurer
Barry Zevin, Assistant Secretary

Thomas Evans, Executive Director

Cambridge City Council 2019

Marc C. McGovern, Mayor
Jan Devereux, Vice Mayor
Dennis J. Carlone
Craig A. Kelley
Alanna M. Mallon
Sumbul Siddiqui
E. Denise Simmons
Timothy J. Toomey, Jr.
Quinton Y. Zondervan

Louis DePasquale, City Manager
Lisa C. Peterson, Deputy City Manager
Iram Farooq, Assistant City Manager for
Community Development



MISSION

The CRA is committed to implementing imaginative, creative development that achieves social equity and environmental sustainability. Our goal is to work in the public interest to facilitate infrastructure investments and development projects that integrate commercial, housing, civic and open space uses. We are a public real estate entity with a unique set of development tools, working in close partnership with the City of Cambridge and other organizations.

STRATEGIC PLAN OPERATING PRINCIPLES:

Act: Complement the City's planning role by focusing on implementation using redevelopment tools imaginatively.

Operate with transparency: Be visible and foster face-to-face relationships and a forum for discussing ideas.

Maximize the public benefit: Serve a broad public purpose with ethically sound practices in partnership with the City and others.

Operate with fiscal responsibility: Use our independent resources wisely to accomplish our mission.

Set an example: Advance thinking on issues; be innovative while maintaining an awareness of history.

This Page
93-99 Bishop Allen Drive Building

Opposite Page
CRA Activities Map

Previous Page
TOP / People enjoying music on Kendall Plaza
CENTER / Rendering of The Foundry Building
BOTTOM / A summer morning at Galaxy Park



Introduction

The Cambridge Redevelopment Authority broadened the scope of its work beyond the Kendall Square area in 2019. Most significantly, the CRA negotiated the purchase of the property at 93-99 Bishop Allen Drive, known as Nonprofit Row, with the objective of preserving and enhancing the building's use as a center for community service nonprofits in Central Square. The CRA reinforced its relationship with the Margaret Fuller Neighborhood House (MFNH) by providing short-term operational assistance and engaging in a long-term technical planning effort to stabilize the MFNH operations, improve its assets, and provide additional housing opportunities in the neighborhood. Additionally, the Forward Fund was expanded to provide deeper grant offerings to target key community infrastructure projects by helping

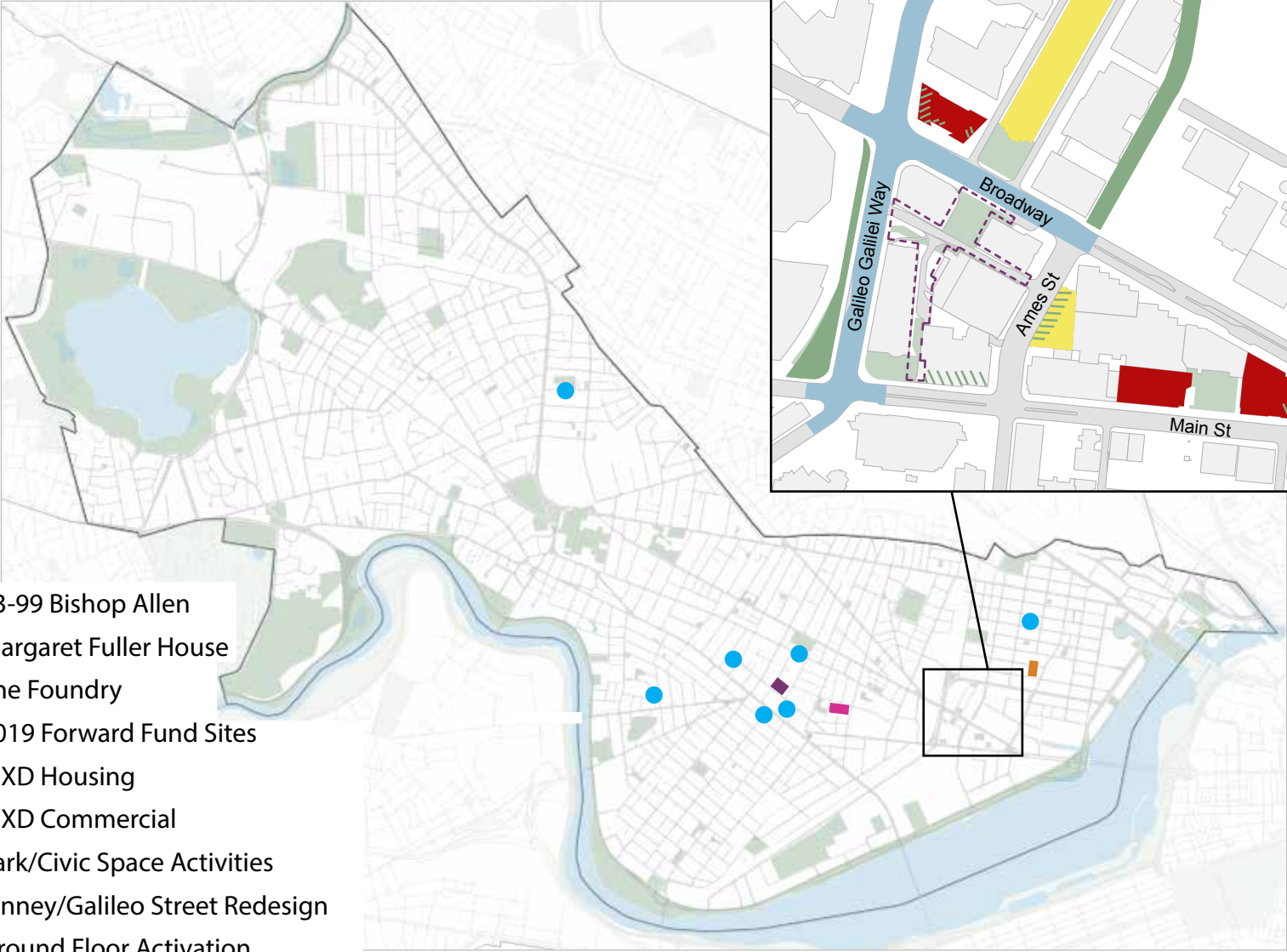
nonprofits invest in facilities that directly service the City's most pressing community needs.

The Kendall Square Urban Renewal Project (KSURP) area also reached some key milestones in the past year. The Link, a co-working space focused on workforce development and education, opened at 255 Main Street. Boston Properties (BXP) completed the construction of a new commercial building at 145 Broadway to serve as the world headquarters for Akamai. This project includes significant public realm improvements to the streetscape around the building. This streetscape design will continue throughout the KSURP area. Staff worked closely with the City and BXP's design team to finalize those designs. The CRA and the Cambridge Community Development Department approved

the design of a new commercial building at 325 Main Street that will provide additional office space for Google's Cambridge campus. This project will deliver a fully redesigned roof garden with a significant public connection from the Kendall Plaza utilizing a rebuilt MBTA headhouse as a stepping stone up to the new public park.

Finally, the Foundry Project advanced significantly in terms of both the physical redevelopment of the building and the building's programmatic operation infrastructure. The CRA helped the Foundry Consortium evolve to become a formal nonprofit while the City facilitated the advancement of the design and the start of enabling work for the construction site.

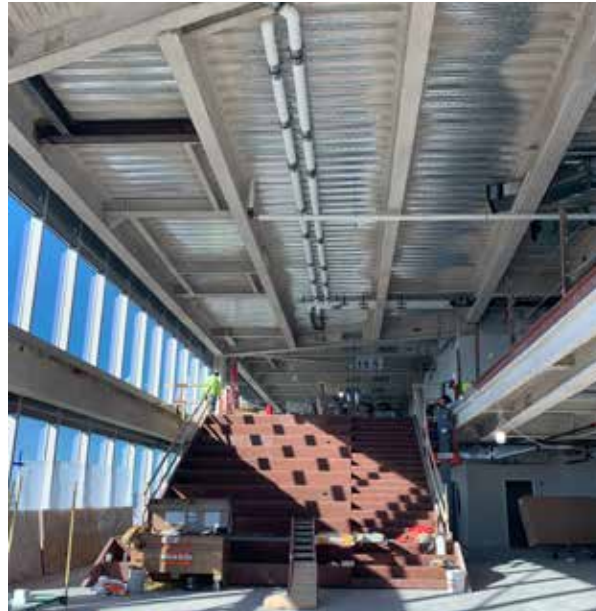
CRA Activities



Kendall Square

- 93-99 Bishop Allen
- Margaret Fuller House
- The Foundry
- 2019 Forward Fund Sites
- MXD Housing
- MXD Commercial
- Park/Civic Space Activities
- Binney/Galileo Street Redesign
- Ground Floor Activation
- Ames Place Open Space Redesign





Kendall Square Development & Planning

Development

The CRA continued to oversee the development planning and design review of Kendall Square's Urban Renewal Project Area (KSURP), guided by the Infill Development Concept Plan (IDCP) approved in 2017 and amended in December of 2018.

145 Broadway

The CRA oversaw the completion of Boston Properties' 145 Broadway project, the first commercial building approved as part of the MXD Infill Development Concept Plan. The building, with over 400,000 SF of office space is the new home of Akamai Technologies' global headquarters. To celebrate the building's opening, a ribbon cutting ceremony was held

on November 1st, with Governor Charlie Baker, Senator Ed Markey, CRA Board, staff and other political officials.

The 145 Broadway project also provided public realm street and landscaping improvements. The project included an improved public pedestrian path on the north side of 145 Broadway, connecting Galileo Way and the West Service Drive. An expanded streetscape along Galileo Way and Broadway, includes a new raised cycle track and bus stop for the EZRide buses.

Ground floor retail space will help activate the Galileo Way and Broadway corner streetscape. Sweetgreens, a national salad chain, and CorePower Yoga, with classes throughout the day, will open in 2020.

88 Ames - Proto

The Proto residential building has been operational since 2018 and is home to the first residents of the Kendall Square MXD District. The building has achieved nearly full occupancy of its 280 units, with 36 units being leased at below-market rates.

In 2019, Boston Properties finished the remaining public realm improvements for Proto. Ames Street's reconstruction is now complete, including a two-way cycle track on the east side of Ames, a new floating bus stop, a resignaled intersection at Ames and Broadway, as well as final landscaping.

This Page

LEFT/ Rendering of 325 Main Street's ground floor retail and staircase.

RIGHT/ Rendering of 325 Main Street building

Opposite Page

LEFT/ 145 Broadway Building

CENTER/ 145 Broadway "Akamile" staircase

RIGHT/ Two-way cycle track on Ames Street



325 Main Street

The IDCP's Phase II commercial building, located at 325 Main Street, was approved by the CRA and the Planning Board on March 20, 2019. The building will be 16 stories and will deliver approximately 340,000 SF of office space, to be leased to Google, and 42,000 SF of retail space on the first and second floors.

The project will provide a number of significant public realm investments and community amenities. Improvements include enhanced connectivity from Main Street and Kendall Plaza to the Roof Garden by a new public elevator, and a staircase from Main Street, via a public second level terrace, to the Roof Garden. The Roof Garden will become more visible and accessible. The improvements also create additional outdoor open space with seating

and access to second floor retail tenants. The redesign of the Kendall Plaza MBTA Headhouse is currently under review and should be completed by the summer of 2020. The building will have a new double-height public indoor lobby to connect the 325 and 355 Main Street buildings, and provides indoor seating and pedestrian connection from Main Street to Pioneer Way and the Roof Garden.

Construction of 325 Main Street began in the fall of 2019 with the demolition and abatement of Three Cambridge Center. Vertical construction is expected to be underway by the first quarter of 2020, and the building will be complete by the fall of 2022.

This Page

LEFT / Rendering of the Grand Junction Multi-Use Path and Two Track Transit.
RIGHT / Streetscape in front of 145 Broadway on Galileo Way

Opposite Page

LEFT/ Preliminary Ames Place Open Space Design by Mikyoung Kim Designs
CENTER/ F/Popup Flexetail art sale on Galaxy Park
RIGHT/ Beer Garden on Third & Binney



Transportation

Binney/Broadway/Galileo Streetscape Design

This past year, Boston Properties (BXP) with consultants Vanasse Hangen Brustlin (VHB) and Sasaki Associates, refined the CRA's 25% Alta Streetscape Designs to 100% construction documents for their portion of the streetscape project, which includes Binney Street from the Sixth Street intersection west via Galileo Way to Main Street and part of Broadway. The CRA and city departments have worked closely with BXP as the streetscape designs have advanced, and will continue to do so as elements of the streetscape's landscaping, bicycle and utility infrastructure are refined. Construction of the streetscape improvements will begin in the spring of 2020.

Annual Transportation Report

The CRA has worked with VHB to develop a multi-modal transportation data report

for Kendall Square, required as part of the KSURP's Environmental Impact Report (EIR) commitments. The project will include a written report, as well as an interactive website. Multi-modal field data was collected at the end of September, and the next report will be published in the spring of 2020 utilizing five years of data.

Transport Kendall

Transport Kendall discusses key transit improvement recommendations provided by the City's Kendall Square Mobility Task Force. The publication highlights infrastructure needs of Kendall Square, and recommends ongoing planning for the Grand Junction Corridor, MBTA, Red Line upgrades, and expansion of MBTA and EZRide bus routes. The report was published in booklet and website form, and was a collaboration facilitated by the CRA, with the

City, the Kendall Square Association, MIT and numerous local companies who sponsored the effort.

Kendall Square Transit Enhancement Program

The Kendall Square Transit Enhancement Program (KSTEP), is a mitigation component of the KSURP 2015 EIR. The fund will pay for programs that improve transit capacity, and will be guided by the initiatives recommended by the Kendall Square Mobility Task Force and Transport Kendall.

In 2019 the CRA finalized the Fund's governance structure with the Working Group, comprised of the CRA, City of Cambridge, MassDOT, the MBTA and Boston Properties, to initiate the planning for funding proposal ideas. The first KSTEP projects will be implemented in 2020.



Open Space

The CRA continued its efforts to enhance and activate the public spaces in Kendall Square, and to collaborate with developers, the community, and the City to plan for infrastructure and landscape improvements.

Ames Place Open Space

Over the past year, the CRA worked closely with landscape architects, Mikyoung Kim Designs (MYKD) and Nitsch Engineering to undertake a collaborative landscape redesign for the open space off Ames Place, including Danny Lewin Park and the Broad Pocket Park. MYKD and Nitsch completed easement and utility surveys. The CRA met with individual stakeholders and held a community meeting to discuss design ideas. Preliminary designs were underway by the fall and will be refined and finalized in stakeholder working group discussions in 2020.



Galaxy Park

The CRA activated Galaxy Park. In April, the CRA partnered with Flexetail and Babson College to host a one-week pop-up art gallery. The Flexetail mobile retail unit was transformed into an art gallery parked in Galaxy Park. Great Arts Studio (GAS), a local non-profit from Lynn, MA provided artwork and small sculptures for sale.

In June, the Looking Glass, an art sculpture designed by students from Innovators For Purpose (iFp), was installed on Galaxy Park. The students celebrated the installation with a ribbon cutting ceremony. The CRA also initiated a design effort to increase access to the eastern portion of the park while updating some landscaping.



Grand Junction

The shared Grand Junction multi-use path continued to be well used by cyclists and pedestrians. The park's plantings have flourished, with the exception of the Karl Foerster grass, which succumbed to a fungus caused by an exceptionally wet spring. The grasses will be replaced with a hardier species in 2020.

Third & Binney

The CRA improved the Third & Binney civic space landscaping with the planting of seven locust trees. The seasonal Food Truck program kicked off its fourth consecutive year in March. The program drew over 25,000 visitors to the site to sample foods ranging from vegan Jamaican to Vietnamese. This season the CRA also hosted two beer garden events that filled the civic space with local employees and neighbors in the evening.

Citywide Activities & Projects

93-99 Bishop Allen Drive

In the fall of 2019, the CRA purchased the property at 93-99 Bishop Allen Drive in order to preserve affordable, centrally located, office space for nonprofit operations and services. Enroot (formerly Cambridge Community Services) owned and operated the building since 1965. Today, the building is home to 11 nonprofit agencies that provide affordable summer camp, improve math literacy and other academic skills, engage youth with chronic illnesses in the arts, bolster the City's nonprofit and small business sectors, and provide counseling to survivors of sexual violence.

The building provides a uniquely important location for the organizations operating there, including proximity to public transportation and a range of other services in Central Square. It is within walking distance for many families accessing the building's services, provides anonymity and a homey and welcoming atmosphere due to its historic design.

The CRA became involved upon a request from Cambridge Community Foundation (CCF), a tenant in the building, to help preserve the property's community use. The CRA signed a Memorandum of Understanding with CCF and spent many months considering a range of options before making an offer.

The CRA's interest in the property resulted in significant public interest. CCF, the building's other nonprofit tenants, and local residents publicly advocated for a sale of the property



to the CRA. Over 500 people signed an online petition. Seven city councilors wrote letters of support for the CRA offer. The CRA entered into a purchase and sale agreement with Enroot in May 2019 and closed on the property in October. The CRA's purchase was financed with tax-exempt bonds issued by the Cambridge Trust Company and Mass Development.

During 2020-2021, the CRA will oversee approximately \$2 million in improvements to the 1855 converted rowhouse building in order to enhance safety and accessibility, maximize use of space, and make the property feel more welcoming. The project will utilize architectural services from Silverman Trykowski Associates whose design effort will include significant input from the building's nonprofit tenants.



Long term plans focus on converting the building into a model nonprofit center, a growing movement that allows nonprofits to benefit from economies of scale and shared space in order to lower costs and gain valuable connections with other agencies. A nonprofit center would provide benefits to tenants within the building, but also to other Cambridge-based nonprofit agencies.

Regardless of future building plans, the CRA will continue to provide affordable, effective space for community-serving nonprofits on the site. This acquisition is one element of the CRA's ongoing efforts to support the capacity of local nonprofit agencies to provide vital services that strengthen and enhance the local community.

This Page

93-99 Bishop Allen Drive community partners

Opposite Page

LEFT/ Geeta Pradhan (CCF), Tom Evans (CRA), Ben Clark (Enroot) and Roma Mayur (Cambridge Trust) at the Bishop Allen Drive Community Block Party
RIGHT/ Block Party Sign



This Page

TOP/ Per Scholas students in The Link
BOTTOM/ The Link's new logo

Opposite Page

LEFT/ Kathryn Madden at a Foundry community meeting
RIGHT/ A rendering of the Foundry Building from Rogers Street



Workforce Development - The Link

2019 saw the launch of The Link, a 17,000 square foot facility at 255 Main Street, created through a partnership of the CRA, Boston Properties, and TSNE MissionWorks, which operates the space. The Link offers 40 coworking spaces for nonprofit technical education, career development programs and related services, with classrooms and event facilities accommodating up to 120 people.

The requirement for below market office space in Kendall Square - smaller spaces that can be rented at lower rents than are typical - is written into the MXD IDCP and KSURP. Boston Properties' permit to build a new office building for Akamai at 145 Broadway was conditional on providing this space. Kendall Square is the hub of the region's innovation economy and home to a wide range of local start-ups

and large-scale international companies. As Cambridge has continued to attract more employers to the area, Boston Properties and the CRA have made a commitment to go beyond their KSURP requirements. They created the The Link to connect residents to innovation-focused workforce development and economic opportunities generated in Kendall Square and beyond. The Link seeks to provide a vital new talent pipeline for employers. During 2019, The Link signed leases with: A-T Children's Project, Cambridge Nonprofit Coalition, CDA Collaborative, Mass BioEd, Coalition of Schools Educating Boys of Color (COSEBOC), Green Soul Organics, Open Ag, Per Scholas and SkillWorks/ Tech Talent Exchange. Additionally, nearly 45 nonprofits held board or staff meetings, conferences, trainings, strategic planning sessions, or parties at The Link.





The Foundry

2019 saw many great advances in the evolution of the Foundry project. The City of Cambridge, working with Cambridge Seven Architects, completed design development drawings for the building. The building design includes a flexible-use performance space, maker spaces for woodworking, jewelry-making, fabric arts and digital fabrication; artist work spaces; a dance and yoga room; a demonstration kitchen; community hall; market rate and reduced rate office space and a range of multi-purpose meeting rooms.

Through close collaboration and approval from the Cambridge Historical Commission, the Foundry will undergo extensive restoration of the building's historic brick masonry, windows, skylights, and other original details. To contrast with the historic features, the building will have



a new addition with a modern metal finish and a contemporary entryway on Rogers Street. Adjacent to the building is an exterior courtyard that can accommodate a range of programming.

As the building design has taken form, the Foundry Consortium has done the same. During 2019 the grassroots Foundry Consortium directly engaged over 400 Cambridge residents through community meetings, festivals, and a survey conducted online and in person with individuals and small groups. The CRA supported these efforts by helping to draft the survey and distributing it at the Cambridge River Arts Festival and other events. Survey highlights showed that a top priority for residents is for the Foundry to feel welcoming and inclusive. Residents also showed a strong interest in cooking, socializing, teaching and learning

new job skills, creating and displaying art, and using maker spaces, among other interests. As building uses have been refined, programming has remained closely in line with the concepts created by the CRA through its community engagement process.

In the fall of 2019, the grassroots group transitioned into an incorporated organization with an active 8-person Board of Directors and approved bylaws. As the Board awaits approval of their 501(c)(3) status from the IRS, they are moving forward with plans to hire the Foundry's first executive director. The CRA provided technical and administrative support to draft the bylaws, recruit board members, educate the new board about the structure and financial model for the Foundry, and is in the process to secure a firm for the executive director search.



Community Strength & Stability Efforts

In 2019, the CRA expanded its work to fill gaps in infrastructure in order to ensure the sustainability and growth of affordable housing, social services, and cultural programs. This work is evident in the CRA's purchase of the property at 93-99 Bishop Allen Drive, in the partnership with the Margaret Fuller Neighborhood House to improve and redevelop their site, in loans to a Just-A-Start project for open space improvements, and capital grants made by the Forward Fund. Such programs enhance quality of life while addressing housing instability, public health, youth development, and workforce development.

The City of Cambridge benefits from robust government, nonprofit, and commercial sectors. However, the extreme rise in real estate costs threatens the effectiveness and viability of social



services agencies, small businesses, and cultural organizations which provide essential supports and enhance quality of life citywide.

In recognition of the need to strengthen and sustain these essential supports, the CRA staff started drafting a Community Strength and Stability Plan to define and guide this kind of assistance. The plan will outline the range of tools the CRA may use, such as grants, flexible, low interest loans, technical assistance, and property acquisition, to help ensure that the social service agencies, arts organizations and small businesses remain healthy and strong. All projects under this plan will be driven by local partnerships that the CRA will develop with agencies who are directly addressing the issues at hand.

Just-A-Start Squirrelwood Project

Just-A-Start (JAS), an affordable housing developer, undertook the rehabilitation of Linwood Court, which was originally a CRA project, and Squirrel Brand. The project will modernize existing apartments, add 23 new affordable units in three new buildings and improve the site's landscaping.

In 2018, JAS contacted the CRA, requesting assistance to fund open space improvements on the Squirrelwood project site. As a pilot for the Community Strength and Stability Plan, the CRA authorized a \$300,000 loan to fund landscaping, irrigation, paving, sidewalk installation, lighting features, and bike lockers for long-term resident bicycle parking. JAS held a ground breaking ceremony for the project in May of 2019, which the CRA Board and staff attended.

This Page

LEFT/ Erica Schwarz talking to community members at the Port Pride Day
RIGHT/ The Margaret Fuller Neighborhood House Building

Opposite Page

LEFT/ Rendering of JAS's Squirrelwood Project
RIGHT/ Ground-Breaking Ceremony for JAS's Squirrelwood Project



The Margaret Fuller Neighborhood House

The Margaret Fuller Neighborhood House (MFNH) has provided community activities and social services to the Port neighborhood since 1902. However, like many social service agencies that own property, as those assets age, their capital needs are greater than their income can support. In 2019, the CRA responded to MFNH's request for assistance by entering into a memorandum of understanding to explore a redevelopment project with the following goals:

- Apply the value of MFNH's parking lot to support facility upgrades to expand the organization's capacity and strengthen and grow programs.
- Strengthen MFNH's financial position.
- Supply mixed-income housing for the Cambridge community.

A project committee of CRA staff, MFNH staff and board members advanced the project. CRA and MFNH staff conducted outreach to community members about their wishes or concerns for the site via community meetings and at Port Pride Day. They analyzed zoning, collected vital information through a site survey, Phase I environmental review, geotechnical review, and 3D measurements of the historic house and addition; and conducted test fits for new housing and program facilities. Studio G was selected to provide architecture services. A partnership of Stone Soup Collaborative and Traggorth Companies was selected to provide real estate financing consulting.

During 2020, the CRA and MFNH will review options in order to identify the best project design, scope and budget that will enable

the MFNH to continue providing exceptional programs in the Port for decades to come.

This Page

Residents use the new Magazine Beach Park canoe/kayak launch which was completed in the summer of 2019.

Opposite Page

Students from Innovators for Purpose around the Looking Glass, which was installed in Galaxy Park in 2019.

**Forward Fund**

Over \$270,000 in grant funding was awarded to seven organizations in 2019, the most ever in the program's five-year history. Local organizations whose mission and projects provide City residents with social services and support were encouraged to apply. The Forward Fund sought to target projects that would help close the gaps reported in the City's Envision Cambridge and the Community Needs Assessment reports.

The CRA also made revisions to the grant program, including a new Technical Assistance category. This award type allowed organizations to apply for funds needed for feasibility analysis, design and/or engineering studies for a future construction project. The grant helped organizations with planning and design to gather important preconstruction information before committing to a capital improvement

project. Other improvements involved extending the application submission period to a rolling basis throughout the year. Altering the application deadline allowed the Selection Committee to hold three review sessions during the year. The CRA Board also approved the increase in grant funding per project, allowing projects to apply for up to \$100,000 in the Community Infrastructure category.

Three awards were offered in the Technical Assistance category and four were provided for Community Infrastructure capital projects.

Technical Assistance Grants**1. Planning & Feasibility for Renovations**

Agassiz Baldwin Community (ABC) Center
ABC plans to renovate their children's program space in their building at 20 Sacramento Street.

This space is used by hundreds of children annually and despite heavy use, has not been renovated since 1985. The grant will fund a renovation feasibility study so ABC staff can assess design concepts and understand construction costs, impact on program income, financing and logistics.

2. Food Pantry Renovation Planning

Cambridge Economic Opportunity Committee (CEOC)

As the City's largest food pantry, CEOC provides services to 1,200 individuals and families each month. The grant will help CEOC redesign their food pantry space to be more efficient, enabling them to accept more clients, create space to store extra nutritious food and improve the client experience at the food pantry.



3. Dance Complex ADA Improvements

The Dance Complex

The Dance Complex engages those who have physical or societal barriers to dance, or who might not think of movement as a ready option. This has included immigrant families, LGBTQ+, elders, those with mobility issues as well as the disabled. The Dance Complex's previous chair lift was decommissioned, which created a barrier for individuals who wish to access the second floor space. The grant will give The Dance Complex resources to plan and replace the existing chair lift with a new ADA compliant lift.

Community Infrastructure Grants

4. 55 Norfolk St Financial Opportunity Center

Just-A-Start Corporation (JAS)

JAS currently operates their Financial Opportunity Program out of their offices at 1035

Cambridge Street. The program provides JAS residents, students, and other referrals one-on-one financial counseling, workshops, and tax preparation assistance. JAS will use the grant to finance the design and renovation of their building at 55 Norfolk St to become a dedicated Financial Opportunity Program Center. This will allow JAS to reach more community members in a more public, transit-accessible setting.

5. Building Modernization Project

Cambridge Community Center (CCC)

CCC has undertaken a major renovation project of their center that will focus on addressing three general priorities: accessibility, safety, and efficiency. The renovation project will also pay respect to the building's history by restoring the exterior to its original 1882 style. Most importantly, renovations will meet a pressing

need in the community served by adding new classroom space for full-day preschool care. The grant will be used for general construction of the center's renovation.

6. Connecting Children with Growing

Nurtury, Inc.

Nurtury, Inc, in partnership with Green Cambridge, plans to turn an underutilized space outside of their building entrances into an interactive garden. The garden will be used as a multi-dimensional learning tool, to teach nutrition, health, plant life, and community to their students.

7. East End House Fire Alarm System Upgrade

East End House (EEH)

The grant will support the EEH's fire alarm system replacement. The scope of the work includes a new control panel, the replacement of all existing devices including their batteries, annunciators, outside beacons, smoke detectors, horn strobes, and pull stations.

In addition, five Forward Fund projects that had received funding in previous years were completed in 2019:

- The Looking Glass (2017) – Innovators For Purpose
- Magazine Beach Park Outlook (2017) – Magazine Beach Partners
- 950 Cambridge Street Façade Improvements (2018) - Vinfen
- MathScapes: Activating Public Spaces for Early Math Learning (2018) – Math Talks
- Senior Center Elevator Improvement Project (2018) – Mass. Alliance of Portuguese Speakers

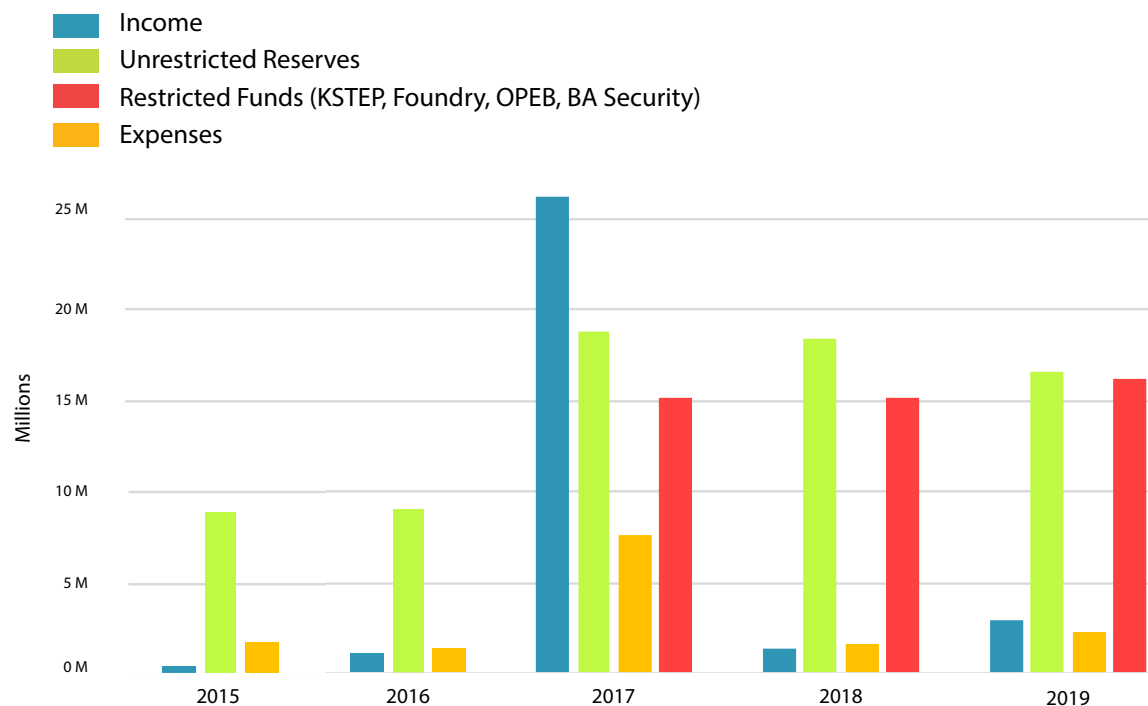
Finances

In 2019, the CRA continued to mature into a strong and revived financial entity. New projects are underway which create a more complex financial story.

As the CRA's main source of revenue is from the sale of development rights in the Kendall Square Urban Renewal Project Area, income is dependent upon developers' schedules. Due to permitting delays, the revenue expected in 2019 from the 325 Main Street commercial building was delayed until Q1 2020. The CRA received the second of eleven annual payments from Boston Properties for the 88 Ames (Proto) residential building, and modest monthly payments from Boston Properties for access rights to CRA-owned land for the demolition work at 325 Main Street. The Food Truck program continues to support improvements to the 3rd & Binney site.

The investment portfolio's dividends and interest are significant sources of income used to sustain much of the CRA's operating budget. It is important for the CRA to continue its strong fiscal management of its financial assets to balance new expenses with infrequent pulses of development income. Following a change to Morgan Stanley's policy, the CRA's investments were moved into a U.S. Bank account, although the funds are still being managed by Morgan Stanley. Cambridge Trust Wealth Management continues to manage the restricted KSTEP (Kendall Square Transit Enhancement Program) and Foundry funds. The CRA also made its annual contribution to its OPEB Trust Fund. The three major categories of operating expenses in 2019 were personnel, professional services, and community redevelopment investments. Personnel costs include employee salaries and fringe benefits, pension

Five-Year Income and Expense Chart



contributions, a percentage of the health insurance premiums for employees/retirees, the office lease, and investment management fees. Professional services range from administrative services such as financial management to technical services supporting programs. The services of real estate and finance consultants, as well as lawyers and engineers, were heavily used for the purchase of the commercial building. Financial assistance, in the form of a loan and design consultants, was given to the Margaret Fuller Neighborhood House to help them assess their future existence. The CRA Forward Fund distributed close to \$150,000 in funds in 2019 to Cambridge non-profit organizations. An expensive surplus market insurance policy was needed for the 93-99 Bishop Allen Drive building

due to the rehab work expected while keeping the building open.

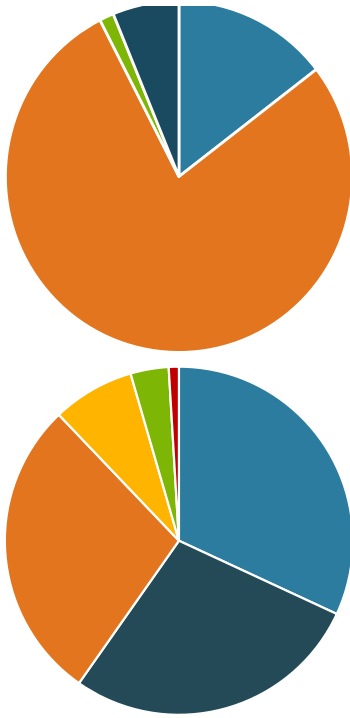
The 2018 audit was completed in October. A clean opinion was given by Roselli, Clark & Associates. As the CRA is a component unit of the City of Cambridge, a codependent financial reporting schedule was developed and met by all parties.

2019 Operating Expenses and Budget (Unaudited)

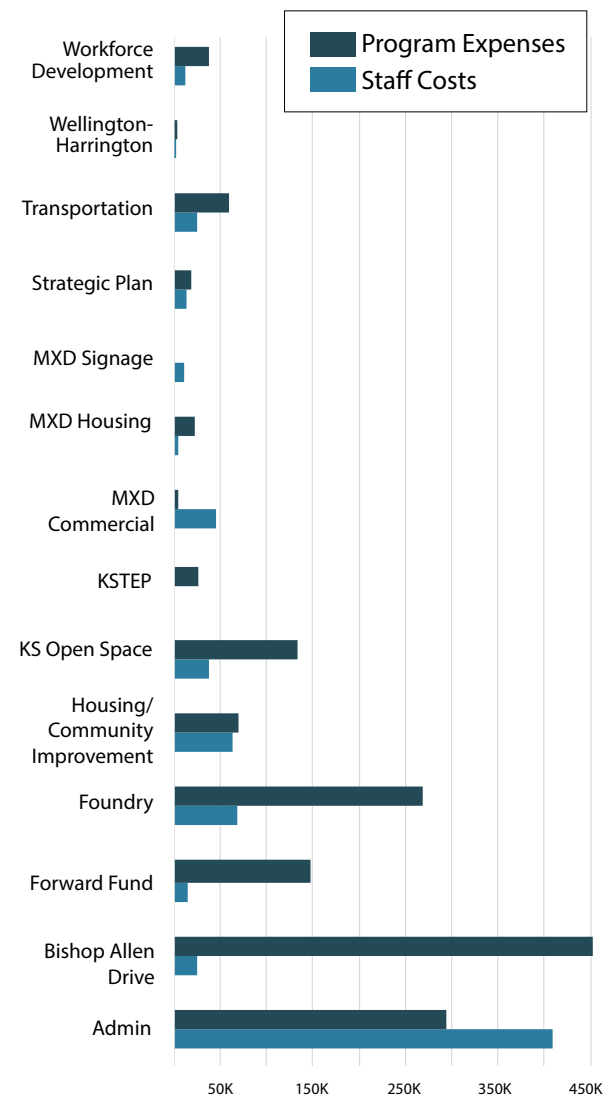
	Budget	Actual
INCOME		
Sale of Dev. Rights	\$21,062,500*	\$431,818
Investment Income	\$1,600,000	\$2,311,387
Reimbursements	\$47,900	\$42,227
Rentals	\$172,400	\$183,460
Total Income	\$22,882,800	\$2,968,892

EXPENSES		
Personnel	\$779,200	\$733,348
Professional Services	\$836,000	\$647,168
Redevelopment Investments	\$3,542,960	\$646,824
Office Administration	\$199,600	\$175,834
Property Management	\$116,700	\$81,422
Outreach & Professional Dev.	\$33,600	\$21,584
Total Expenses	\$5,508,060	\$2,306,180

NET INCOME	\$17,374,740	\$662,712
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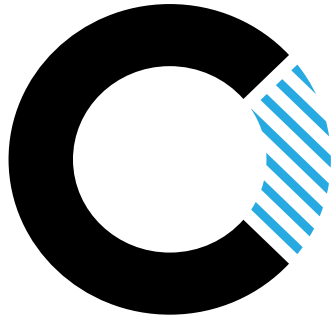
PROJECT BUDGET ANALYSIS



Positions & Assets

CASH RESERVES, STOCKS, CDs, BONDS	\$16,674,483
OTHER POST-EMPLOYMENT BENEFITS (OPEB)	\$32,446
KENDALL SQUARE TRANSIT ENHANCEMENT PROGRAM (KSTEP)	\$6,560,255
THE FOUNDRY	\$9,626,135
BISHOP ALLEN SECURITY DEPOSITS	\$7,017
TOTAL	\$32,900,337
FUTURE DEVELOPMENT RIGHTS & LOAN REPAYMENTS*	\$24,600,277
CAMBRIDGE TRUST - MORTGAGE	(\$6,976,957)

* Anticipated revenue in 2019, delayed until 2020



Internal Operations

In March, the CRA rental agreement with Boston Properties was transferred to a leasing agreement with TSNE MissionWorks, the operator of The Link Kendall, located on the eighth floor of 255 Main Street.

As a government organization with 60 years of history, the CRA has over 1,500 cubic feet of public documents stored in three locations – the CRA office, a local off-site facility in Somerville, and with Iron Mountain. When the rent agreement began, the office space decreased in size and a roomful of on-site records needed to move off-site. The services of an archivist and records management consultant were used to reorganize the remaining office files, reorganize the storage space in Somerville, and place every off-site record into an Access database. The work will be completed in 2020 and a retention



schedule, in conjunction with Massachusetts General Laws, will come to the Board for approval.

Project Director Jason Zogg left the CRA in February, and Project Manager Alex Levering has taken over responsibilities for Kendall Square. There have been no changes to the Board members or to the Board officer positions. CRA staff and Board members continue to give their time on other committees within the City.

Digital data cybersecurity mechanisms have been employed on the CRA's IT network and server. Staff have been trained on the hazards of cyber attacks and proactive measures have been initiated.

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LEFT / CRA Logo
RIGHT / CRA staff participating in the Kendall Square Association Kendall Challenge.



2020 Priorities

Kendall Square Urban Renewal Plan

- Complete review of 325 Main Street public realm improvements
- Approve design of the 135 Broadway residential project
- Complete conceptual open space designs in KSURP
- Approve funding for initial KSTEP projects
- Facilitate streetscape improvement planning and installation

Citywide Activities & Projects

- Complete a 5-year look-back of the Forward Fund grant program
- Commence renovations on 93-99 Bishop Allen Drive
- Define development partnership with Margaret Fuller Neighborhood House
- Commence construction of Foundry redevelopment
- Facilitate the hiring of Foundry consortium staff and enter into sublease agreement

Internal Operations

- Update personnel and internal controls policies
- Finalize record management infrastructure
- Conduct Strategic Plan update

