



Annual Board Meeting of the Cambridge Redevelopment Authority

Wednesday, February 15, 2022 at 5:30 p.m.

Due to the COVID-19 pandemic, this meeting was held virtually via Zoom

APPROVED Meeting Minutes

Meeting Files

- [Agenda and Notice](#)
 - [Draft Minutes of the Regular Meeting of the Board on January 18, 2023](#)
 - [Draft 2022 Annual Report](#)
 - [Bishop Allen Contract Update Memo](#)
 - [Foundry Update Memo](#)
 - [Strategic Planning Update Presentation](#)
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Opening Statement

At 5:37 p.m., Ellen Shore, CRA Operations Director, said that on July 16 2022, Governor Baker signed a law which extended provisions to the Open Meeting Law to March 31 2023. In accordance, tonight's CRA board meeting will be held remotely. There will be opportunities for public comment at the start of this meeting and at the discretion of the chair. She then explained how to provide public comment. Reading materials can be found on the CRA's next meeting webpage. This meeting is also being recorded, including all video, audio, and chat messages.

Call Roll

Chair Kathleen Born called the annual meeting of CRA Board. A roll call of Board members and the Executive Director was taken.

Vice Chair Conrad Crawford – present

Treasurer Christopher Bator – present, but will leave the meeting for a brief period around 6:00 p.m. and then rejoin via phone.

Asst. Treasurer Barry Zevin - present

Asst. Secretary Margaret Drury – absent, due to technical difficulties

Executive Director, Tom Evans - present

Other CRA staff members were also present. Ms. Born said that because this is a remote meeting, all votes will be taken by roll call and that Mr. Evans will repeat the responses.

Public Comment

No requests for public comment were offered.

1. Review of January 18, 2023 Minutes

No comments were offered.

A motion was moved by Mr. Bator to accept the minutes of the Regular Meeting on January 18, 2023. A roll call was taken by Mr. Evans.

Chris Bator – yes

Kathy Born – yes

Conrad Crawford – yes

Margaret Drury - absent
Barry Zevin – yes
The motion carried.

Communications

2. Written communications received since the publication of this meeting notice.

No communications were received.

Administrative Items

3. Election of Officers

Mr. Evans read the proposed slate of officers, which has not changed from last year.

Kathy Born – Chair
Conrad Crawford – Vice Chair
Christophe Bator – Treasurer
Barry Zevin – Assistant Treasurer
Margaret Drury – Assistant Secretary

Ms. Born noted that Margaret Drury will not be seeking reappointment when her term expires in April. The City Manager has asked for volunteers for this board position and will be making the decision.

A motion was moved by Mr. Bator to approve the proposed slate of officers. A roll call was taken by Mr. Evans.

Chris Bator – yes
Kathy Born – yes
Conrad Crawford – yes
Margaret Drury – absent
Barry Zevin - yes
The motion carried.

4. Presentation of the Draft 2022 Annual Report

Mr. Evans said Cecelia Cobb, CRA Project Planner, put the entire report together, with staff input. Unfortunately, she is not feeling well tonight. Mr. Evans summarized the 66th CRA Annual Report. He asked the Board to send edits to staff to incorporate into a final document which will then be sent to the City and the state

The Board was very pleased with the report. Mr. Evans said that report was done entirely in-house and that Ms. Cobb used her graphic vision to give the format new life and color.

Projects and Programs

5. Bishop Allen Update

Mr. Evans said that final construction work is in progress. To close out all permitting issues, a final Fire Department sign-off is needed, as well as a final sign-off of the elevator. This was delayed because of the back-order of required light beacons, which finally arrived and were installed.

There will be a change order for the contractor to do brick repair on some interior walls that have shown deterioration, as this was not in the initial scope. Another back-order issue involves repair of two glass panels that were vandalized. This work will be a separate work order outside of the current construction contract.

The solar panel installation project has been delayed due to supply-chain and labor supply issues. Once the panels are installed, the CRA will submit an interconnection permit with Eversource. The heating system performed well during the previous cold period.

Regarding the motion, Mr. Evans said that there was a logistical mishap with Erica Schwarz's departure from the CRA. There were two amendments being discussed simultaneously but only one was brought to the Board. He expects this to be the last soft costs expense for the project. He emphasized that the project is still below the total budget with over \$130,000 remaining in contingencies. Although the project has taken longer, with change orders along the way, there was a good cushion in the budget. The plan is to start a capital reserve fund with any remaining contingencies. Mr. Evans said that STA has been a good owner's project manager and Tim MacKay has been a valuable resource.

Mr. MacKay added that the total remaining contingency after this last add services is \$180,324.

Mr. Evans said that he would come back to the Board with a final close out and lessons-learned analysis. He also noted that staff is working on implementing a more robust tracking structure.

Mr. Bator rejoined the meeting by phone.

A motion, was moved by Mr. Crawford, authorizing the Executive Director and Chair to amend the contract with STA for an additional twenty-six thousand and three hundred forty dollars (\$26,340) for a total amount not to exceed seven hundred eighty-nine thousand and one hundred and sixty dollars (\$789,160) to cover additional design work and technical studies undertaken during construction administration and project close out. A roll call was taken by Mr. Evans.

Chris Bator – yes

Kathy Born – yes

Conrad Crawford – yes

Margaret Drury – absent

Barry Zevin - yes

The motion carried.

Ms. Born thanked Mr. MacKay, and added that his project management organization is superb.

6. Foundry Advisory Committee Update

Matthew Heller-Trulli, CRA Senior Asset Manager, said that three new members of the Foundry Advisory Committee (FAC) – Ruben Mancha, Connie Chin, and Barbara Thomas – were appointed by City Council on Monday, February 13. Their backgrounds can be found in the Board packet memo. They were introduced at the FAC's February 10th public meeting, where the Foundry Consortium also presented their usage and revenue data from October through December of 2022

With respect to Foundry construction updates, the stairway railing in the community hallway was replaced last week. It was changed from wood to metal. The door between the Food Lab and the Vester kitchen was also installed last week allowing them to fully operate their food service while construction is happening in the food lab. The city is currently working on required paperwork to turn on the solar panels and adjust the solar meters to get an accurate net read on the building's electricity. Warranty issues, such as concealed door closers for some of the shop doors, and other items are currently being worked through with the contractor and TSNE, the property manager. The CRA has entered into a design contract with Cambridge Seven to look into building modifications outside the original scope of work.

7. Strategic Planning Update

Kathryn Madden, CRA Strategic Planner, said that tonight's meeting will focus on the overview, the financial considerations, and the external activities of the strategic plan. The plan was drafted in September, and, since then, more detail has been added. For the past two-plus years, work has focused on internal operations while also educating the Strategic Advisory Group (SAG) about the work of the CRA. It has been valuable to have more people in the community understand the work of the CRA. The goal is to have her work done by March 31.

Ms. Madden summarized the strategic plan framework. She emphasized key points of the mission statement. From conversations with the Board, she developed a vision statement for the CRA. Ms. Madden urged the Board to raise any issues during the presentation.

In terms of the vision, a key part of CRA's work involves stewardship of long-term obligations. This is fundamental because it affects its financial resources. No matter what other projects there are to take on, the CRA is obligated to the MXD until 2028, the Kendall Square Urban Redevelopment Plan until 2035, and the Foundry until 2072. The CRA owns open spaces and the Bishop Allen building forever. The 2023 vision of the CRA includes creative development opportunities, economic opportunity, and climate change adaptations.

Ms. Madden said that there are a lot of active groups in Cambridge - nonprofits, the private sector, and the City. Identifying projects in the Envision Cambridge document that intersect with what the CRA can do has been part of a recent conversation with the city. The CRA has staff expertise in certain areas and can use various distinctive redevelopment tools.

Ms. Madden spoke about the financial considerations. She discussed the CRA's asset and liabilities. \$110 million is expected in development fees by 2024. The financial strategy needs to consider various types of projects. For the last decade, the CRA has been doing mostly spend-down projects - maintaining open spaces, the Forward Fund grant program, capital investments in the Foundry and Bishop Allen, transit studies, and other initiatives. These are projects that use the money received from the redevelopment of Kendall Square for the benefit of the community. There are also revenue neutral projects which are, hopefully, the operations of the Foundry and Bishop Allen. The revenue-generating projects are the development agreements but there are not many more anticipated. She noted that mission-based real estate investments have potential for generating revenue. She emphasized that \$110 million is not a lot of money in Cambridge. Partnering with the City on the Foundry helped the CRA money go further.

Analyzing operating expenses to sustain the office solely for stewardship projects is important to incorporate into the financial model. These include personnel costs, consultants (lawyers, architects, engineers, accountants, etc.), vendors, office administration (rent, supplies, technology, medical and pension benefits for retirees, etc.) and property management (snow clearing, landscaping, etc.). Staff will need to increase. The projected annual operating costs are \$2.4 million assuming an increase in staff and a decreased need for professional services.

A financial strategy, consisting of three components, was explained. The first component sets aside money to sustain CRA's long term stewardship role through 2072 via an endowment. The second component continues with the spend-down and revenue neutral activities as that is part of the CRA mission. The third component invests in two or three significant projects that could generate revenue. This money would replenish funds and thus allow the CRA to continue do more things.

The plan assumes there is roughly \$120 million of new money and money that the CRA already has. Half of that would be set aside for an endowment and invested. The income would pay to run the office. Another quarter would be used for the spend-down activities. Another quarter would be set aside to do revenue generating projects that could then allow the CRA to do more with its money in the future.

Hema Kailasam, CRA Director of Finance and Operations, noted that the plan can change and funds can be reallocated. This is a plan for the next five years. It is possible that a \$60 million stewardship isn't needed, especially if the \$2.4 million in expenses decreases.

Mr. Bator said that the CRA currently has an investment strategy and sophisticated professional management of its liquid assets with the help of an investment advisor. The generated investment income has covered significant parts of CRA's basic operating expenses for staff. He thought the idea of an endowment was interesting. He feels that the current investment strategy, which limits equities to 30%, is overly conservative, even for a public entity. He thinks that the limit could be raised prudently and gradually.

Ms. Madden said that this strategy assumes a 4% rate so that for every \$25 million invested, \$1 million in income is generated. Ms. Madden agreed with Ms. Kailasam in that this is a way to move forward but that this should be revisited from time to time. She emphasized that currently the expenses are estimated at \$2.4 million since that is how the budget has been allocated in the past. However, moving forward, budgets should be set aside for

development projects. For example, the Bolton Street project would not be part of the regular operations budget but rather managed as a project with its own budget, hiring its own designers.

Mr. Zevin asked which category the following scenario would fall into: What if the City asked the CRA to act in more of a traditional redevelopment authority capacity to assemble land and do infrastructure in a place like Alewife, or on a smaller scale in Central Square? Ms. Madden said that such a project would fall on the left side of that chart in the orange and the green because it is not a stewardship obligation. It would be a new project.

Mr. Crawford said that infrastructure comes with fee assessment at times. A utility of some sort might be of value as well.

Mr. Evans said that regarding the CRA's stewardship role in Kendall, the CRA has been able to create infrastructure without spending a lot of resources by leveraging development, such as the Eversource vault and the streetscape improvements. The CRA has been central in this idea of trading development rights for public improvements. From a financial standpoint, the CRA cost is staff time, tracking projects to make sure public improvements happen. Ms. Madden agreed with Mr. Evans that it is important to leverage other dollars, so that the CRA's work goes further. In this case, there is some spend-down, but not all of it is CRA's money.

Ms. Born said that she is pleased to see the resolve of the Board today, which will hopefully be passed on to successive iterations of the Board. She agreed with using the money from the development fees like a nonprofit foundation and putting the endowment in a relatively untouchable position.

Mr. Bator agreed and added that these funds are precious. The highest obligation for the CRA is use them and spend them so that they have maximum impact on the good of Cambridge. The money will be used to do large important things. He feels that the holdings should be managed, if possible, so that the CRA is able to respond in large force to a sudden, enormous need. Mr. Zevin said that the City needs to understand that the CRA is here to do things like that. Had the CRA been asked to manage the reconstruction of the Berkshire Street residences, the rebuilding could perhaps have been done in a less vulnerable manner.

Mr. Vangel explained that a revenue generating project would be a real estate project that is mission aligned. It would involve preserving desirable housing uses, commercial uses, potentially industrial uses, or retail uses in a financial structure where the CRA is making some level of return. It would not be as much as a private developer's level of return, otherwise, the private market would effectively be doing it.

Ms. Born asked if it was realistic to think that the public would accept that the CRA was generating revenue through rents. Ms. Madden said that the CRA would be investing in something so that it gets paid back for what it did, whether it's housing, commercial or industrial, and get a modest return which it would use to reinvest in another mission-oriented project.

Ms. Born asked if Bishop Allen building falls into this category. Ms. Kailasam said that the goal of the Bishop Allen project was that it be a self-sustaining entity. Rents are way below market-rate. Any profits will go into an operations or capital reserve. This is not a project that generates excess income for use in other projects. The capital investment of the building was a spend-down project but operationally, it is a revenue-neutral project.

Mr. Vangel said that the SAG was very helpful in finalizing goals for CRA external activities. The CRA should identify gaps in the Cambridge ecosystem, avoid redundancy, focus on stated priorities, and practice more due diligence before moving forward with new projects. He said that the CRA needs to leverage its partnerships, recognizing the strengths each party brings to the table. He discussed an alignment of benefits and various partners of the CRA, including the public sector (city or state), civic organizations, non-profit developers, and for-profit developers. The goal is to yield community benefit. He restated the long-term stewardship obligations of oversight and asset management. Beyond that, there are creative development opportunities, economic opportunity and mobility, and climate change adaptations.

Mr. Vangel said that a survey was sent to CRA Board members last week that included initiatives or external activities, many of which were taken from city planning documents. Board members were asked to identify their top two priorities in each of the categories – creative development opportunities; economic opportunity and mobility; and climate change adaptations. Not every board member submitted the survey. Some responses were received

via email. A strong agreement among the responses for high priority initiatives are highlighted in green. Priorities that were mixed are highlighted in yellow. Initiatives that are not highlighted were not rated as high priorities. Mr. Vangel said that this meeting is an opportunity to further discuss the results.

Mr. Zevin said that he feels that facilitating success of BIPOC-owned businesses is a high priority. A network of “active” ground-floor space often emerges as an aspiration for projects everywhere in Cambridge, and it is often unmet because there’s not enough residential density to support it. Regarding mixed-use development models, industry and housing are not necessarily good neighbors. Light industrial space is an interesting idea and there are such spaces just across the line in Somerville, which are probably about to be taken over by new development. Warehousing and minor fabrication businesses were abundant in the Kendall area in the late 1960s. He questioned whether building in Alewife is a wise decision considering the frightening storm surge flood projection maps. Efforts to get the state to seriously looking into climate change might be a better use of CRA efforts. A durable solution involves more than propping up buildings a couple of feet.

Mr. Crawford agreed. It is important to look at the livability and quality of life when mixing “nuisance” industrial with a residential neighborhood. It is important to think of Alewife’s resiliency and how that impacts the build out of the area.

Mr. Bator said that the discussion is worthwhile but noted that conditions change, sometimes dramatically. While it is important to be granular and define core activities, he emphasized his desire for the CRA to be able to move quickly in emergency situations even if that does not fit nicely into a core focus of a redevelopment authority.

Mr. Vangel said that in finalizing the strategic plan, it is important for staff to define where the Board members’ interests lie.

Mr. Zevin said that he would take exception to assembling land in Alewife to pursue mixed-use development models if mixed-use included housing. Mr. Vangel said that there is consensus, however, that a high priority is to assemble land in Alewife.

Mr. Zevin said that he was baffled by the mixed feedback regarding the Central Square library. The building is good as it stands. There are two other giant lots that are empty on Bishop Allen Drive. Ms. Born explained that the library is part of the Central Square garage which, she understands, is in an advanced state of deterioration. Mr. Vangel said that the CRA could study facilitating a relocation. Ms. Born said that the Central Square community deserves a better facility.

Mr. Bator restated that while this exercise is enormously important to guide the CRA in assessing possible activities as they present themselves, there will still be circumstances that warrant changes. Ms. Madden explained that with the Board’s direction, staff can be more proactive than reactive and focus on projects in the Envision Plan that align with the Board’s goals and vision. She added that the \$60 million endowment would provide “cushioning” if there was an unforeseen situation.

Mr. Vangel spoke about the external activities that were identified regarding economic opportunity and mobility. The CRA is currently working with Just-A-Start, the owner of Rindge Commons, to plan for connectivity improvements around the Alewife property. The CRA is currently undertaking a study of transit feasibility options for the Grand Junction.

Mr. Crawford said that workforce development or sustaining jobs in growth industries is an unsolved challenge and rated this as a high priority activity. Mr. Zevin noted that MIT might be a good partner for this. He also said that activating transit use on the Grand Junction would be an enormous win. Mr. Bator said that technical training is a high priority. Mr. Vangel said that restoration of Cambridge’s urban forest canopy directly relates to work that is about to commence in East Cambridge with Green Cambridge

Mr. Zevin said that he has noticed many places where the Housing Authority could plant trees. Mr. Crawford noted that the Housing Authority is well positioned to support other infrastructure, such as telecom and broadband. Mr. Bator agreed. Mr. Zevin said that aggregating solar panel infrastructure among multiple buildings might be a more efficient setup than doing it one by one.

Mr. Vangel noted holistic plans for Alewife, Central Square, and the recent Cambridge Street study that call for significant amounts of work to be implemented.

Mr. Vangel thanked the Board for their feedback and welcomed additional feedback at any time. As for next steps, a full draft of the entire document will be brought to the Board for approval in next month's meeting. In the meantime, staff will be continuing conversations with the City of Cambridge on some of these ideas. There is a plan to have a meeting with the Community Development Department in March to talk about opportunities.

The survey is still open so Board members who haven't taken it yet, or want to take it again, informed by this conversation, are encouraged to do so. Any avenue for continued feedback is welcomed. The survey was considered a conversation starter.

Other Business

At 7:53 p.m., Ms. Born said that the Board had concluded all the business set forth on the regular agenda so it would not be reconvening in an open session after the executive session.

A motion was made to enter into Executive Session to enter into Executive Session to consider terms of a potential real estate transaction for the Foundry Building at 101 Rogers Street. A roll call was taken by Mr. Evans and each member's vote was repeated.

Chris Bator – yes

Kathy Born – yes

Conrad Crawford – yes

Margaret Drury - absent

Barry Zevin – yes

The motion carried.

Ms. Shore will send a new Zoom link to the Board and staff for the Executive Session which will start at 8:00 p.m.