

## MEMORANDUM

**To:** CRA Board  
**From:** Erica Schwarz  
**Date:** May 20, 2020  
**Re:** 93-99 Bishop Allen Drive Project Scope, Budget and Leasing Model

## INTRODUCTION

The CRA acquired the property at 93-99 Bishop Allen Drive in October 2019, in order to preserve uniquely located and affordable social service space in Central Square. The building has not seen significant renovations since 1965. It requires a range of life safety and accessibility improvements, as well as improvements to create more efficient and effective space.

In the original acquisition plan, the CRA committed approximately \$2 million towards property renovations. This figure was based on the \$1.7 million estimate of construction costs the CRA received in January 2019 for life safety and accessibility improvements. During 2020 CRA staff have been working with our selected design firm, Silverman Trykowski Associates (STA), and Owner's Project Manager, STV|DPM, to define the project scope.

In April 2020, the CRA board reviewed a list of recommended improvements which was based on data from these sources:

- Cost estimate of life safety and accessibility improvements, January 2019
- Phase I environmental review and follow up testing, July 2019
- Full building inspection, October 2019
- STA existing conditions report, March 2020
- Project goals as originally identified by the CRA during spring and summer, 2019
- Tenant interviews conducted by the CRA and STA during 2019 and 2020

## DEFINITION OF SCOPE AND BUDGET

Extensive outreach with tenants and a building conditions evaluation helped inform schematic designs, including reconfigured floor plans and building elevations, which are nearly complete. Over the last month, CRA staff have also worked with STA and STV|DPM to refine the scope and improve the accuracy of the early construction cost estimates, and to develop a complete project budget.

During the design process, the building renovation has expanded significantly in scope. This has been driven by five inter-related factors. One, when we began designing accessibility upgrades and adding fire protection systems, other systems and areas of the building were affected. Two, since our 2019 project cost estimate we have learned more about serious shortcomings of the building's electrical, heating and cooling systems as well as some hazardous material abatement needs. Three, Improving circulation to access the elevator, accessible entries to the building, and restrooms resulted in internal layout changes including the proposed relocation of some tenants. Four, once a certain level of work is underway in an area of the building, the designers identifies other worthwhile improvements to undertake. And finally, the design process explored ways to make the building more space efficient and created shared spaces to serve all building tenants, such as meetings rooms, kitchenettes and lounges. The categories of the current construction scope are listed below:

- Accessibility and Code Upgrades – Original scope
- Fire Protection – Original scope
- Hazardous Material abatement – Based on additional testing
- Plumbing – Required for new restrooms and sprinklers
- Heating and Cooling systems replacement – current systems are inadequate
- Electrical – Current systems are inadequate
- Interior Improvements – Developed out of circulation changes and shared space development
- Envelope – Restorative maintenance, some could be done later
- Exterior Improvements – Tied to accessibility improvements
- Historic Preservation – Scope added, if additional funding is provided; CPA funds may be a viable source

Beyond direct construction costs, there are many additional project budget expenses to be accounted for. Those include:

- Owner's Project Manager services
- Design Services
- Design Contingency
- Construction Contingency
- Administration
- Advertising
- Furnishings and Equipment for common areas
- Hazmat and Materials Testing
- Grand Opening Event

- Soft Cost Contingency
- Utilities
- Insurance
- Tenant Relocation during the 6-8 month construction period

The project is expected to start construction no later than January 2021, with all tenants back in the building between June and August 2021. The expected timeline is attached.

Simultaneous to the scope and design process, CRA staff are working with newly selected Property Managers TSNE Mission Works to align building renovation plans with an appropriate leasing structure and income forecast. We will ensure adequate income for building operations and for the CRA to recoup, over time, a portion of the equity that we will now invest in the property.

CRA staff recommend meeting with the CRA Board of Directors in executive session to discuss how the renovation project may affect the future lease structure and related operating income.



