

# 47th ANNUAL REPORT 2003

## of the Executive Director

### Cambridge Redevelopment Authority

#### Wellington-Harrington Urban Renewal Area

In late January, the Planning Board Chair requested a meeting with the Authority to review architectural plans for an office building to be developed by the Charles Stork Draper Laboratory previously approved by the Planning Board.

On February 28, the Cambridge Planning Board held a public hearing on an application for a Project Review Special Permit. One Kendall Square Associates proposed to replace the buildings known as 1500 and 1700 One Kendall Square, located at the corner of Cardinal Medeiros Avenue and Binney Street.

#### Kendall Square Urban Renewal Area

At the March Authority meeting, the Executive Director reported on meetings with representatives of Mirant, New England, Inc. to review its progress on providing a site for the required electric power station. In mid-July, the Authority composed a letter of support for NSTAR's proposed amended (variance) to Chapter 91 permit originally issued by the Department of Environmental Protection (Waterways Division) to allow the placement of an electric power station and Authority letter of

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Kendall Generating Plant

support. At the July Authority meeting, the Executive Director reported on the status of negotiations permitting an electric power substation on the existing Mirant Kendall Station site. He reported that the location for the substation was preferred by all parties but Lyme Properties, an abutter to the location. In mid August, the Authority sent a letter to the Department of Environmental Protection (DEP) voicing its support for NSTAR's proposal to construct a new electric distribution substation on the northeast corner of the existing Mirant Kendall Station site. The letter identified the significant load growth in the Kendall Square area and in the entire eastern sector of Cambridge, as well as the need to separate distribution functions from Kendall Station as reasons the DEP should expedite any and all needed state approvals to allow the project to move forward quickly.

In mid October, NSTAR received notice of Department of Environmental approval for an Amendment to the Chapter 91 Permit issued by DEP, allowing the placement and construction of a new electric distribution substation on the existing Mirant Kendall Square Station site. DEP strongly advised NSTAR's continued cooperative efforts to address the abutter's design and operational recommendations, including the provision of certain pedestrian amenities, as well as, to the maximum extent

possible the use of architectural devices such as roof louvers to mitigate the visual and auditory impacts of the proposed facility.

In January, the Executive Director forwarded housing and economic development recommendations to Governor Romney's Transition Team. The Executive Director recommended 1) a dramatic structural change in the organization and assignment of responsibilities of MassHousing, MassDevelopment and the Department of Housing and Community Development (DHCD), with MassDevelopment and DHCD transferring all of the new assisted housing development activities to MassHousing, and DHCD transferring all community/economic development activities to MassDevelopment; 2) the revision of the definition of a Massachusetts research and development corporation to make it more likely that the definition will apply to start-up companies; 3) the retention and expansion of the Public Works Economic Development (PWED) Grants; 4) the initiation and issue of Commonwealth general obligation bonds to fund infrastructure development for non-profits and research centers; 5) the retention of current tax incentives and market deferral-of-capital-gains advantage for early-stage private investors; 6) the retention of research and development investment credits; 7) the adoption of the federal position liberalizing the rules regarding the ability to use loss carry forwards and other favorable tax attributes when companies are merged or acquired; 8) the definition of expenditures eligible for the Massachusetts research and development credit to include expenditures related to national clinical trials that are managed from Massachusetts; 9) an allowance for start-up to sell tax attributes, including research and development credits and net operating loss carry forwards, to unrelated parties, so that the value of these benefits can be utilized as capital formation during the start-up phase, and need not remain ineffective until the companies turn



profitable; 10) a focus on trading with Canada, with encouragement of trade missions of “export ready” Canadian firms, primarily based in Montreal and Quebec City, building on informal relationships currently being formalized; 11) the encouragement of economic development from a global perspective, with an investigation of where Massachusetts is falling short of greater participation in the world-wide economy in terms of trade opportunities, exporting initiatives, and exportation of expertise as well as products.



Kendall Square Projected Gross Floor Area, by Uses	
Biotech Office/ Manufacturing	1,027,520 sf
General and Technical Office	2,273,222 sf
Retail	110,000 sf
Residential	950,000 sf
Business Hotel	185,356 sf
Hotel	330,302 sf
	<u>4,876,400 sf</u>

At the July Authority meeting, the Executive Director reported on meeting with Massachusetts Office of Economic Development Director, Barbara Berke and Smart Growth in Massachusetts Director, Anne Tate.

As a follow-up to a visit from a delegation of Canadian political leaders in 2002, the Executive Director attended an Economic Development Round Table at the Canadian Consulate in March, organized to

discuss ways in which cities and towns from both sides of the border can work together to expand their economic bases. One of the primary goals of both the delegation’s visit to Cambridge and the Economic Development Round Table was to establish ways in which the Canadian Consulate can assist Canadian companies looking to locate in the Boston area.



On February 26, the Rooftop Mechanicals Task Force submitted its draft recommendations, specifically changes to Article 19 of the Zoning Ordinance including: 1) additional requirements added to detail on mechanical systems and massing in special permit applications; 2) additional design guidelines; 3) clarification of height information in zoning ordinance; 4) limitation on height of mechanicals adjacent to residential districts. The Task Force also made recommendations regarding acoustic standards. In May, the Rooftop Mechanicals Task Force submitted its final recommendations to the City Manager’s Office.

In March, the Authority organized a meeting with the community group Neighbors for a Better Community (NBC) and the Massachusetts Biotechnology Council (MBC) to discuss the possibility of an annual job fair and preparatory workshop(s) for high school juniors and seniors and adults focused on life sciences careers. NBC intended to recruit support for this proposal from the Massachusetts Biotechnology Council, the Cambridge School Department, Cambridge College as well as from various municipal and non-profit agencies.





At its March meeting, the Authority approved new “winter set” banners proposed by Boston Properties for installation at Cambridge Center in the 2003 winter season and authorized the Executive Director to transfer from the Authority to the City of Cambridge certain maintenance responsibilities for the irrigation system on Binney Street/Western Connector from Third to Main and Third Street from Main to Binney.

In mid-June the City of Cambridge proposed the installment of a sidewalk sign on Broadway to help guide pedestrians headed to the Kendall Square MBTA station through the Marriott lobby area.

In July, the Cambridge Department of Traffic, Parking, and Transportation submitted signage designs for signage guiding pedestrians headed to the Kendall Square MBTA station and through the Marriott lobby area. At that time, the Authority proposed an alternative signage plan.

In the fall, the Community Development Department held a series of three forums to discuss economic development policy in Cambridge. The Authority and the Cambridge Chamber of Commerce participated in these forums, which were open to the public. In a letter the Authority received in early December, a community member who had attended the first two meetings voiced concern that major business owners and leaders of the community had not been present at the forums.

## 1993 – 2000 Hello Biotechnology!

- Biogen (1993)
- Millenium (1993)
- Genzyme (1994)
- Amgen (1997)
- Vertex (2000)



On September 10, Thereon Biologies, developer of therapeutic vaccines for cancer, held a ribbon-cutting ceremony commemorating the opening of its new manufacturing facility at 72 Rogers Street, with Governor Romney as the guest of honor. Also in September, Boston Properties submitted an easement plan to the Authority for Parcel 5 land owned by the Authority. The easement was needed for the Department of Parking and Transportation Planning’s proposed “bus cut-through” lane at Point Park.

At its September meeting, the Authority Board approved a proposed security plan submitted by the John A. Volpe Center, subject to final review. Approval was given for the installation of vehicle barriers, vehicle control devices and Jersey Barriers at Volpe Center Parking lots.

### Kendall Square Urban Renewal Area/ Parcel 1

Early in January, the Authority sent a letter to the Assistant Secretary for Administration at the Department of Transportation reiterating its 2002 request for the timely completion and release dates for 1) the General Services Administration’s Property Survey; 2) the Office of the Secretary of Transportation/Research (OST) and the Special Programs Administration (RSPA) internal mission needs analysis; and 3) the Volpe Center



Building #5 and #6 replacement cost and steam generation facility cost analysis. Late in January, the new Assistant Secretary for Administration, Vincent Taylor, responded, saying that RSPA would have its mission assessment and property utilization survey for the Volpe site completed in March, and that subsequent to that, DOT would provide its conclusion as to whether the property is underutilized, unutilized, or not being put to optimal use. In mid March, the Authority sent a letter to Taylor requesting that he share with the Authority the results of the OST/RSPA Mission Assessment – the purpose of the Authority’s review of these reports being to determine whether the Authority’s proposal to reconvey a portion of the Volpe site adequately protects the Volpe Center’s present and future interest.



At the March Authority meeting, the Executive Director reported on the work list Capitol Partners prepared identifying the tasks to be done in order to secure support for Parcel 1 legislation. The identified tasks were 1) refile the Parcel 1 legislation; 2) ensure the continuous support of Congressman Capuano for the passage of the legislation; 3) obtain senior delegation support for the legislation; 4) demonstrate NAGE support; 5) set up a Secretary Mineta/Representative Capuano meeting; 6) obtain HUD willingness to provide housing subsidies; 7) obtain written support from NAGE for the legislation; 8) facilitate the introduction of Parcel 1 legislation in the Senate; 9) enlist early support from Secretary Mineta;

10) enlist the support of HUD Secretary Martinez; and 11) enlist the support of Governor Romney. At the March meeting, the Executive Director presented draft letters requesting support and/or assistance in garnering support for the legislation to the following individuals: Governor Romney, the Secretary of Transportation, the Massachusetts delegation, the Secretary of HUD, and the Administrator of General Services Administration. The Executive Director also reported on a proposed meeting of the Open Space and Housing Coalition to discuss Parcel 1 legislation once it appeared the legislation would be filed, and on meetings in Washington, DC with Authority staff and Mayor Sullivan and Congressman Capuano’s staff as well as Senator Kennedy’s and Senator Kerry’s staff.

Also at the March Authority meeting, the Executive Director reported on an inquiry from an East Cambridge resident on the status of plans to reconvey part of the Volpe site.

In April, the Authority secured support letters for Parcel 1 legislation from community residents, neighborhood organizations (including Neighbors for a Better Community, Massachusetts Alliance of Portuguese Speakers, Just-A-Start Corporation, Cambridge Housing Authority, Massachusetts State Soccer Association), and local elected officials including the entire Cambridge delegation and President of the Senate, Robert Travaglini.

In late April, Congressman Capuano sent a response to the Parcel 1 legislation support letter from the Cambridge state delegation. He wrote that he was awaiting the conclusion of a DOT review of the property in question and that he was informed by DOT that they would conclude their study in the next several weeks. He added that the study’s findings would be of crucial interest to him, but that he did not want to act precipitously.

In early October, the Authority sent a letter to Department of Transportation Acting Assistant Secretary, Mari Barr Santangelo, offering to coordinate a Volpe Center site visit by Assistant Secretary Taylor and RSPA



Administrator Samuel Bonasso. The letter also requested DOT preparation of the architectural requirements for a "Transportation University and offered to explore the possible joint use of the Volpe site to include underground parking and a Cambridge police facility at the Volpe site.

At the March Authority meeting, the Executive Director reported on a conference call involving CRA staff, Congressman Capuano's District and DC staff and Capitol Partners during which the potential for ISTEA (T-21) funding for the Parcel 1 Legislative effort was discussed – a possible funding avenue suggested by the Governor's office.

In March, the Authority organized a meeting of the Parcel 1 Open Space and Housing Coalition and issued an invitation to Congressman Michael Capuano.

In mid March, Authority staff met with Governor Romney's Deputy Chief of Staff, Peter Flaherty, and Lieutenant Governor, Kerry Healy, to secure the Governor's endorsement of the Parcel 1 legislation. Lieutenant Governor Healy made the following suggestions, which Authority staff said it would follow up on: 1) the Authority should review the project with Jane Gumble, Director of the Department of Housing and Community Development; 2) the Authority should continue working with Frank Micciche at the Massachusetts DC office. The Executive Director submitted a letter to the Governor's Deputy Chief of Staff for Community Development, the results of a meeting with Lt. Governor Healey; and subsequent meetings with the Director and staff of the Department of Housing and Community Development.

In June, State Senator Steven Baddour sent a letter to Governor Romney soliciting his support of the Authority's effort to acquire a Public Works Economic Development (PWED) grant in the amount of \$2-million for infrastructure improvements in support of the development of up to 550 housing units on the former NSTAR (Gas Company) site on Parcel 1. At its July 17 meeting, the Authority Board

motioned to authorize the Executive Director to prepare and process a PWED grant.

## Kendall Square Urban Renewal Area/ Parcel 2



At the March Authority meeting, the Executive Director reported on Biogen's notice to the Traffic, Parking and Transportation Department regarding the City's failure to install mast arms and signals at a Binney Street/Sixth Street pedestrian crossing Biogen had made certain improvements on in spring 2001.

The Executive Director also reported on the status of Biogen development at the March Authority meeting. He reported on the news that Biogen's European application for its Amevive psoriasis drug had been rescinded because European regulators' wanted a study comparing Biogen's drug to existing treatments. He also reported that Biogen was optimistic about Amevive's launch in the U.S., which has already begun and that the European delay wouldn't affect Biogen's financial predictions for the year. At the July meeting of the Authority, the Executive Director reported on the news that Biogen would merge with Idec in a stock deal valued at \$6.8 billion to form Biogen Idec, Inc. He reported that the merger's focus was on cost-savings. The new company planned to generate



annual cost savings of \$300 million by 2007, according to executives at BiogenIdec.

In June, Boston Properties advised the Authority of Biogen's plans to remove and replace two rooftop air handler units at Fourteen Cambridge Center. The project required that Biogen separate the construction work from the ongoing manufacturing operations within Fourteen Cambridge Center, and, as a result, the construction-related staff had to move to a temporary office at an exterior location. To accommodate the staff, two construction trailers were installed at the rear of the building.

In late August, the Authority approved Boston Properties' Design Proposal for a screening wall at Fourteen Cambridge Center, subject to inclusion of the following recommendations regarding noise attenuation measures made by Authority staff and Authority consultant: 1) that Boston Properties assess whether the noise standards for open space are met, since the expanded utility yard abuts a linear park; 2) that the cross section for the wall show the recommended noise attenuation measures; 3) that the new chiller base not be in rigid contact with the wall; and 4) that a complete review of all the recommendations made by Acentech, Biogen Consultant, be undertaken.

In response to the Authority's conditions to approval of the design for the screen wall at Fourteen Cambridge Center, Biogen sent a letter to Boston Properties explaining that the chiller installation plans had been rigorously designed to attenuate sound emissions from the equipment and control noise pollution at the adjacent pedestrian walkway. Biogen clarified that the project's design objective was to control noise at the chiller enclosure rather than rely on any sound attenuation performance provided by the screen wall. Biogen and its consultant believe that the spring-type vibration isolators, double-wall insulated construction and sound attenuating louvers for the chiller enclosures would ensure that noise levels with respect to the adjacent linear park would be deemed acceptable.

## Kendall Square Urban Renewal Area/ Parcel 3

In mid-March, the Authority sent a letter to Boston Properties reporting on its review of revised Seven Cambridge Center Plans. The Authority 1) acknowledged that Boston Properties had clearly demonstrated the infeasibility of siting the residential space on Main Street and the laboratory space on Ames Street, but requested that Boston Properties explore more fully the availability of an alternate to the service road use by trucks to accommodate the lab building as was being proposed; 2) supported the revised plan illustrating a single consolidated curbcut on the Western Connector and a T-intersection between the garage express exit lane and the service road behind Six and Eight Cambridge Center; 3) supported the continuous pedestrian environment and an expanded public plaza on Main Street as a result of removing the "old" service curbcut; 4) requested that Boston Properties prepare a site plan and an MXD zoning analysis to demonstrate the conceptual feasibility of both proposed buildings to be incorporated in their next submission; and 5) requested that Boston Properties undertake an analysis showing relative distances, noise control measures, screening, etc. also to be incorporated in their next submission.

At the September Authority meeting, the Executive Director reported on the status of negotiations on the dollar value of residential development rights on Parcel 3 and on efforts to attract the Broad Institute to construct its proposed building on Authority-owned land on Parcel 3. During the course of the year, the Authority negotiated a deal with Boston Properties respecting the disposition price for the residential rights on Parcel 3. The minimum purchase price was set at \$4,750,000, payable upon the execution of a supplemental land disposition agreement. This purchase price



assumes that the percentage of affordable units is 15% — or 25 of the anticipated 161 units. The minimum purchase price is adjusted to reflect any increases in the Consumer Price Index. In addition, a schedule of annual, non-refundable (but deducted from the purchase price) “hold-the-price” deposits was agreed upon. Should the developer sell the rights to develop the residential uses to an equity partner, all proceeds exceeding \$7-million shall be split evenly. Should Boston Properties ground lease the development rights, a discounted cash flow analysis shall be completed in order to determine the land value. For example, if it is assumed that a ground lease land is \$8,500,000 and an annual lease payment is \$850,000, the Authority would receive \$5,500,000, which is the Minimum Purchase Price of \$4,750,000 plus 50% of the difference between \$7,000,000 and \$8,500,000.

### **Kendall Square Urban Renewal Area/ Parcel 4**

In mid-April, Boston Properties submitted specifications for neon signs in the Beijing Tokyo Restaurant at Three Cambridge Center Food Court.

In March, the Cambridge License Commission and Alcoholic Beverages Control Commission (ABCC) approved Legal Sea Foods’ Application for a change in description of premises to include patio dining. On May 22, Boston Properties held the 14<sup>th</sup> Annual Cambridge Center Transportation Awareness Day in front of the Cambridge Center Marriott, an event held to increase awareness of alternative means of transportation, commuting options and commuting safety as well as to create interest in other environmentally beneficial projects and programs.

At its March meeting, the Authority approved, conditionally, the Construction Document Phase Submission of renovations to Legal Seafoods at Five Cambridge Center with the following design comments to be resolved.



The Authority 1) requested the exact dimension of two pedestrian access ramps necessitated by the new renovations, so that a judgment could be made respecting sufficient pedestrian passage; 2) requested that the Authority be able to examine how a new loading platform might improve the pedestrian environment at the rear of the restaurant along the pedestrian walkway; 3) queried how trash would be stored given that there was no interior storage room for trash and waste located near the loading area and wondered whether space could be allocated to accommodate a trash compactor; 4) queried whether the glass shield proposed for the outdoor dining area was absolutely necessary, whether the outdoor dining area would be removed during the winter months, and whether electrical outlets for evening dining would be needed; 5) queried how translucent the window coverings or curtains would be; 6) queried why several of the existing glazed storefront window panels were being blocked with solid walls and were being painted or tinted black as seem from the outside; 7) encouraged the use of neon signage and suggested that the “fish logos” on more or less of the alternating windows be retained; 8) queried whether it would be necessary to amend their licensing, given the increased seating capacity due to the exterior seating; and 9)

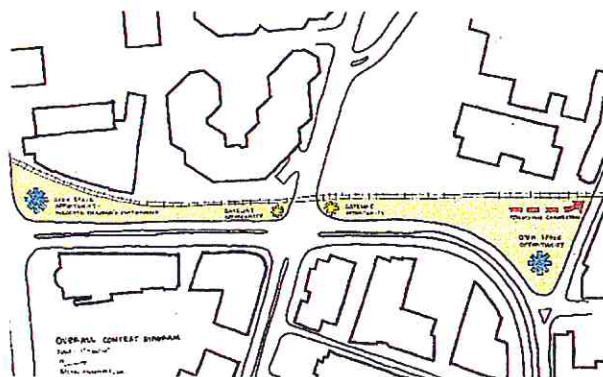


suggested that the proposed screening fence at the rear loading area be about 18' or higher than proposed.

### Kendall Square Urban Renewal Area/ Parcel 5

At the March Authority meeting, the Executive Director reported on the status of negotiated agreements with MIT for a temporary construction License Agreement and permanent easement rights located on Parcel 5, involving approximately 1,000 square feet of land. The Authority approved a temporary construction License Agreement granted to Massachusetts Institute of Technology (MIT) for a \$40,000 license fee and reimbursement for all CRA-related expenses in the estimated amount of \$25,000. The Authority also approved the granting of an underground easement to the Massachusetts Institute of Technology (MIT) for the placement of a steam vault and certain steam lines, with a fee of \$30,000 to be paid to the Authority and a posting of a \$50,000 bond renewable annually.

### Kendall Square Urban Renewal Area/ Parcel 7



In August, Sasaki made available to the Authority a copy of the summary presentation of the landscape architect interns' charette the Executive Director participated in in June.

In June, the Executive Director served as a panel member on a Sasaki intern charette review with the development of a sustainable site plan for the reuse of Parcel 7 as its goal.

The Authority held an initial meeting with representatives of Just-A-Start Corporation, Oak Tree Development and the MIT School of Architecture to discuss a development proposal for housing on Parcel 7.

At its November 20 meeting, the Authority Board voted to authorize the Executive Director to generate a development for Parcel 7 consisting of open space reuse and residential reuse with a goal of achieving 60,000 square feet of residential reuse or approximately 50 housing units with 30% (15 units) for low-income families, 30% (15 units) for moderate income families and 40% (20 units) of market rate housing. Further, the Executive Director was authorized to initiate the transfer of development rights process of 60,000 square feet of residential development rights from Parcel 3 to Parcel 7, both located in the Kendall Square Mixed-use Development (MXD) district.

### Technical Services Contracts

In July, the Authority submitted a semi-annual progress report on HUD-EDI Special Project Grant, which indicated that no drawdown for the grant had been made as of that month. The Authority issued invoices to Division of Capital Asset Management for reimbursables in the amount of \$4,188.00 for the period February 24 through May 17 for the Worcester Trial Court Project and for reimbursables in the amount of \$499.00 for the period May 25 through June 21 for the Fall River Trial Court Project.

At the November 20 Authority Board meeting, the Executive Director reported on status of Symmes Arlington Conservation Project.



## **Administrative Actions**

At the November meeting, the Authority approved Amendment No. 1 to Property Management Contract No. 15 with Greenscape Land Design, Inc. in the Kendall Square Urban Renewal Area, providing for an extension to December 31, 2006, and other modifications.

At its March meeting, the Authority ratified, affirmed and approved professional services contracts with Bernstein, Cushner and Kimmell, Bluestone Planning Group, Daniel Dennis & Company, Hunneman Appraisal & Consulting and Capitol Partners.

At its March meeting, the Authority motioned to approve signatories for all bank accounts including, but not limited to: Boston Private Bank & Trust; Cambridge Savings Bank; Cambridge Trust Company; and Citizens Bank.

In the first quarter of the year, Clear Channel Outdoor reimbursed the Authority \$5,647.50 for a tree damaged by their personnel on Authority property in June 2002.

## **Election of Officers**

At the September Authority meeting, the Executive Director was directed to cast a single vote for the re-election of the current state of officers. Jacqueline Sullivan was reappointed as a member of the Authority Board and Alan Bell continues as a Board member in a "holdover" status until his successor is duly appointed and qualified. Mark Rogers received unanimous Council concurrence of his appointment to a term as Board member ending April 3, 2006.