

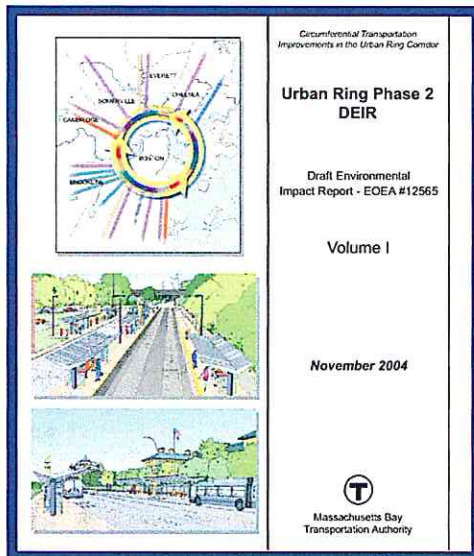
49th ANNUAL REPORT 2005

of the Executive Director

Cambridge Redevelopment Authority

Kendall Square Urban Renewal Area

At the May meeting, the Executive Director reported on Congressional Appropriations in the amount of \$1.05-million for Fiscal Year 2005 for use in the Kendall Square Urban Renewal Area. The Authority authorized the Executive Director to arrange for the release of Federal funds on an “as needed” basis, but in no event more than \$500,000 in any one fiscal year.



In February, the Citizens Advisory Committee (CAC), appointed by the MBTA, issued comments on the Draft Environmental Impact Report on the Urban Ring. The committee indicated strong support for the project concept, noting that the project would increase the effectiveness of the commuter rail system and provide sustainable economic development for communities along the corridor. It was further indicated that there is a need for the Report to more adequately portray the

urgency of developing an implementation strategy for the project, and that a revised Report should include analyses of cost, ridership, and other criteria that would inform implementation strategies. The committee requested that a Supplemental Report be developed through consultation with the CAC, and noted that the project is not in compliance with the Special Review Procedure certificate issued by the Massachusetts Environmental Policy Act unit (MEPA) of the Executive Office of Environmental Affairs, which establishes the framework and schedule for its environmental review. In August, the MBTA submitted to MEPA a Notice of Project Change to the Special Review Procedure for the Urban Ring Phase 2 Circumferential Transit Improvement Project.

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At the May Authority meeting, the Executive Director reported that the total allowable gross floor area (GFA) in the MXD Zoning District is 3,002,100 square feet. He reported that approximately 671,200 square feet of buildings are in construction (Seven Cambridge Center, Twelve Cambridge Center Expansion) or permitted (The Residences at Cambridge Center) or planned (Seventeen Cambridge Center) for the district.



The Broad Institute



Schematic Design Review Submission for Seven Cambridge Center lab/office and garage development (the Broad Institute)

**4th Annual
Celebration of Biotechnology
in Kendall Square**

Hosted by:

The MIT Entrepreneurship Center
Harvard-MIT
Health Sciences and Technology
and
The MIT Center for Biomedical Innovation


Please join us for the Topping Off of
Seven Cambridge Center

Home of the
**BROAD
INSTITUTE**

Wednesday, March 2, 2005
12:00 p.m.

Seven Cambridge Center
(415 Main Street)
Lunch to be provided

Cambridge Center


A development of
Boston Properties

In May, Biogen advised the Authority that it would pay a total of \$827,191 on Twelve and Fifteen Cambridge Center for the PILOT (Payment in Lieu of Taxes) for 2005.

In August, the MIT Entrepreneurship Center, the Harvard-MIT Division of Health Sciences and Technology and the MIT Center for Biomedical Innovation held its 4th Annual Celebration of Biotechnology in Kendall Square. Attendees included Avant Immunotherapeutics, BiogenIdec, Boston Private Bank & Trust Company, Broad Institute, Massachusetts High Technology Council, Millenium Pharmaceuticals, MIT Sloan School, and Therion Biologics Corporation.



The Longfellow Bridge

In September, MassHighway held a public information meeting to discuss the Longfellow Bridge Restoration Project. Preparing to begin the design phase of the project, MassHighway provided an overview of the proposed rehabilitation of the bridge and a Q & A discussion. The Authority submitted a letter supporting a plan which recognizes the transit, vehicular (auto and bicycles) and pedestrian needs.

Mid-year, Lyme Properties LLC, in one of the largest real estate transactions ever in life sciences in the U.S., sold eight of its properties, including Genzyme Center in Kendall Square. The sale represented the highest price for research-laboratory buildings as well as office buildings in the area.

Kendall Square Urban Renewal Area/Parcel 1

At the May Authority meeting, the Executive Director reported on a communication from the Department of Transportation (DOT) to Cambridge City Mayor, Michael Sullivan, regarding the potential utilization by the City of a portion of the Volpe Center's site in Kendall Square. DOT advised the Mayor that they would take steps to arrange a meeting with all interested parties, as Mayor Sullivan had requested.

At the May Authority meeting, the Executive Director reported on a \$1-million appropriation for open space construction funds

for use by the Authority in the Kendall Square Urban Renewal Area. He identified the following as rationale for the appropriation: 1) that Cambridge, using HUD/EDI-Special Project Grants, undertook a comprehensive planning task to define a "linear park" concept and was prepared to implement that concept; 2) that the Cambridge community has identified the Grand Junction railway path, which abuts the proposed linear park, as a top priority; and 3) that the project is a significant segment of the Rail/Park trail and presents unique opportunities for gateway open space in a densely-developed urban area. The Executive Director also reviewed with the Board report language that would request the Secretary of DOT, the Director of Homeland Security and all "security" agencies to investigate the feasibility of constructing a comprehensive security facility at the Volpe Center. Said language read as follows: "Safe, Accountable, Flexible, Efficient Transportation Equity Act encouraging the use of the Volpe Center in solving challenges related to integrating transportation and homeland security issues."

In mid-March, Authority staff, Authority consultant and Mayor Michael Sullivan met with Research and Innovative Technology Administration (RITA) staff including Deputy Administrator Eric Peterson, Associate Administrator Curtis Tompkins and other RITA staff to discuss the future of the Volpe Center.

At its May meeting, the Authority authorized the Executive Director to arrange additional meetings with RITA staff, Homeland Security and other Federal security agencies to explore potential utilization of the Volpe site for certain security programs.

In mid-June, while excavating a trench to install a subsurface natural gas distribution line along Potter Street near the DOT Volpe Building, NSTAR encountered an abandoned pipe filled with coal tar, a hazardous material. When the excavator contacted the old pipe, coal tar leaked out into the soil. In response, NSTAR agreed to remediate the spill and to address the threat of further releases by removing the pipe in the course of completing the installation of its gas distribution pipeline. Further, NSTAR

agreed to submit an "Immediate Response Action" plan for this removal action, and to prepare a Response Action Outcome Report for this action after the pipe was removed.

Kendall Square Urban Renewal Area/ Parcel 2

In late April, the Authority submitted a report to the Department of Environmental Protection (DEP) reporting on a concentration of lead that exceeded acceptable DEP limits in soil on Authority-owned land in Kendall Square, specifically the former right-of-way that is now used as a pedestrian walkway connecting Broadway to Binney Street, adjacent to Twelve and Fourteen Cambridge Center. At its May meeting, the Authority approved a motion to submit a Release Notification and Notification Retraction Form to the Massachusetts Department of Environmental Protection.

At the May Authority meeting, the Executive Director reported on job actions against Biogen by Local 103.

At its September meeting, the Board approved a revised bridge design plan for between Ten and Twelve Cambridge Center, which incorporated Authority staff and Boston Properties' review comments, specifically concerns about rain leaders being directed into the adjacent storm-water infiltration gallery; the redesign of wood blocking to lie either flat so as not to warp on the edge, or to be replaced with metal studs; and structural review by McNamara/Salvia of steel angles installed directly to the brick on Ten Cambridge Center.

At the September Authority meeting, the Executive Director reported on construction activities, and the License Commission hearing held on July 13.

At the May meeting, the Board approved the Third Amendment to the Parcel Two Easement Agreement; this was a revised version, with the format, certain of the easements and the maintenance of responsibilities of Biogen modified based on discussions with Boston Properties.

Having paid \$827,191 for the PILOT program for 2005, BiogenIdec advised that the Twelve Cambridge Center expansion was still under construction and was not available for occupancy and, accordingly, that no PILOT payment was due on the property.



Welder works on installing BiogenIdec's power plant in a building in Kendall Square

At the September Authority meeting, the Executive Director reported on press coverage of BiogenIdec's co-generation facility, a power plant that would convert gas into steam for all of its six buildings and would generate up to 5,500 kilowatts of electricity, while also powering air conditioning systems through the summer. BiogenIdec was the first company to take advantage of new state rules on distributed generation projects. Operating at 80 percent efficiency instead of at 40-50 percent efficiency, as conventional generating stations do, the co-generation plant will save up to \$4-million on utility costs for BiogenIdec and will keep 25,000 tons of carbon dioxide out of the atmosphere every year. The Boston Globe reported that Green Power advocates hoped this move by BiogenIdec would set a trend.

At the same meeting, the Executive Director also reported on attempts by Governor Romney and his economic development staff to change state building permit rules they say slow development. Romney sought to make the permitting process

faster to attract companies looking to settle in Massachusetts, especially life science companies, which account for much of the recent job-creation in the state.

At its September meeting, the Authority approved the installation of a small dish for wireless internet connection on the roof of Eleven Cambridge Center.

At the September Authority meeting, after staff and consultant review, the Authority approved the installation of an illuminated exterior sign at Fifteen Cambridge Center.

Kendall Square Urban Renewal Area/ Parcel 3



The Residences at Seven Cambridge Center

In April, the Design Advisory Group met to review the Schematic Design Phase Submission for the proposed Residences at Cambridge Center on Parcel 3. The Residences will include 200,000 square feet of residential space (a total of 135 to 170 residences), and 2,600 square feet of retail space on the ground floor. The adjoining parking garage will contain 780 parking spaces plus another 115 parking spaces specifically for residents. The City granted an additional 200,000 square feet in Gross Floor Area (GFA) to be built, which necessitates that the design be reviewed by the City. Boston Properties will undergo two parallel review

processes – one with the Authority and one with the Cambridge Planning Board. Traffic studies will be required by the Planning Board.

The design was generally well-received by the Design Advisory Group, who were glad the new residences would block the view of the garage and believe the construction will help animate and enliven the Kendall Square area. Design concerns included: 1) the palette of exterior building materials needs more refinement; 2) the metal frame on the east façade needs further study; 3) measures to screen the garage roof from residents' view should be considered; and 4) the need for a more developed ground floor landscape plan on Ames Street and on the north side of the building by the service road should be considered. At the May meeting, the Authority voted to conditionally approve the Schematic Design Phase Submission, dated April 11, 2005, for Seven Cambridge Center, also known as the Residences at Seven Cambridge Center.

At the September Authority meeting, the Executive Director reported on the filing for a Special Permit for the Residences at Cambridge Center for Large Project Review held by the Planning Board, the hearing held on June 21, and the unanimous approval of said Special Permit.

On March 2, the Broad Institute held a “topping off” ceremony at the Seven Cambridge Center construction site to celebrate the conclusion of the first stage of construction.

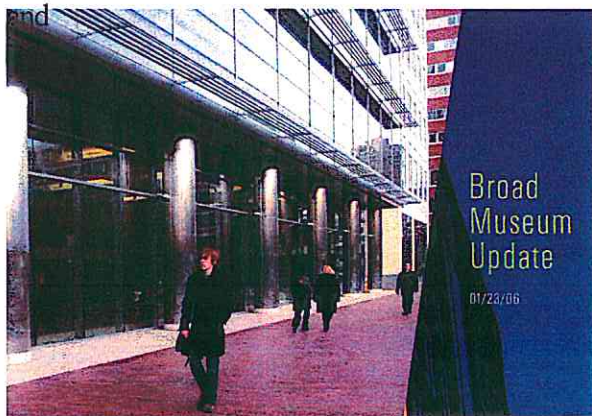


Brian Koop and Micheal Cantalupa of Boston Properties, and Joe Tulimieri at the Topping Off Ceremony for the Broad Institute

After on-site meetings held on December 31, 2004 and January 4, 2005, the Authority approved various exterior materials for Seven Cambridge Center. Remaining components of the mock-up including the bris soleil, garage panels and reduced reveal on the punch window metal panel were made available later in January.

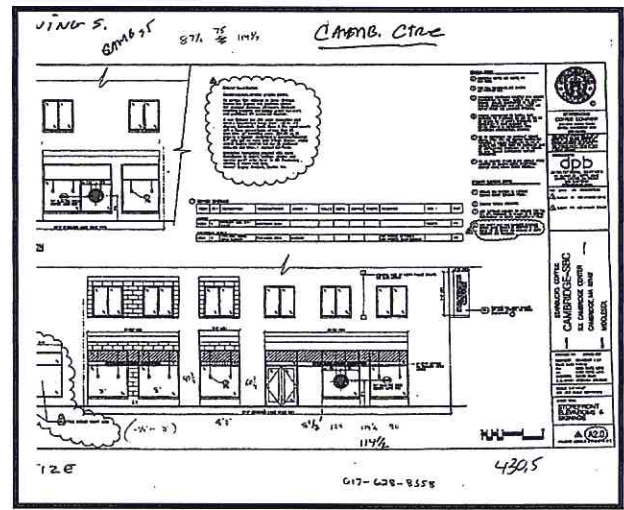
In December 2004, Boston Properties applied to the City's Arborist to have two trees removed along Ames Street so that construction at Seven Cambridge Center could continue. Boston Properties advised the City's Arborist that they had been working with the Authority to ensure that the trees were replaced in a manner that was both consistent with the landscaping of Cambridge Center and beneficial to the City of Cambridge. The two trees were to be removed in exchange for replacing two trees along the Western Connector with new London Plane trees.

On March 22, Authority staff met with representatives of the Broad Institute and Boston Properties to review the status of development of the Interactive Museum at Seven Cambridge Center. An Abstract for the Museum plan indicated that the Museum "is envisioned as containing a series of electronic exhibits devoted to the science of genomic research and disease treatment that will be both reactive and interactive... An interactive journey through the display might be facilitated by each visitor being given a 'problem,' the 'solution' to which can be achieved by the gathering of various bits of information at each of the pods... The exhibits will be designed to relate to three distinct audiences: the passerby on the street or sidewalk, groups such as school science classes,



and the individual visitor... It is envisioned that the Museum at all times will activate the sidewalk, enhance the pedestrian experience, and extend the vitality of Kendall Square."

On September 13, a review meeting was held to discuss the progress on the Broad Museum plans and to initiate a means of community participation and interaction. Authority staff, Boston Properties staff and Broad officials participated in the meeting.



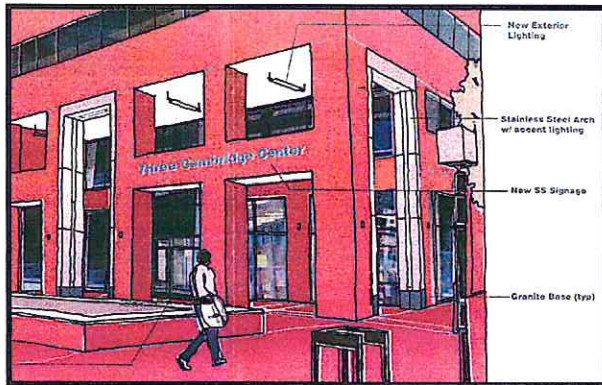
Starbucks at 6 Cambridge Center

At its May meeting, the Authority approved the installation of awnings at the Starbucks at Six Cambridge Center on Ames Street, which were found to be consistent with the instructions of Authority staff and consultants.

At the November Authority meeting, the Executive Director reported on Boston Properties' response to Authority comments on Construction Review Submission for Seven Cambridge Center. At the same meeting, the Executive Director also reported on lighting and signage at the Broad Institute and West Garage and on an issuance of a partial Certificate of Completion for the West Garage. Further, it was reported that a complete signage plan would be submitted by Boston Properties.

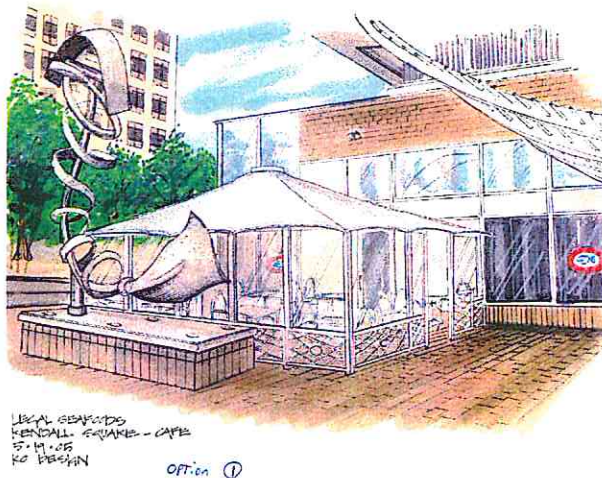
Kendall Square Urban Renewal Area/ Parcel 4

At the May Authority meeting, the Executive Director reported on a request by Spaulding and Slye for modification of graphics on pedestrian and other kiosks and a request for a coordinated approach to an overall Cambridge Center graphics program.



Plan for renovations to Three Cambridge Center

At its September meeting, the Authority approved renovations to the lobby/entrance at Three Cambridge Center proposed by Boston Properties.



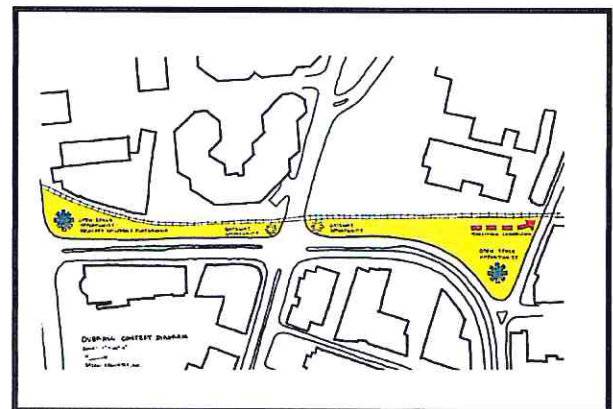
At the September Authority meeting, the Authority approved Legal Sea Foods' plan to install a canopy over their outside dining area at Five Cambridge Center.

Kendall Square Urban Renewal Area/ Parcel 5 & 7

In March, the Authority was advised by both the Executive Office of Environmental Affairs and the Department of Housing and Community Development that its proposed Amendment No. 7 – a modification that proposed to add 75,000 gross square feet of development to the high-rise multi-family residential category of land use – was approved as a Minor Plan Change.

After negative reception from the City Council's Ordinance Committee for Zoning Relief in July, the Authority withdrew its zoning petition for the 90,000-square foot parcel between Fulkerson Street and Broadway and Main Street and Broadway along the railroad tracks.

At the September Authority meeting, the Executive Director reported on a meeting with Councillor Toomey respecting the designation of Parcel 5 and Parcel 7 as open space, as well as a request for a determination by the City Manager regarding the wishes of the City respecting development, ownership and management of this open space.



Open Space possibilities on Parcels 5 and 7

Discussion of Open Space continued on pg 8

At the September Authority meeting, the Executive Director was authorized to explore the development of Parcel 5 and Parcel 7 as open space; to determine the long-term ownership and the maintenance responsibilities (either municipal or private); to generate an overall landscaping plan; and to initiate participation of the community and of the abutters in the development process, the abutters including Lyme Properties, Amgen, BiogenIdec, Schlumberger, Boston Properties, Draper Lab, Whitehead Institute and Broad Institute, Novartis, MIT/Stata Center, MIT Brain and Cognitive Center and Genzyme.

Site Operations

In March, after reviewing a report prepared by Irrigation Consulting, Inc. on the condition and management of the existing irrigation systems on the streetscape and parks in the Kendall Square Area, the Authority approved a consultant services contract with Irrigation Consulting, Inc. in an amount not to exceed \$3,000 to provide review services.

At its May meeting, the Authority approved an extension of Property Management Services Contract No. 15 for a one-year term in an amount not to exceed \$35,000 and approved Change Order No. 4 in the amount of \$953.90.

In August, after review of existing conditions and based upon recommendations made by the Authority's landscape consultant, the City and an MBTA contractor replaced existing bus shelters on Main Street in front of the MIT Coop in Kendall Square.

At its September meeting, the Authority approved access to Authority-owned land to Draper Lab and its subcontractor in order to excavate around a man-hole in an attempt to locate the viaduct constructed by the Authority in the late-sixties to supply water to a cooling pond used by the former owner of the property, American Bultrite Manufacturing Company.

At the same meeting, the Authority approved Amendment No. 1 to the License Agreement with the Cambridge Electric Light Company, providing for an increase in the payment of \$6,000.

Administrative Actions

At its May meeting, the Authority approved contract extensions with 1) Daniel Dennis & Company in the amount of \$8,500 for audit services; 2) Bluestone Planning Group to June 30, 2006 with a maximum compensation of \$35,000 for urban design services; 3) Capitol Partners to June 30, 2006 with a monthly retainer of \$7,500 and maximum compensation of \$95,000 for government affairs services; and 4) Pipeline Management to April 30, 2006 with a monthly retainer of \$3,500 and maximum compensation of \$42,000 for strategic communication and community outreach counsel.

At its September meeting, the Authority approved Amendment No. 1 to the professional services contract with Pipeline Management, dated May 1, 2005, to modify the scope of services and to extend the time of performance to August 31, 2006.

At the September Authority meeting, the Executive Director reported on the Authority's application for a Financial Year 2005 Neighborhood Initiative Grant in the amount of \$297,300 for development in the Kendall Square Urban Renewal Area.

At its September meeting, the Authority reviewed a Financial Report including Cash Flow 2005, Actual Results 2004 and current trial balances.

At its September meeting, the Authority elected the following as Board officers for 2006: Jacqueline Sullivan to serve as Chair; Alan Bell to serve as Vice Chair; and Mark Rogers to serve as Treasurer.