

## Memorandum of Understanding

Between

Foundry Consortium (the “Consortium”),

And

The Cambridge Redevelopment Authority (the “CRA”)

February 12, 2020

This Memorandum of Understanding (this “**Memorandum**”) sets for the terms and understanding between the Consortium, an organization incorporated in Massachusetts, and the CRA with respect to the Foundry Project (as defined below).

**A. PURPOSE.** The purpose of this Memorandum of Understanding (this “**Memorandum**”) is to reflect the shared objectives and understandings of the Consortium and the CRA (together with the Consortium, the “**Parties**”), concerning the management and operations within a certain property known as the “**Foundry Building**” (or “the **Foundry**”) located at 101 Rogers Street, Cambridge, MA (the “**Foundry Project**”). This Memorandum is in furtherance of the CRA’s Request for Proposals for an operating entity for the Foundry (the “**RFP**”) dated January 25, 2018 and Lemelson-MIT’s response to the RFP dated March 8, 2018 and further details and clarifications offered as part of the RFP interviewing process (collectively, the “**RFP Response**”). The CRA voted to designate Lemelson-MIT as the operator of the Foundry on April 25, 2018. Consistent with the RFP Response, and the CRA’s designation, Lemelson-MIT, with assistance from the CRA, went on to form the Foundry Consortium as the future nonprofit Operator of the Foundry.

**B. BACKGROUND.** The City of Cambridge (“**City**”) and CRA are parties to that certain Lease Agreement dated July 13, 2015, as amended by that certain Amendment to Lease dated January 17, 2018 (as so amended, the “**Lease Agreement**”), pursuant to which the City is leasing the Foundry Building to the CRA, and has granted the CRA the authority to sublease portions of the Foundry Building to an operator.

The Lease Agreement calls for the “redevelopment and management of the Foundry Building into a productive, innovative mixed-use center consistent with,” *inter alia*, the demonstration project plan originally approved by the CRA Board on December 17, 2014, and most recently amended on September 25, 2017 (the “**Demonstration Project Plan**”). The Demonstration Project Plan sets forth the following Vision for the Foundry Project:

*The Foundry will be a creative, innovative center that offers a collaborative environment with a mix of cultural, educational, manufacturing, and commercial uses. The renovated multipurpose building will be designed for flexibility and will be accessible, inclusive, and welcoming to the public. The activities within will be multigenerational and multicultural, providing a citywide and neighborhood resource that is financially sustainable for years to come.*

It also sets forth three key objectives – innovative programs, building site and development, and sustainable operational and financial structure – with associated sub-objectives. Though community input has and will continue to shape the Foundry Project, these objectives will remain integral to the Foundry Project as the Parties work to move forward with redevelopment and refine

the building's program.

Per the Lease Agreement, the CRA has allocated One Million Dollars (\$1,000,000) to an Operation and Maintenance Account for the Foundry Project (the "**Foundry Start-Up Reserve**"), portions of which are intended both to support program ramp-up for the first year of operations, as well as to provide financial support during the period of time prior to occupancy of the Foundry and the execution of a sublease agreement between the Parties (the "**Pre-Occupancy Period**") for building the capacity of the Foundry Program. The CRA has also allocated One Million Dollars (\$1,000,000) to an Operating Reserve Fund for the Foundry Project to cover unforeseen costs in the Foundry's operation (the "**Foundry Operating Reserve**"). \$200,000 of the Foundry Start-Up Reserve has been allocated and spent to date by Lemelson-MIT to advance the Foundry Project.

This Memorandum establishes the mutual responsibilities of the Parties with respect to the Foundry Project during the Pre-Occupancy Period. The Parties will use their respective reasonable efforts to meet the responsibilities set forth in this Memorandum and shall meet on a monthly basis in order to achieve that end.

**C. CRA OBLIGATIONS.** The CRA shall use reasonable efforts to perform the following obligations in accordance with the Target Completion Dates set forth in Section E below:

**1. Pre-Formational Financial Support**

The CRA shall allocate \$200,000 of the Foundry-Start-Up Reserve to assist the Consortium in its staff formation and capacity building during the Pre-Occupancy Period. The CRA will use approximately \$40,000 of these funds to pay for the Executive Search (defined below). The remaining funds (approximately \$160,000) shall be provided to the Consortium for the personnel expenses for the Executive Director and to the extent available, additional staffing needs identified by the Executive Director ahead of building occupancy. The CRA will provide the remaining funds in equal quarterly increments (four payments of approximately \$40,000) in July 2020, October 2020, January 2021 and April 2021.

**2. Executive Director Search Firm**

The CRA, in close coordination with the Consortium, will conduct a selection process (consistent with G.L. c. 30B) and enter into a contract with a Search Consultant to conduct a search for candidates to fill the Executive Director position for the Foundry Consortium (the "**Executive Search**"). Although the CRA will manage the contract with the Search Consultant and will participate in the Search Consultant and Executive Director selection processes, the selection of the final candidate for the Executive Director will be made by the Consortium.

**3. Leasing Strategy and Brokerage**

The CRA will enter into an agreement with a real estate broker to provide assistance in refining revenue expectations, recruitment strategies, and lease terms for the office portion of the Foundry Building. Said real estate broker will then conduct a tenant recruit process on behalf of the CRA with close participation by the Consortium. The Parties will work together to finalize a lease structure for the office space during 2020.

**4. Sublease between CRA and Consortium**

The CRA will draft a sublease and operating agreement to be negotiated in good faith between the CRA and the Consortium, consistent with the RFP Response and the Lease, (the “**Sublease**”). The Sublease shall have an initial term of ten (10) years, with options granted to the Consortium to extend the term (to be negotiated during the Sublease negotiations). The Sublease will contain mechanisms to provide the Consortium with capital and operational support for the Foundry Project, and shall contain programmatic and operational measures of performance for the Consortium.

**D. CONSORTIUM OBLIGATIONS.** The Consortium shall use reasonable efforts to perform the following obligations in accordance with the Target Completion Dates set forth in Section E below:

**1. Crafting an Executive Director Job Description**

The Consortium, with input from the CRA and its Search Consultant, will draft an Executive Director job description for use in the recruitment process. The Consortium will provide the Foundry Advisory Committee an opportunity to provide input into the job description.

**2. Selection of an Executive Director**

The Consortium will coordinate with the Search Consultant to screen applicants, interview finalists and select an individual for the Executive Director position. The selection process will take place with input from the CRA and the Search Consultant, but the selection of the final candidate to be offered the position will be the decision of the Consortium.

**3. Final Operational Staffing and Management Plan**

The Consortium, with its selected Executive Director, will develop and execute a staffing and management plan, identifying the resources required to ramp up operations ahead of building occupancy and gaps that may arise in the first year of operations.

If the staffing and management plan anticipates utilizing contracted services for building management, the Consortium will propose a process by which it intends to conduct a selection process. To the extent required by the CRA’s financial participation, this process will be made consistent with procedures for procurement of services under G.L. c. 30B.

**E. TIMELINE.** The following is a timeline of the milestones of the Pre-Occupancy Period. The Parties acknowledge that this timeline shall be subject to modification and adjustment.

<b>Event</b>	<b>Estimated Completion Date</b>
Selection of Search Consultant	February 2020
Selection of Broker	February 2020
Drafting of Job Description	March 2020
Drafting of Sublease	March 2020
Finalization of Sublease	June 2020
Selection of Executive Director	July 2020
Begin Tenant Recruitment	July 2020
Foundry Building Opens	July 2021

**F. NOTICES.** Any and all notices or other communications to be given pursuant to this Memorandum shall be hand-delivered or sent via overnight delivery to the Parties at the following addresses:

If to Foundry Consortium: Stephanie Couch  
Lemelson-MIT Program  
222 Third Street, Suite 0300  
Cambridge, MA 02142

and

Amy Green Deines  
Lesley University College of Art and Design  
29 Everett Street  
Cambridge, MA 02138

If to the CRA: Thomas Evans  
255 Main Street, 8<sup>th</sup> Floor  
Cambridge, MA 02142

**G. DURATION.** This Memorandum is at-will and may be modified by mutual consent of authorized officials from the Consortium and the CRA. This Memorandum shall become effective upon signature by the Consortium and the CRA and shall remain in effect until modified or terminated by the mutual consent of the Parties. In the absence of mutual agreement by the Consortium and the CRA, this Memorandum shall end on the date that Foundry opens. It is anticipated that elements of this Memorandum will carry over into the term of the Sublease Agreement, and that the obligation herewithin shall either be carried out independent of the Sublease, or written within with potential for modification within the Sublease.

IN WITNESS HEREOF, the undersigned have executed this Memorandum of Understanding as of the date first set forth above.

**Cambridge Redevelopment Authority:**

By: \_\_\_\_\_

Thomas Evans, Executive Director

**FOUNDRY CONSORTIUM:**

By: \_\_\_\_\_

Stephanie Couch, Chair