



## MEMORANDUM

**To:** CRA Board

**From:** Tom Evans and Hema Kailasam

**Date:** September 21, 2022

**Re:** 99 Bishop Allen Drive - Contract Amendments and Operating Budget

### GENERAL UPDATE

The 99 Bishop Allen Drive building is fully occupied and tenants are actively using their spaces, despite a general reduction of full-time office activity at office locations due to COVID and hybrid work arrangements. There remain a handful of construction close out items that are still being worked on. Those include adjustments to thermostats, adding a few fire alarm strobes that are backordered, a small number of lighting controls requiring adjustment, and the installation of the permanent glass railings for the entry stairwell. The design team has recommended one additional scope item to be undertaken to provide additional waterproofing for the western edge of the basement, which will involve excavation around the corner along Essex Street. One other supply chain issue has delayed the installation of the solar panels on the roof, and an alternative approach to this design is under consideration as described below. Even with these changes to the scope the project remains on track to be completed under budget.

### CONTRACT AMENDMENTS

One major discovery during the construction project was finding a large oil tank in the courtyard of the building during excavation of the parking lot. The tank was removed and disposed of in a regulated facility. The soil near the excavation site was tested and triggered additional testing and monitoring for groundwater and soil gas pollution. The additional testing has been completed and no further remediation is required. However there remains some technical analysis and regulatory filing by Haley and Aldrich that was not anticipated when their contract to monitor the clean-up activity was originally drafted. The proposed contract amendment will allow the CRA to fulfil its regulatory requirement related to the hazardous material release.

The installation of solar panels on the roof was set up as a separate construction project in order for the CRA to take advantage of solar tax incentives. The CRA entered into an agreement with Resonant Energy and Sun Bug Solar with the expectation that this work would follow on the heels of the renovation project. Unfortunately, the inverter equipment, which converts DC power from the panels to AC current to connect to the grid, is caught up in supply chain issues and no delivery date has been set, potentially delaying installation up to a year. Sun Bug has proposed another inverter system with micro-inverters at each panel that would utilize equipment available now. The micro inverters provide more precise monitoring of the solar array and are slightly more efficient, but come at a higher cost. The proposed contract amendment will increase the cost of the solar project by nine percent, but will allow the installation to go in this calendar year.

## OPERATION BUDGET

The building is fully occupied, and all tenants are current on rent payments. The rent performance is higher than expected because conference room space was reconfigured into tenant space. The original pro-forma forecasted revenue from conference room reservations.

Operating cost have thus far been below projections. While utility costs have been substantially higher than budgeted, overall operating costs have been much lower. We expect to see lower electricity bills once the solar is installed ahead of the winter season. To wit, water consumption is a fraction of the projection. The building, with most components still under warranty, has required no repairs/maintenance expenses.

Third Sector New England (TSNE), the property management company, has been an invaluable partner in the success of the building. Throughout the project, and now occupancy, the TSNE team has provided the tenants with exceptional service to meet their needs and resolve issues.

As requested at the July Board meeting, a summary of the current Bishop Allen profit and loss through July 31, 2022 versus the annual budget for the year is provided in Exhibit B.

## PROPOSED MOTIONS

***Draft Motion:*** Authorizing the Executive Director and Chair to amend the contract with Haley and Aldrich for an additional twenty thousand dollars (\$20,000) to cover additional regulatory filing related to the removal and clean-up of the fuel tank discovered during the excavation of the rear parking lot at 99 Bishop Allen Drive.

***Draft Motion:*** Authorizing the Executive Director and Chair to amend the contract with Resonant Energy and Sun Bug Solar for an additional ten thousand, one hundred and eleven dollars (\$10,111) to switch to a micro-inverter system for the rooftop solar array on 99 Bishop Allen Drive.

## EXHIBITS

Exhibit A: Contract Amendment Memo from Haley and Aldrich

Exhibit B: 99 Bishop Allen Drive Budget vs. Actuals



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## MEMORANDUM

22 August 2022  
File No. 0133815

TO: Cambridge Redevelopment Authority  
Tom Evans

C: STV Inc  
Tim MacKay

FROM: Haley & Aldrich, Inc.  
Abigail N. Kerrigan  
Senior Project Manager  
Keith E. Johnson, P.E. (RI), LSP  
Technical Expert

SUBJECT: Summary of Costs Incurred  
93-99 Bishop Allen Drive  
Cambridge, Massachusetts

The purpose of this memorandum is to provide an outline of work completed and cost incurred to date for the 93-99 Bishop Allen Drive property in Cambridge, Massachusetts.

### Timeline of Proposals and Work Completed

#### **3 May 2019: Phase I ESA Report (authorized budget: \$5,000)**

Completed activities included preparing a final Phase I Environmental Site Assessment (ESA) which was issued on 24 June 2019.

#### **18 November 2020: Design Phase Services (authorized budget: \$15,000)**

*Proposed activities included geotechnical design and consultation and soil sampling -one sample and associated memorandum.*

Completed activities included specification and design reviews and participation in associated calls; the Geotechnical and Environmental Considerations memorandum; analytical laboratory charges associated with the collection and analysis of one (1) soil sample; and the coordination and execution of disposal for the on-site 55-gallon drum containing investigation derived drill spoils, which included an additional

site visit. Costs associated with drum disposal were originally anticipated and therefore not included in the November 2020 proposal.

### **3 May 2021: Excavation Monitoring (authorized budget: \$1,800)**

*Proposed activities included observing the subsurface conditions in the vicinity of the stormwater detention area, underneath the basement slab, determining their suitability for reuse and preparing an email summary deliverable.*

Completed activities included the review of subsurface soil conditions in the stormwater detention system to confirm that spoils were suitable for reuse and to assess soil conditions underneath the basement slab. Results were transmitted via memorandum dated 7 May 2021.

### **2 June 2021: UST Excavation (authorized budget: \$5,500)**

*Proposed activities included consultation regarding underground storage tank (UST) removal and documentation, notification to the Massachusetts Department of Environmental Protection (MassDEP), monitoring UST excavation, collection and analysis of three (3) soil samples, collection of documentation from UST removal contractor and preparation of a summary letter.*

Completed activities included what was proposed (above), including the delivery of a summary letter dated 13 July 2021. Due to exceedances of applicable reportable concentrations of volatile petroleum hydrocarbons (VPH) and polycyclic aromatic hydrocarbon (PAH) constituents in the soil sample collected from the bottom of the UST excavation observation, guidance associated with this exceedance and the submittal of a Release Notification Form to MassDEP (in October 2021) was completed. These activities (and associated costs) were not included in our proposals dated June or July 2021.

### **15 July 2021: UST Regulatory Closure (authorized budget: \$8,500)**

*Proposed activities included the collection of two (2) additional soil samples to assess the vertical extent of soil impacts from the UST, collection and analysis of two (2) soil gas samples, installation of one (1) groundwater monitoring well and installation and analysis of groundwater and evaluation of data and recommendations to determine the need for additional scope of work.*

Completed activities included the collection of two (2) soil gas samples and the evaluation and transmittal of the results. Following a review of existing information, it was determined that additional soil and groundwater sampling was not necessary based on the soil gas testing results and prior assessment of an observation well in the parking lot that indicated no evidence of oil contamination.

Additional completed scope items (and associated costs) that were not included in our proposal dated 15 July 2021 were geotechnical correspondence and responses to email requests from 1 September through 7 September 2021 and the completion of 8 September 2021 site visit by Keith Johnson, LSP to review soil and bearing conditions and the resulting memorandum dated 9 September 2021.

**22 June 2022, Revised (original date 16 February 2022): MCP Closure and Additional Geotechnical Consulting (not authorized budget: \$20,500)**

*Proposed activities include items that must be completed to reach regulatory closure for the on-site release under the Massachusetts Contingency Plan (MCP), including the following:*

- Preparation of a Risk Assessment to support the Permanent Solution Statement
- Preparation and submittal of the Permanent Solution Statement Report to MassDEP.

*This scope of work was not included in the 15 July 2021 proposal because next steps could not be predicted until additional data was obtained, which was done via the soil gas sampling.*

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# 99 Bishop Allen

## Budget vs. Actuals: 99 Bishop Allen Operating - FY22 P&L

January - December 2022

	TOTAL	
	ACTUAL	BUDGET
Income		
Electric Expense Income	12,807	20,396
Operating Income	409,078	644,115
<b>Total Income</b>	<b>\$421,885</b>	<b>\$664,511</b>
GROSS PROFIT	<b>\$421,885</b>	<b>\$664,511</b>
Expenses		
Contract & professional fees	22,744	41,200
Insurance	27,264	34,300
Occupancy	47,336	98,151
Office expenses	983	
Rent Loss/Abatement	9,901	13,044
Repairs & maintenance	8,765	24,400
Supplies	500	12,000
<b>Total Expenses</b>	<b>\$117,491</b>	<b>\$223,095</b>
NET OPERATING INCOME	<b>\$304,394</b>	<b>\$441,416</b>
Other Expenses		
Amortization expenses	273,292	364,380
Other Miscellaneous Expenditure		32,974
<b>Total Other Expenses</b>	<b>\$273,292</b>	<b>\$397,354</b>
NET OTHER INCOME	<b>\$ -273,292</b>	<b>\$ -397,354</b>
NET INCOME	<b>\$31,102</b>	<b>\$44,062</b>

### Note

The income and expenses are through August 31, 2022.