

Cambridge Redevelopment Authority Board  
Packet of Supporting Materials  
Meeting of May 21, 2014

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i. Agenda

1. Draft minutes of the Regular Board Meeting on April 16, 2014
  2. Letter of Support from the East Cambridge Planning Team for the Foundry Redevelopment
  3. Email from Stephen Kaiser regarding Suggestions for Possible CRA Involvement at Alewife, March 28, 2014
- 

5. Design Packet for Proposed Monument Sign for Biogen Idec at 14 Cambridge Center
  6. Monthly Report to the Board of the Executive Director
  7. Expenditures Report for April 2014
  8. Real Estate Consultant RFP Response from HR&A
  9. Community Fund Update Memorandum
  10. Draft CRA Strategic Plan
  11. Memorandum on Interim Retail Proposal for Parcel Six / Third Street Lot
- 

*Board packet materials are numbered to correspond to meeting agenda items.*

# Cambridge Redevelopment Authority

One Cambridge Center/Fourth Floor  
Cambridge, Massachusetts 02142  
617 492-6800  
617 492-6804 (FAX)  
www.cambridgeredevelopment.org



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## NOTICE OF MEETINGS

Pursuant to the Massachusetts Open Meeting Law, M.G.L. c. 30A, §§ 18-25, notice is hereby given of two meetings of the Cambridge Redevelopment Authority to take place as follows:

**Design Review Meeting**  
**Wednesday May 21, 2014 at 4:00 pm**  
Cambridge Police Department  
First Floor Community Room  
125 Sixth Street  
Cambridge, Massachusetts 02142

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**Full Board Meeting**  
**Wednesday May 21, 2014 at 5:30 pm**  
Cambridge Police Department  
First Floor Community Room  
125 Sixth Street  
Cambridge, Massachusetts 02142

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## DESIGN REVIEW AGENDA

### May 21, 2014 Design Review Meeting – 4:00 PM

The following is a proposed agenda containing the items the Chair of the Authority reasonably anticipates will be discussed at the meeting:

#### Introductions

#### Project Review

1. Revised Design Review Procedures
2. Ames Street Residential Project Design Status Update and Review
3. Biogen Idec Facility Identification Sign for 250 Binney Street

#### Adjournment

## REGULAR MEETING AGENDA

**May 21, 2014 Full Board Meeting – 5:30 PM**

The following is a proposed agenda containing the items the Chair of the Authority reasonably anticipates will be discussed at the meeting:

Call

Public Comment

Minutes

1. Motion: To approve the minutes of the Regular Board Meeting on April 16, 2014\*

Communications

2. Letter of Support from East Cambridge Planning Team
3. Email from Stephen Kaiser regarding CRA Strategic Plan

Reports, Motions and Discussion Items:

4. Report: Design Review Update on the Ames Street Residential Project (Mr. Evans)\*
5. Motion: *To approve the design and installation of a new Facility Identification Sign for Biogen Idec at 250 Binney Street* (Mr. Evans)\*
6. Report: Monthly Report to the Board of the Executive Director Officer (Mr. Evans)\*
7. Report: On the Monthly Expenditures for April 2014 (Mr. Evans)\*
8. Motion: *Authorizing the Chair and the Executive Director to enter into a professional services contract for real estate consulting services for an amount not to exceed \$60,000* (Mr. Evans)\*
9. Discussion: Community Fund Proposal (Mr. Colley) \*
10. Discussion: Draft Strategic Plan Document (Ms. Madden) \*
11. Discussion: Parcel Five Interim Use Plan (Mr. Colley) \*

Adjournment

(\*) Supporting material posted at: [www.cambridgeredevelopment.org/next-meeting/](http://www.cambridgeredevelopment.org/next-meeting/)

Next Meeting: June 18, 2014 at the Cambridge Police Station 1st Floor Community Room

The Cambridge Redevelopment Authority is a “local public body” for the purpose of the Open Meeting Law pursuant to M. G. L. c. 30A, § 18. M. G. L. c. 30A, § 20, provides, in relevant part:

- (b) *Except in an emergency, in addition to any notice otherwise required by law, a public body shall post notice of every meeting at least 48 hours prior to such meeting, excluding Saturdays, Sundays and legal holidays. In an emergency, a public body shall post notice as soon as reasonably possible prior to such meeting. Notice shall be printed in a legible, easily understandable format and shall contain the date, time and place of such meeting and a listing of topics that the chair reasonably anticipates will be discussed at the meeting.*
- (c) *For meetings of a local public body, notice shall be filed with the municipal clerk and posted in a manner conspicuously visible to the public at all hours in or on the municipal building in which the clerk's office is located.*

**From:** Stephen Kaiser skaiser1959@gmail.com  
**Subject:** Fwd: [FreshPond RA] online forum to suggest improvements to Alewife Quad & Fresh Pond shopping center  
**Date:** May 10, 2014 at 8:23 AM  
**To:** Tom Evans tevans@cambridgeredevelopment.org  
**Cc:** kathyborn kathyborn@gmail.com, Jan Devereux jan.devereux@gmail.com

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Tom,

Jan Devereux informed me that the CRA has extended the comment period for two more weeks, using the coUrbanize web site. As you probably noted, Paul McMorrow in the April 29 Globe column has applauded the CRA's role in including citizens in an open participatory manner. I think we can all agree on that idea. Paul also wants to make upzoning easier, and I am totally opposed to that. One step forward, one step back.

I am hoping that the open process can result in identifying process problems and leading to their resolution. Two of them are in the coUrbanize web site and the presentations of the Strategic Plan, independent of any content. coUrbanize sound like a good idea, but I have had troubles from the beginning signing in. The screen comes up with five boxes with no instructions on how to fill in the boxes. Clearly there is a graphical problem somewhere.

After several weeks of occasionally checking into the site and seeing of the problem could have been solved in some way, I suddenly received an error message saying I needed up upgrade from Firefox 3. In later attempts to look into the site i received no error message.

Apparently coUrbanize is not capable of functioning fully with older systems such as Firefox 3. I believe that coUrbanize should have programs that are flexible enough so they they do not force public commenters to do complex or otherwise unwanted upgrades. A common example of this problem is people who send out DOCX files when there are still users out there using earlier versions of WORD with read only DOC files.

Please inquire of coUrbanize why their public access program apparently will not function with Firefox 3.

In the meantime, I am sending in this comment via ordinary e-mail

1. 1st and 2nd Street Corridor: This corridor contains some disparate and underutilized properties in a key zone between the historic East Cambridge neighborhood, Cambridgeside Galleria, courthouse redevelopment, Lechmere station, and Kendall Square activities.

THIS AREA INCLUDES THE COURT HOUSE AND IS LIKELY TO BE FAR MORE CONTROVERSIAL AND CONTENTIOUS THAT THE BOARD IS PREPARED TO TAKE ON AT THIS TIME.

2. 3rd Street Lot: The Cambridge Redevelopment Authority owns this 6,000 square foot lot on the corner of 3rd Street and Binney Street. Recently the site has been used for construction staging site but could accommodate an interim retail/commercial or other use.

THIS IDEA SEEMS FAIRLY INNOCUOUS. THE SITE IS AN EYESORE AND DOES NOT SEEM TO BE IN AN AREA THAT WOULD GENERATE CITIZEN OPPOSITION.

3. Concord/Alewife Quadrangle: This 94-acre district between the railroad and Concord Avenue has over 1.5 million square feet of industrial, research, office, schools, and new housing developments. The focus of a 2005-2006 City planning study and rezoning, the area lacks a good roadway network and access across the tracks to the Alewife Station.

SEE MY COMMENT BELOW

4. Foundry: This 60,000 square foot City-owned building is currently vacant and in need of renovation. The City is currently discussing

vacant and in need of renovation. The City is currently discussing its program and development process.

THIS APPEARS TO BE A SUITABLE PROJECT FOR CRA INVOLVEMENT.

5. Fresh Pond Shopping Center: This auto-oriented retail center was developed in 1978; the 16-acre site currently has an Activity Use Limitation from MassDEP due to former industrial uses.

SEE MY COMMENT BELOW

6. Grand Junction Path: The CRA owns 1.75 acres of open space along this proposed two-mile multi-use linear path, which will connect East Cambridge, Kendall Square, and Cambridgeport, as proposed in the 2001 East Cambridge Planning Study and a 2006 Feasibility Study.

THIS DESCRIPTION OF THE PATH IS INCOMPLETE. THE PATH COULD CONNECT TO ALLSTON AT THE BOSTON END AND TO THE COMMUNITY PATH IN SOMERVILLE AND NORTH POINT. THIS CONNECTIVITY SHOULD BE EMPHASIZED AND IS A PLANNING ELEMENT THAT THE CRA COULD HELP ON.

7. O'Brien Corridor: State Route 28 is a six-lane arterial highway fronted by some vacant and underutilized sites. The adjacent Green Line extension and community path and a proposed roadway redesign will bring change to this area.

THE ROADWAY REDESIGN COULD BECOME CONTROVERSIAL AND INVOLVE THE CRA IN TRAFFIC ISSUES THAT IT MAY NOT WISH TO TOUCH. IT WILL PROBABLY BE BEST TO STAY AWAY FROM THIS ONE. NOTE THAT O'BRIEN HIGHWAY IS A STATE ROAD, FORMERLY AN MEC/DCR ROAD BUT NOW UNDER THE CARE AND CONTROL OF THE STATE HIGHWAY DEPARTMENT.

8. Vail Court: This 24-unit residential property is in poor condition with boarded up units on the ground floor. The 0.65-acre site is close to the heart of Central Square.

9. Volpe National Transportation Systems Center: The U.S. Department of Transportation conducts state-of-the-art research on this 14-acre site. The existing buildings (340,000 square feet) need reinvestment, and the recent K2C2 plan recommended additional residential, office, and open space development on the site.

10. Webster Avenue: Industrial uses in this area are incompatible with adjacent housing and businesses, and some properties need remediation. This edge of Cambridge is adjacent to the future Green Line Station and proposed development in Somerville.

Listed below are a number of potential projects for consideration that have been suggested to us. Please let us know what priorities or other feedback you may have on any of this initiative ideas. Our work should always align with our mission ([www.cambridgeredevelopment.org/mission/](http://www.cambridgeredevelopment.org/mission/)) and the community development goals of Cambridge.

1. 1st and 2nd Street Corridor: This corridor contains some disparate and underutilized properties in a key zone between the historic East Cambridge neighborhood, Cambridgeside Galleria, courthouse redevelopment, Lechmere station, and Kendall Square activities.

2. 3rd Street Lot: The Cambridge Redevelopment Authority owns this 6,000 square foot lot on the corner of 3rd Street and Binney Street. Recently the site has been used for construction staging site but could accommodate an interim retail/commercial or other use.

**From:** Stephen Kaiser skaiser1959@gmail.com  
**Subject:** Re: [FreshPond RA] online forum to suggest improvements to Alewife Quad & Fresh Pond shopping center  
**Date:** May 10, 2014 at 8:47 AM  
**To:** Tom Evans tevans@cambridgeredevelopment.org  
**Cc:** kathyborn kathyborn@gmail.com, Jan Devereux jan.devereux@gmail.com

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To : Tom Evans, CRA

From : Steve Kaiser

By accident, I sent out my comment letter when it was only partially complete. The completed comments are shown below :

8. Vail Court: This 24-unit residential property is in poor condition with boarded up units on the ground floor. The 0.65-acre site is close to the heart of Central Square.

NORMALLY I WOULD OPPOSE ANY INVOLVEMENT OF THE CRA IN CENTRAL SQUARE. I REGARD THE PLANNING EFFORT FOR THE K2C2 PROCESS TO BE INCOMPLETE AND OF LOW QUALITY, AND WITHOUT ALTERNATIVES. IN PARTICULAR, THE FAILURE OF THE PLANNING PROCESS TO COMPLETE A TRAFFIC AND TRANSPORTATION STUDY FOR K2C2 IS A FLAW THAT MUST BE RESOLVED BEFORE THERE IS ANY FURTHER DEVELOPMENT ACTIVITY.

HOWEVER, VAIL COURT APPEARS TO BE A SMALL PROJECT IN NEED OF STIMULUS TO RETURN HOUSING UNITS TO ACTIVE USE. THE CRA MIGHT FIND A POSITIVE ROLE HERE.

9. Volpe National Transportation Systems Center: The U.S. Department of Transportation conducts state-of-the-art research on this 14-acre site. The existing buildings (340,000 square feet) need reinvestment, and the recent K2C2 plan recommended additional residential, office, and open space development on the site.

THE CRA SHOULD NOT ADVOCATE FOR AN ADDITIONAL MILLION SF OF DEVELOPMENT AT KENDALL SQUARE OR FOR THE PROPOSED K2C2 ADDITIONAL DEVELOPMENT AT THE VOLPE SITE -- UNTIL CITY HALL AND THE CRA TAKE SERIOUSLY THE CAPACITY AND OPERATIONAL LIMITATIONS ON THE RED LINE, AND ASSURE THE CIRCULATION OF THE TRAFFIC AND TRANSPORTATION SECTION OF THE K2C2 THAT WAS NEVER COMPLETED, PRINTED AND DISTRIBUTED.

10. Webster Avenue: Industrial uses in this area are incompatible with adjacent housing and businesses, and some properties need remediation. This edge of Cambridge is adjacent to the future Green Line Station and proposed development in Somerville.

WEBSTER AVENUE HAS HAD A LONG HISTORY OF INDUSTRIAL USES CLOSE TO RESIDENTIAL AREAS. THE INDUSTRIAL USES ARE NOT HIGH RISE AND NOT OUT OF SCALE AS IS THE EAST CAMBRIDGE COURT HOUSE. I WOULD BE RELUCTANT TO SEE THE CRA INVOLVED IN WEBSTER AVENUE AND PRODUCING CONTROVERSIES OVER EMINENT DOMAIN LAND TAKINGS.

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CONCLUDING COMMENTS ON ALEWIFE :

I am strongly opposed to any involvement of the CRA in the quadrangle and shopping center areas. Because the Authority has not shown interest in advancing the levels of planning elsewhere in the city, and especially in the area of traffic congestion and transit service, there is no reason for CRA involvement at Alewife. The only result would likely be eminent domain land takings, and increased levels of development and traffic generation in an area already severely impacted by traffic congestion and bad planning.

I see no legitimate reason to have the Redevelopment Authority involved in any aspect of Alewife, unless the planning situation (especially for transit) is significantly improved.

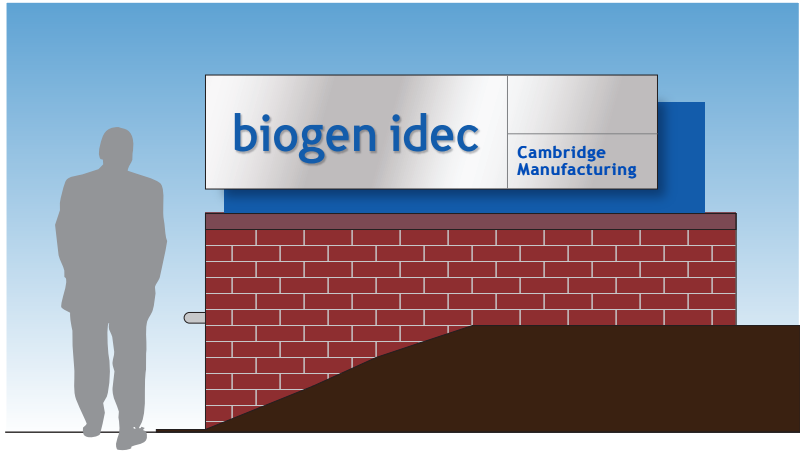
Stephen H. Kaiser, PhD  
191 Hamilton Street  
Cambridge, Mass. 02139

**Biogen Idec**

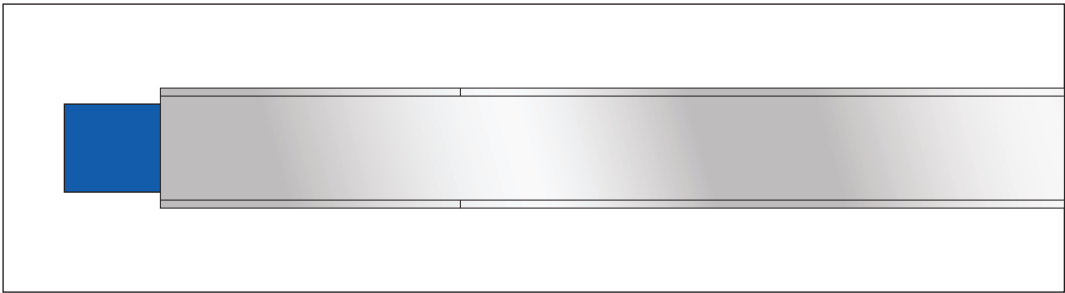
**Facility Identification - 250 Binney Street**

Design Development

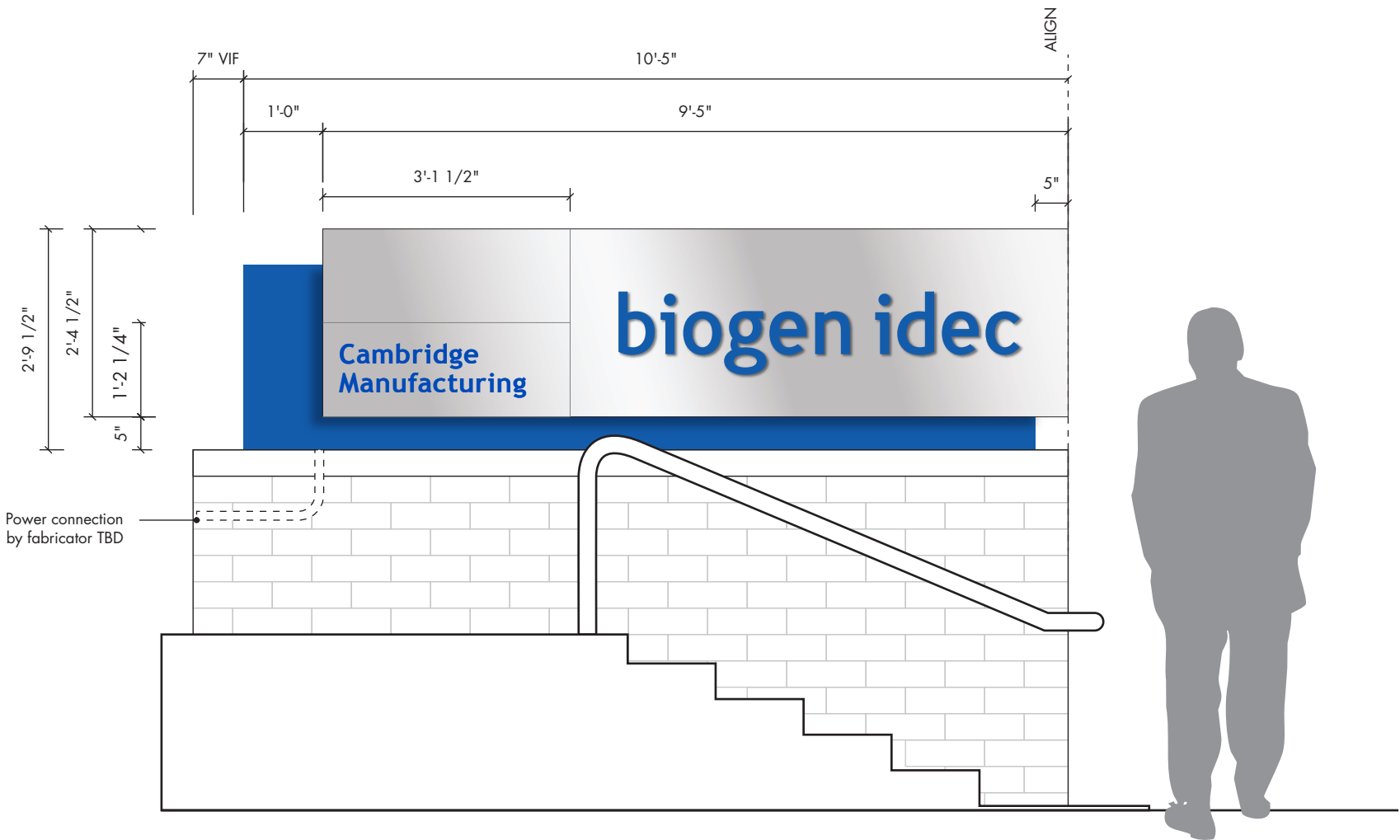
5.9.14



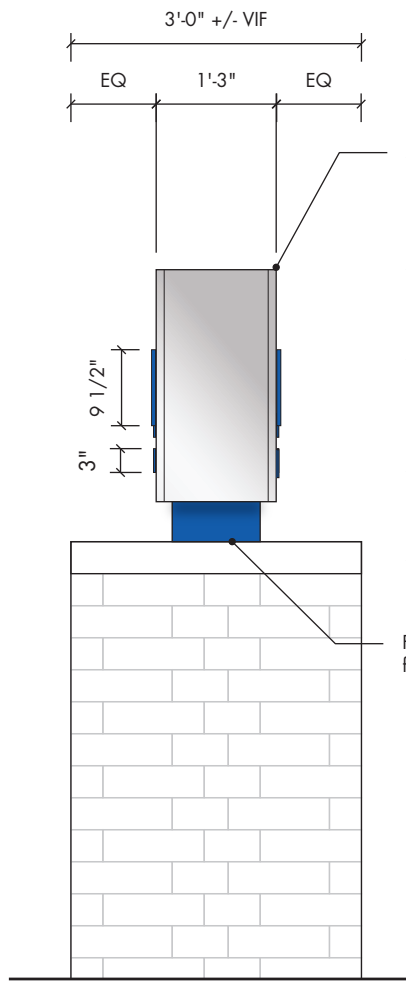
1 Elevation Side B  
scale: 1/4" - 1' - 0"



2 Top View  
scale: 1/2" - 1' - 0"



3 Detail  
scale: 1/2" - 1' - 0"



4 End View  
scale: 1/2" - 1' - 0"

- Alternate A**  
Fabricated anodized finish aluminum cabinet internally illuminated by LED illuminated with 3/8" push through logo and 1/4" push through building identification.
- Alternate B**  
Fabricated anodized finish aluminum cabinet with 3/8" and 1/4" applied painted aluminum graphics
- Alternate C**  
Fabricated painted aluminum cabinet internally illuminated by LED illuminated with 3/8" push through logo and 1/4" push through building identification.
- Alternate D**  
Fabricated painted aluminum cabinet with 3/8" and 1/4" applied painted aluminum graphics
- All alternates**  
Logo panel and building identification panels to be replaceable.
- Fabricated aluminum blade, all seams to be filled and sanded smooth.



**selbert perkins design collaborative inc.**

5 Water Street, Arlington Ma 02476  
T 781.574.6605 | F 781.574.6606

2013 Selbert Perkins Design Collaborative, Inc.  
No portion of this drawing may be reproduced without written consent of Selbert Perkins Design Collaborative, Inc.

**client:**

Biogen Idec

**project:**

Building Identification  
Monolith - 250 Binney Street

**date:**

5.9.14

**revisions:**

|     |         |    |      |
|-----|---------|----|------|
| △   |         |    |      |
| △   |         |    |      |
| △   |         |    |      |
| △   |         |    |      |
| △   |         |    |      |
| △   |         |    |      |
| rev | descrip | by | date |

**title:**

**A1**  
Building Identification

**sheet:**









## Executive Director Report to the Board

May 21, 2014

### **Contracting, Personnel, and General Administration**

It has been a busy month of interviews as we have been working to select a real estate contractor, an Office Manager and graduate student interns for the summer. For the real estate consultant RFP a selection committee of Jeff Mullan, Kathy Spiegelman and myself reviewed the seven submissions, selected three firms to participate in interviews, contacted references, and held interviews at the beginning of May. A motion to entering into a contract with HR&A is the recommendation of the selection committee.

I invited seven applicants for the Office Manager position to a first round of interviews, and then asked two of those candidates back for a second round with vice-chair Margaret Drury. We have offered the position to Ellen Shore who will begin on June 9<sup>th</sup>, 2014. Additionally, I met with numerous student interns and offered summer internships to two individuals, however only one has accepted. I am following up with a few applicants at this time.

The KSA has moved out of the CRA office, and we are looking to reconfigure the office for more efficient operations and collaboration. At the same time, we are putting together an RFP and public notice for office space per 30B procurement regulations. Hopefully remaining in the current space at One Cambridge Center emerges as a viable option for the CRA.

I am working to finalize the Internal Controls policy and bring forward a draft Procurement Manual. The former has been reviewed and edited by Roselli Clark and should be ready for adoption next month. We are scheduling the 2013 audit to begin in late June or early July.

Based on some concerns related to the design committee meetings and the potential applicability of the Open Meeting Law to those meetings, we have re-organized our project review process. The procedure we are piloting at this point involves a three-step process: Initially, projects will be presented for staff review. If the project sponsor and staff believe a project is ready for Board review, we will either hold a public design review during which members of the board and staff may discuss project designs together, or a proposal will be brought forth before the full Board for consideration. No formal vote or recommendation will be necessary from the committee before a project is brought before the Board.

### **Board Forward Calendar**

| <b>June</b>                                | <b>July / August</b>               |
|--|------------------------------------|
| Final Strategic Plan                       | Design Review Procedures           |
| Foundry Update                             | Octahedron Reuse / Disposition     |
| Ames Street Article 19 Design submission   | Procurement Procedure Manual       |
| Google Interior Design Review              | Parcel Four Pedestrian Circulation |
| MIT Coop Renovation (Food Court and Store) | Discussion of KSURP Amendment #10  |
| Internal Controls Policy                   | Mid-Year Budget Revision           |

### **Planning, Development, and Infrastructure Projects**

We circulated a draft Strategic Plan document for general review, an updated version of which is up for discussion before the Board. During this time we reopened the coUrbanize discussion forum, where we received additional feedback on a few of our initiatives. In total the coUrbanize site drew 61 distinct comments and 135 additional 'support' votes.

Per the Foundry letter agreement with the City, staff has been engaged in multiple efforts to advance the programmatic objectives for the building's reuse, develop the governance structure of the building rehabilitation and management, and refining the legal mechanics of a potential Demonstration Project and property transaction with the City. A large community meeting about the Foundry followed by a series of public working sessions are being scheduled for the upcoming months.

City staff and I attended the Outdoor Advertising Hearing on May 8<sup>th</sup> regarding the proposed electronic billboard on the railroad right-of-way at Broadway and Galileo Avenue. When the Cambridge permit application was called at the hearing, Clear Channel withdrew their application indefinitely, before any testimony was issued.

I have met with the leadership of the Harvard Cooperative Society who run the MIT Coop in Three Cambridge Center, and they are working on a redesign of both the store and the food court. Their revised timeframe for reopening the food court is to target the beginning of the Fall semester in September.

The bids for the Main Street projects have been opened and the project is expecting to begin within the next two months. Staff is reviewing a right of entry permit for DPW and working on a deed transfer to the city of the sidewalk property. Because of this project, the Farmer's Market on Main has moved to the Kendall Plaza. The outdoor programming series of the plaza began last week, which has been significantly re-branded, including the roll out of the new 'Kendall Center' name for the project area.

The Broad Institute is to hold a ribbon cutting this week for the 75 Ames Street expansion. The project's contracting team is finalizing their public realm improvements including the green protected bike lanes on Ames Street and replacing the sidewalks and open space along Ames Place behind the new building. The following week is a celebration of the LEED Platinum designation for Boston Properties' 300 Binney project at 17 Kendall Center. Another key celebration related to sustainability in Kendall Square is the Green Steam celebration of the integrated Veolia district energy system between Cambridge and downtown Boston.

The Eco-District project is working to select a project management consultant to work for two years on Kendall Square under a grant from the Barr Foundation. The existing stakeholder group is also considering a more formal relationship with the EcoDistrict organization to bring in additional technical assistance. This program may require a small financial commitment from all the stakeholder participants. Additionally the Cambridge Community Compact for a Sustainable Future is building its governance and financing structure, which will require a membership commitment from the CRA.

The access hatch of the Octahedron at the Porkchop parcel was removed by someone last week, presumably for sale as scrap metal. A police report has been submitted and the opening has been secured to prevent weather damage. We continue to search through our files for information of the original installation, which have led us to understand that the sculpture was an integrated element of the Marriott development proposal rather than a specific public plaza installation. I have contacted the Cambridge Arts Commission to initiate discussions on what to do with the sculpture piece.

# Cambridge Redevelopment Authority

## PROFIT AND LOSS

April 2014

|   | TOTAL     |
|---|-----------|
| Income  |           |
| Total Income                                      |           |
| Gross Profit                                      | \$0.00    |
| Expenses  |           |
| 6100 Operating Expenses                           |           |
| 6110 .Personnel                                   |           |
| 6120 Payroll Expenses - Other                     |           |
| 6130 Salaries                                     | 23,344.32 |
| Total 6120 Payroll Expenses - Other               | 23,344.32 |
| 6140 Payroll Taxes                                |           |
| 6150 Medicare                                     | 628.63    |
| 6170 Unemployment                                 | 23.34     |
| Total 6140 Payroll Taxes                          | 651.97    |
| Total 6110 .Personnel                             | 23,996.29 |
| 6300 Office/Administrative                        |           |
| 6400 Office Equipment                             |           |
| 6410 Equipment Lease                              | 358.00    |
| Total 6400 Office Equipment                       | 358.00    |
| 6600 Printing and Supplies                        |           |
| 6640 Postage and Delivery                         | 18.00     |
| Total 6600 Printing and Supplies                  | 18.00     |
| 6700 Professional Services - Administrative       |           |
| 6710 Administrative                               |           |
| 6720 Accounting                                   | 1,075.00  |
| 6740 Legal  | 10,215.00 |
| 6770 Payroll Services                             | 94.67     |
| 6790 Web Design                                   | 30.00     |
| Total 6710 Administrative                         | 11,414.67 |
| Total 6700 Professional Services - Administrative | 11,414.67 |
| 6810 Telecommunications                           |           |
| 6840 Telephone                                    | 347.71    |
| Total 6810 Telecommunications                     | 347.71    |
| Total 6300 Office/Administrative                  | 12,138.38 |
| Total 6100 Operating Expenses                     | 36,134.67 |
| 6901 Project/Program Expenses                     |           |
| 6924 Unassigned Professional Services             |           |
| 6935 Planning                                     | 1,700.00  |
| Total 6924 Unassigned Professional Services       | 1,700.00  |

|                                     |                |
|-------------------------------------|----------------|
| Total 6901 Project/Program Expenses | 1,700.00       |
| Total Expenses                      | \$37,834.67    |
| Net Operating Income                | \$ (37,834.67) |
| Net Income                          | \$ (37,834.67) |

*Sunday, May 18, 2014 07:16:12 PM PDT GMT-4 - Accrual Basis*



# **Request for Proposals: Cambridge Redevelopment Authority Real Estate Development Consultant**

**PROPOSAL**

April 4, 2014



**Submitted by:  
HR&A Advisors**

Primary Contact:

Kate Coburn, Partner, HR&A  
(212)977-5597

[kcoburn@hraadvisors.com](mailto:kcoburn@hraadvisors.com)



99 Hudson Street, 3rd Floor, New York, NY 10013-2815  
T: 212-977-5597 | F: 212-977-6202 | [www.hraadvisors.com](http://www.hraadvisors.com)

April 4, 2014

Mr. Tom Evans  
Executive Redevelopment Officer  
Cambridge Redevelopment Authority  
One Cambridge Center, Fourth Floor  
Cambridge, MA 02142

Dear Mr. Evans,

On behalf of HR&A Advisors, Inc. ("HR&A"), we are pleased to submit this proposal to provide real estate development consulting services for the Cambridge Redevelopment Authority ("CRA") under a "house doctor" contract. We understand the CRA is considering undertaking several potential redevelopment initiatives in Cambridge under the direction of its forthcoming strategic plan, and we are prepared to help your organization evaluate the "hows and whys" of implementing a strategic set of these initiatives.

HR&A is a leading real estate, economic development, and public policy advisory firm, with offices in New York, Washington, DC, and Los Angeles. For over 35 years, HR&A has provided clients with solutions to complex real estate and economic development challenges in cities across North America. We have helped to devise innovative public-private strategies that have produced catalytic urban development projects. We are eager to have the opportunity to work with the CRA and to demonstrate the value that we can provide to your organization.

***We apply rigorous analytical methodologies in service of our clients' strategic goals.*** Analysis that supports complex, mixed-use urban development projects is the core of HR&A's practice, and we offer a comprehensive suite of strategic advisory services to support the CRA through this contract. Our services run the gamut from conducting technical real estate financial analyses to generating implementation-focused strategic action plans for downtown and waterfront revitalization. We have conducted market and financial feasibility analysis to support the redevelopment of the former Walter Reed Army Medical Center in Washington, DC into a vibrant mixed-use development, created a market supportable Master Plan to guide the future development of Research Triangle Park in North Carolina and wrote a successful developer solicitation for plan implementation, and implemented public-private partnerships for transit-oriented development across the New York region. Our services unlock value for our clients and position them to realize goals.

***We are familiar with the development conditions in Cambridge and the surrounding area.*** HR&A has undertaken an array of projects in Massachusetts in recent years, focused on the Boston area. We recently served as market and financial feasibility advisor for the Massachusetts Institute of Technology, helping generate a phased, financially feasible development strategy for three development alternatives for the East Campus Gateway in Kendall Square. We are currently advising the Massachusetts Convention Center Authority on retail and programming opportunities to create a sense of place in the Innovation District, and manage the business planning and implementation of programming for a new event space being planned on D Street. We recently conducted a highest and best use analysis of two properties on behalf of the Town of Dedham, recommending feasible redevelopment programs that meet the Town's financial and place-making goals. We have also completed engagements for the Downtown Boston Business Improvement District, Boston Redevelopment Authority, and Rose Kennedy Greenway Conservancy in recent years. We look forward to bringing our significant knowledge of the Commonwealth to bear in supporting CRA's real estate initiatives and projects.

***We possess a depth and breadth of staff capacity to provide on-call services to public and quasi-public agencies and authorities.*** We serve as on-call advisors to several organizations, including the Massachusetts Convention Center Authority, NYC Economic Development Corporation, the Port Authority of New York & New Jersey, the City of Los Angeles, and Arlington County, Virginia. HR&A has a full-time staff of 49 talented professionals in our New York, Washington, DC, and Los Angeles offices with professional backgrounds in real estate development, finance, economics, urban planning, and



government administration. No assignment is too large or too small, and we have developed a reputation for rapid mobilization and delivery of quality work to all of our on-call clients. As we have for our previous work in Massachusetts, we propose to staff projects undertaken for the CRA primarily out of our New York headquarters.

\* \* \*

We hope you find our proposal and qualifications compelling, and we look forward to discussing this exciting opportunity with you further. Please feel free to contact Kate Coburn directly at (646) 695-5314 or [kcoburn@hraadvisors.com](mailto:kcoburn@hraadvisors.com), with any questions you may have.

Sincerely,

A handwritten signature in blue ink, appearing to read "Candace Damon".

Candace Damon  
Vice Chair

A handwritten signature in black ink, appearing to read "Kate Coburn".

Kate Coburn  
Partner



|                        |          |
|------------------------|----------|
| Firm Profile           | Page 1   |
| Approach               | Page 2   |
| Relevant Experience    | Page 5   |
| Project Team & Resumes | Page 8   |
| References             | Page 10  |
| Forms                  | Appendix |

**HR&A Advisors, Inc. (HR&A) is an industry-leading real estate, economic development and energy efficiency consulting firm.**

HR&A is a closely-held, 100% employee-owned Class C corporation, incorporated under our current name in 2007, but formerly known as Hamilton, Rabinovitz and Alschuler and operating under that name since 1976. HR&A has 49 full-time employees (consulting and non-consulting staff), and offices in New York, Los Angeles, and Washington, D.C.

From Boston to London, and Southern California to Hong Kong, we have guided hundreds of clients in transforming real estate and economic development concepts, and public infrastructure, first into actionable plans then into job-producing, community-strengthening assets. We have served a range of clients – real estate owners and investors, hospitals and universities, cultural institutions, community development organizations and governments – since 1976.

**New York:** Total Staff: 39

99 Hudson Street, 3<sup>rd</sup> Floor New York, NY 10013 T: 212.977.5587

**Washington, DC:** Total Staff: 5

2101 L Street, Suite 800 Washington, DC 20037 T: 202.903.0725

**Los Angeles, CA** Total Staff: 6

700 S. Flower Street, Suite 2730, Los Angeles, CA 90017 T: 310.581.0900

***“We founded this firm to continue the reinvention of the American city into vibrant urban centers that offer jobs and sustain a high quality of life for diverse communities.”***

**– John H. Alschuler, Chairman**



## Understanding

HR&A understands that the CRA is seeking an experienced real estate advisor capable of providing a comprehensive suite of real estate services to advance priority initiatives. The CRA envisions that these initiatives will not merely facilitate the delivery of new real estate product, but create vibrant, enduring urban places that enhance quality of life for all City residents. Neighborhood-scale initiatives like the redevelopment of the O'Brien Corridor present transformative opportunities to take advantage of new infrastructure through more intensive transit-oriented mixed-uses, while individual properties like the Foundry and Vail Court offer opportunities to improve blighted uses with development incorporating public amenities and community space. The strength of the real estate market in Cambridge and Greater Boston— fueled by the area's robust high-tech economy and renewed interest in and appreciation for vibrant urban places— will buttress the feasibility of the initiatives the CRA ultimately chooses to pursue. Yet the sheer complexity of redevelopment in urban areas can hamper project feasibility and demands careful analysis. Every initiative will require financial analysis that is at once rigorous and creative in considering the range of financial tools and incentives, development models, and partnerships that could be brought to bear in producing a feasible development program.

HR&A is optimally positioned to serve as the CRA's on-call development advisor. For over thirty years, we have provided strategic advisory services for some of the most complex mixed-use neighborhood, as well as downtown, campus, and transit-oriented development projects across North America and abroad. We understand the importance of linking accretive private investment with public resources to support the responsibilities and aspirations of investors and communities. Below, we describe our approach to on-call advisory services and specific types of analyses we would perform for the CRA.

## Approach to On-Call Advisory Services

HR&A understands that under this contract, our firm will be assigned to provide advisory services on real estate initiatives and projects for the CRA, likely but not exclusively drawn from the list included in the RFQ document as "Attachment D." Although any one of these initiatives will require a customized work plan to ensure a successful result, a common approach and project management structure will underpin all of our efforts for the CRA.

As Co-Partners-in-Charge of this relationship, Candace Damon and Kate Coburn will work to forge a true partnership with the CRA. This relationship will begin upon HR&A's designation with a meeting between HR&A and the CRA in Cambridge. This introductory meeting will provide an opportunity to discuss on a deeper level the Authority's strategic plan and the relationship of individual initiatives to this plan. The meeting will also enable HR&A and the CRA to establish overall protocols related to project initiation, staffing, and communication that will guide future work orders. Following this meeting, Candace and Kate will continue to serve as points of contact for the CRA to discuss how HR&A can best help the Authority advance its mission.

HR&A's capacity to mobilize the appropriate staff in the appropriate amount of time is one of our core strengths, as we benefit from consultants who bring a myriad of perspectives to real estate advisory services. We have the breadth and depth of experience necessary to quickly undertake new assignments for the CRA. For each assignment, Candace or Kate will serve as Partner-in-Charge and be substantively involved in project execution. We believe that an engaged, experienced management style brings maximum value to our clients. A Principal, Director, or Senior Analyst will serve as project manager and be the primary contact throughout the project, and analytical staff will provide project support.

We understand that the types of projects with which the CRA is seeking support are engagements that are likely to require briefings and field reconnaissance in Cambridge. We are adept at managing staff resources to ensure on-site availability as much as possible to meet our clients' needs. The proximity of our New York headquarters to Massachusetts enables our staff to make cost-effective day and overnight trips to the Commonwealth. In 2013 alone, HR&A staff members successfully supported seven projects requiring travel to Massachusetts.

## Approach to Real Estate Development Consulting

### *Market Research*

HR&A is an industry leader in providing comprehensive real estate strategies to unlock value and create vibrant places. Market analysis is one of HR&A's core capabilities. Our work translates into successful outcomes for our clients. HR&A's market studies provide a thorough analysis of both the economic and implementation potential for a particular use or mix of uses. For all product types, HR&A's approach to market analysis begins with an assessment of an area's advantages and disadvantages, including transportation access, topographical and environmental factors, and perceptions of the area from residents, the development community, and public agencies. HR&A then assesses area supply by analyzing the types of real estate uses in an area, the age and pricing of products offered, and quantitative trends in inventory, absorption, and vacancy. This also includes an assessment of comparable and competitive projects that are under construction, planned, or rumored. Further, it is our experience that traditional approaches to assessing supply and demand are often insufficient for fully determining the market for new development. HR&A typically supplements traditional market analysis approaches described above with on-the-ground interviews with developers, property owners and managers, major employers, neighborhood associations, and public officials, as well as case study profiles of relevant projects or experiences in other markets. The ultimate goal of our market research is to project market demand and absorption for the product types under consideration. This research often forms the primary input into larger development studies that involve concept and development programming and financial feasibility analysis. HR&A would employ this approach to market research if, for instance, asked to assess the market feasibility of introducing new residential and office product in Kendall Square at the Volpe Center.

### *Project Financial Feasibility Analysis*

HR&A has extensive experience developing and reviewing project financial pro formas to test the economic feasibility of a range of uses for potential sites. We understand how to gauge the feasibility of residential, retail, hotel, cultural, office and institutional development, open space initiatives, and large redevelopment sites with significant amounts of new planned development and major infrastructure improvements. To conduct financial feasibility analysis, HR&A employs a three step process. First, we review existing market data and analyze relevant comparable projects for desired product types in the target area to ensure key assumptions used in modeling are in line with market expectations. Subsequently, we conduct a pro forma analysis for subject properties, seeking to test key assumptions for development program, cost, and revenues to assess development strategy. Our customized pro forma analyses evaluate returns on equity and cash from the perspective of an investor. Finally, we identify any potential financial gaps that may require public support, and analyze how such support may impact development feasibility. HR&A would employ this approach to financial feasibility analysis if, for instance, asked to determine whether converting a portion of the Fresh Pond Shopping Center to another use would be financially viable.

### *Transaction Support*

Much of HR&A's work relates to negotiated agreements for development sites. The firm is regularly called upon to assist government and the private sector in financing and executing transactions. We possess significant experience in drafting, issuing, and evaluating Request for Proposals (RFPs) that excite the market, draw quality responses, and generate results. At the outset of a disposition effort, our services include setting objectives and conducting analysis (i.e., document review, market research, pro forma modeling, expert interviews) to understand development potential and anticipated bottom-line impacts. We then draft clear and compelling solicitation documents that state financial and physical expectations for the site(s). In the proposal review stage, HR&A assesses the financial and business terms proposed by developers including the financing structure, lease terms, cost estimates, and assumptions regarding achievable revenue streams. Finally, HR&A acts as an integral member in the selection process through developer interviews and ongoing negotiation support to define and finalize contract terms regarding lease structure, financing terms, program elements, site infrastructure, cost sharing, timing,

phasing, and other terms. In addition to acting as owner's representative through land disposition, we also possess considerable experience in assisting developers in responding to solicitations, providing us with a deep understanding of the motivations of each party and insight into strategies likely to be mutually beneficial. HR&A would employ this approach to disposition if, for instance, asked to draft a solicitation document for the development of underutilized publically-owned parcels in the First and Second Street corridor.

#### *Economic and Fiscal Impact Analysis*

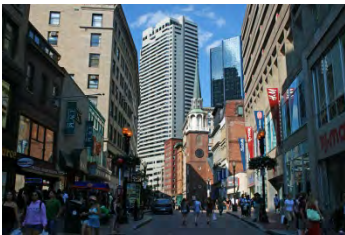
In projects where our public sector clients are asked to provide incentives for development, such as free or under-market land, tax abatements, infrastructure improvements, bond financing, HR&A is often asked to provide a rationale for such investment. To this end, we often assess the fiscal and economic impact of a proposed project, analyzing one-time and reoccurring increases in jobs, taxes and spending that would be generated. Our firm incorporates an approach grounded in rigorous quantitative analysis. We employ a three-step approach to economic analysis. First, we work closely with the client to define the scope and ensure that measureable outcomes are aligned with their goals. Second, we develop the appropriate economic and/or fiscal impact model. We typically use a multiplier approach to calculate direct, indirect, and induced economic effects based on one of the three leading economic models: IMPLAN, RIMS II, or REMI Policy Insight. In order to calculate fiscal impacts, we frequently build customized models that estimate likely tax revenues and expenditures to host governments. Finally, we frame our analysis in a strategic context; our reports do not sit on shelves— they catalyze action and decision making. HR&A would employ this approach to economic and fiscal impact analysis if, for instance, asked to compare the differential economic benefits of alternative redevelopment scenarios of the Foundry building.





### **MIT East Campus Gateway Development**

For the Massachusetts Institute of Technology's (MIT) East Campus Gateway development HR&A served as market and financial feasibility advisor, as part of a consulting team led by Mack Scogin Merrill Elam Architects (MSME). MIT initiated an urban design study to formulate a long-term real estate development framework for the eastern portion of its campus, located at the heart of Kendall Square. This development will introduce new office/lab space for lease by private companies, generate additional residential units and retail space, and create a campus gateway worthy of MIT. HR&A conducted a market study to determine the amount and nature of residential, office, lab, and retail space that could be absorbed on sites controlled by MIT, collaborated in a series of team work sessions to refine programming and design alternatives for the study area, worked with a cost estimator to project infrastructure and site costs, and created a multi-phase financial model to evaluate the feasibility of several proposed development schemes. The team recommended a strategy to create a phased, financially feasible new campus gateway at Kendall Square that balances MIT's financial and urban design goals.



### **Advising on Street Vendor Programing for Boston's Downtown Crossing**

For the Downtown Boston Business Improvement District and the Boston Redevelopment Agency, HR&A worked as part of a multidisciplinary team to develop a vending program for the Downtown Crossing area. HR&A led an assessment of the BID's current vending program, benchmarked street vending programs in cities around the country, and conducted an intercept survey to inform recommendations that will improve outdoor vending offerings and support the positive branding of the BID area. HR&A also supported the development of wayfinding and design standards recommendations.



### **Creating a Greenway District in Boston**

For the Boston Redevelopment Authority, HR&A conducted an analysis of property value changes in proximity to the Greenway, and provided economic analysis to support proposed Greenway District zoning and design controls. The consulting team identified strategies to enhance the urban edge of the new park to encourage activity, as well as define the character of potential development opportunities in the District. The approach focused both on using the Greenway to catalyze new downtown development and ensuring that the Greenway's long-term potential to create value for the City was a key consideration.



### **Highest and Best Use Study for Dedham, Massachusetts**

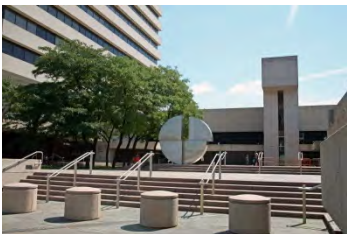
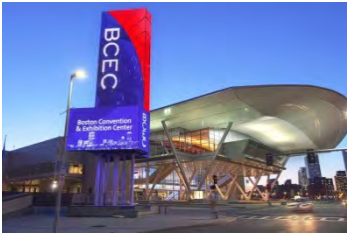
On behalf of the Town of Dedham, Massachusetts, HR&A assessed redevelopment opportunities for the Town Administrative Building and Police Station in historic Dedham Square. HR&A conducted a market scan to identify opportunities on the sites, and worked with BETA Group to translate findings into a set of alternative site redevelopment programs. For each alternative, HR&A conducted pro forma financial analysis to estimate the land value to the Town generated under sale and ground lease disposition scenarios and offered affirmative recommendations on selecting a mixed-use redevelopment program for each site that would balance the Town's dual goals of maximizing financial return for the land and introducing uses that will enhance the vibrancy of Dedham Square.



### **Restructuring the Massachusetts Bay Transportation Authority**

For the Massachusetts Bay Transit Authority, HR&A managed a major capital programming restructuring including development of new management procedures, issuance of two major RFPs, institution of use of construction managers, redirection of the Authority's five year plan, and formation and staffing of the new Office of Capital Program Management. HR&A performed market analysis, recommended a privatization strategy, and wrote the procurement documents that resulted in private bids that will save the MBTA more than \$100 million (40%) over the 5-year contract. HR&A's efforts resulted in the privatization of maintenance for the MBTA's 450 commuter rail vehicles.

## RELEVANT ON-CALL EXPERIENCE



### Real Estate Advisory and Programming for Massachusetts Convention Center Authority

The Massachusetts Convention Center Authority (MCCA) has retained HR&A to support its planned expansion of the Boston Convention and Exhibition Center (BCEC). In this role, HR&A has:

- Performed retail analysis and program development for the underutilized D Street corridor. Evaluated consumer groups that would be served by future retail, the existing character of local retail, and other successful retail districts in Boston and in the vicinity of other convention centers. Based on this study, HR&A developed a program and tenancing strategy for new retail that would support a vision and sense of place for the corridor.
- Currently serving as project manager in business planning and programming for the Interim Landscape event space at the Boston Convention and Exhibition Center (BCEC) on D Street. Programming at the Interim Landscape will serve long-term goals for the planned permanent event space by providing a laboratory for events and technology ideas that creates a new destination at the BCEC.

### On-Call Real Estate Advisory for the Port Authority of New York & New Jersey

The Port Authority of New York & New Jersey has retained HR&A as an on-call consultant to conduct several market and retail studies on several key projects. These include:

- In 2008, HR&A performed a detailed retail, office, and residential market analysis of the New York Penn Station market in support of the planned Access to the Region's Core (ARC) commuter rail project. HR&A supported the Port Authority in discussions with property owners, and assessed alternative redevelopment options for the station complex. HR&A's work helped lead to new agreements and funding for the Moynihan Station project as a first phase of the overall station redevelopment project.
- In 2009 and 2011 HR&A evaluated and advised on strategic real estate opportunities in industrial neighborhoods surrounding Newark International Airport, the Port of New York and New Jersey LaGuardia Airport.
- Between 2010 and 2012, HR&A performed retail, office, and housing market analysis for Downtown Newark in support of Newark's Master Plan.
- In 2011, HR&A performed a retail analysis of the ground floor space in the PANYNJ's newly purchased five-story office building, located at 2 Montgomery Street, Jersey City, New Jersey. The purpose of this study was to examine retail potential and other revenue generating possibilities for the 16,400 square foot first floor of the building.
- In 2012, HR&A performed a retail market analysis and program update for Journal Square Transportation Center, which, along with the Journal Square PATH Station and bus exchange, is comprised of a ten-story office tower, two levels of retail, and an above-grade outdoor plaza.

### Development Advisory Services for Arlington County, VA

HR&A has served as an on-call advisor to Arlington County, Virginia since 2009. The firm has provided in-depth economic analysis to support the County's development goals.

- In 2012 HR&A advised on the development of a Community Energy Plan. The plan aims to cut the County's greenhouse gas emissions by more than 70 percent over the next several decades and will be incorporated into the county's Comprehensive Plan.
- In 2012 HR&A served as advisor to the Arlington County Department of Planning, Housing and Development, evaluating the financial implications of affordable housing requirements in the Columbia Pike Neighborhoods Plan.
- In 2013 HR&A assessed the feasibility of Transfer of Development Rights (TDR) to preserve affordable housing along Columbia Pike and provided implementation recommendations for a comprehensive TDR program in Arlington County.
- In 2013 HR&A analyzed the comparative return on investment of a proposed streetcar along the Columbia Pike versus an enhanced bus alternative in terms of real estate value, employment and fiscal benefits generated.



## RELEVANT NATIONAL EXPERIENCE



### Redevelopment Planning for CityCenter DC

On behalf of the Mayor of the District of Columbia, HR&A and Skidmore Owings & Merrill (SOM) guided the redevelopment of the former Washington Convention Center site, located in Washington's business district. The Team first, provided a preliminary redevelopment program and plan. Upon the plan's approval, HR&A advised a Mayoral Task Force on the unique opportunities of redeveloping this 10-acre site. HR&A provided a refined development program aligned with the District's economic and policy goals, including transformation of downtown into a destination. The Team then prepared the District's RFQ/RFP process to designate a Master Developer. HR&A evaluated submissions and advised the District regarding each proposal's policy, economic, and urban design implications. Finally, HR&A led negotiations on behalf of the District that resulted in a Letter of Intent with the two finalists, and also guided the District during on its Master Developer designation. Construction on the site began in April 2011. The development, known as CityCenter DC, includes 111,000 for public use, 250,000 square feet of retail, 450,000 square feet of office, 680 residential units, and 1,700 parking spaces.



### First Ward, Charlotte – Mixed-Use Planning

For local developer Faison and a major property owner in First Ward, HR&A worked with CIVITAS to develop a plan for more than two million square feet of retail, commercial, office and residential development. The HR&A Team created a plan that included a major new public park, significant new parking, a new light rail line, and major utility and infrastructure upgrades. HR&A developed strategies for financing and managing the new park. The firm also created a model which evaluated the new development's potential to pay for the public infrastructure by utilizing North Carolina's new tax increment financing legislation.



### Research Triangle Park Real Estate and Planning Advisor

For the Research Triangle Park, HR&A served as Real Estate advisor to a multidisciplinary team creating a master plan for the next 50 years of the Park's growth. Managed an assessment of the local real estate market and the needs of the current and next generation tenants. Evaluated the financial feasibility of physical and business planning alternatives generated by the team, and recommended a set of implementation and business strategies to help the Park continue to act as an engine of regional economic growth. Currently serves as an advisor to the Research Triangle Foundation as it works to implement the Plan. HR&A prepared the RFP process to identify development partners for plan implementation and negotiated and structured associated agreements. Hines was designated as lead development partner in 2012.



### The High Line: Sparking Real Estate Development through Park Activation

When the Friends of the High Line (FHL) sought to convert the High Line, an abandoned elevated rail line on the west side of Manhattan, into a public park, HR&A prepared an economic and fiscal impact study that demonstrated that converting the rail line into a dynamic public park would produce economic and social benefits far outweighing the necessary capital costs. HR&A also assisted FHL to develop an innovative rezoning overlay with the New York City Department of City Planning to encourage development surrounding the High Line to preserve and protect the park. The award-winning rezoning built on the reputation of the surrounding neighborhoods as a center for art and culture in Manhattan. In 2009, the first segment of the High Line opened to the public, followed by the second in 2011. Since the High Line was saved, over 30 new residential development projects have been planned in the area and the park has been visited by nearly 6 million people. HR&A worked with FHL to assess the economic and fiscal benefits of the High Line to date, and compare it against the firm's original projections. We determined that the project had already generated nearly \$65 million in additional property taxes from 2007 to 2011 and had contributed an additional \$52 million in net new economic activity to the City since opening in 2009.





## CANDACE DAMON

VICE CHAIRMAN

### EDUCATION

Harvard University  
Law School  
Juris Doctorate  
1986

Amherst College  
Bachelor of Arts  
American Studies  
1981

### WORK EXPERIENCE

HR&A Advisors, Inc.  
(Formerly Hamilton, Rabinovitz &  
Alschuler, Inc.)  
Vice Chairman  
1988 – Present

Webster & Sheffield.  
Real Estate Associate  
1986 – 1988

Lincoln Institute of Land Policy  
Research Associate  
1985 – 1986

Massachusetts Bar Association  
Committee on Alternative Dispute  
Resolution  
Research Associate  
1984 – 1985

New York City  
Office of Management and Budget  
Analyst  
1981 – 1983

### AWARDS

Real Estate Forum  
Women of Influence Award  
2008

### AFFILIATIONS

Regional Plan Association  
Fourth Regional Plan  
Steering Committee

City Parks Alliance  
Board of Directors

Urban Green Council  
Member, Board of Directors

Urban Land Institute  
Redevelopment and Reuse Council

Atlantic Avenue Local Development Co.  
Former President

HR&A Advisors, Inc.

Candace is Vice Chairman of HR&A Advisors, Inc. and has over 25 years of experience in the management of complex, public-private real estate and economic development activity. Candace has directed a wide-ranging practice, currently focused on bolstering the sustainability of American communities. She leads the firm's energy practice and helps clients realize the competitive advantage gained by investment in sustainability. Her specific areas of expertise include: ensuring the long term viability of urban open space, supporting master planning efforts for large-scale revitalizations and organizational planning for non-profits and institutions, and addressing the financial challenges of making commercial and multifamily residential buildings energy efficient.

#### Campus Planning for MIT

For the Massachusetts Institute of Technology, led the market and financial feasibility sections of an East Campus redevelopment plan to determine the amount and nature of residential, office, lab, and retail space that could be absorbed on sites controlled by MIT, collaborated in a series of team work sessions to refine programming and design alternatives, and created a multi-phase financial model to evaluate the feasibility of several proposed development schemes. Recommended a strategy to realize MIT's financial and urban design goals in tandem.

#### Capital Program Restructuring for the Massachusetts Bay Transit Authority

For the Massachusetts Bay Transit Authority managed a major restructuring of its capital program including development of new management procedures, issuance of two major RFPs, institution of use of construction managers, redirection of the Authority's five year plan, and formation and staffing of the new Office of Capital Program Management.

#### Development Planning in Charlotte's First Ward, NC

For a local developer in Charlotte's First Ward, worked with CITIVAS to develop a plan for more than two million square feet of development that included the creation of a major public park, significant parking, a light rail line, and major utility and infrastructure upgrades. Devised strategies for financing and managing the park and created a model which evaluated the new development's potential to pay for the public infrastructure by utilizing North Carolina's new TIF legislation.

#### Connecticut Economic Development Strategy

For Connecticut's Department of Economic and Community Development, led a multidisciplinary team in developing a broad set of economic development policy initiatives, including measures that will encourage smart growth and brownfield redevelopment, improve the transportation network, modify tax regimes, promote sustainability, facilitate technology transfer, and make the government more efficient in delivering economic development services. Prepared implementation strategies and cost estimates to support policy initiatives.

#### Revitalization of Nicollet Mall, MN

On behalf of the City of Minneapolis, the Minneapolis Downtown Improvement District, the Minneapolis Downtown Council, and a local architecture and engineering firm, produced a pre-design application for the redevelopment of Nicollet Mall. The redesign transformed the mall into an iconic, must-see pedestrian and transit corridor that connects diverse downtown cultural and business anchors, improves the viability and performance of ground floor retail, and helps attract more tourists and jobs to downtown Minneapolis.

#### Strategic Plan to Reposition the Brooklyn Tech Triangle, NY

On behalf of the Downtown Brooklyn Partnership, as part of the WXY Architecture + Urban Design team, led real estate and economic analysis to develop real estate policy recommendations to enhance the technology sector in the "Brooklyn Tech Triangle" area. Conducted a real estate market assessment to identify key supply-side barriers to industry growth in the area. Created conceptual pro formas for up to three sites to demonstrate the magnitude and nature of financial gaps.



**KATE COBURN**  
PARTNER

## EDUCATION

University of Wisconsin  
Bachelor of Science  
1970

## WORK EXPERIENCE

HR&A Advisors, Inc.  
Partner  
2010 – Present

ERA/AECOM Economics  
Vice President  
2000 – 2010

Cushman + Wakefield  
Director of Retail Services  
1997 – 2000

Park Tower Realty  
Director of Marketing and Asset  
Management  
1989 – 1993

CBRE, formerly Edwards Gordon, Co.  
Vice President,  
Director of Downtown Marketing  
1985 – 1989

Rockefeller Center  
Vice President- Retail Leasing  
1974 – 1985

## AFFILIATIONS

Urban Land Institute

Real Estate Board of New York Stores  
Committee

International Council of Shopping Centers

New York City Police Museum

## SPEAKING ENGAGEMENTS

International Council of Shopping Centers,  
2012 Office-Worker Retail Spending in a  
Digital Age

Urban Land Institute  
New York District Council

Women Executives in Real Estate

## PUBLICATIONS

Real Estate Weekly

Shopping Center Business

Kate Coburn has been a key player in the real estate industry for nearly three decades, specializing in strategic planning, leasing and marketing of transit-oriented development, mixed-use urban complexes, downtown revitalization strategies, and retail programming. Her work focuses on incorporating retail/commercial uses into these projects as activating components. Her ability to understand the needs of the developer and tenant—from the initial market study, through implementation strategies—has created significant bottom-line results for both parties. Prior to joining HR&A, Kate served as the Founding Partner in the New York office of Economics Research Associates (ERA).

### Downtown Boston Business Improvement District Retail Vending Strategy

For the Downtown Boston Business Improvement District (BID) and the Boston Redevelopment Agency, developed a vending program for the Downtown Crossing area. Led an assessment of the BID's current vending program, conducted an intercept survey of area residents, workers, students, and visitors and made recommendations to improve vending offerings and support the positive branding of the BID area. Supported development of wayfinding and design standard recommendations

### Retail Planning for the D Street Corridor in Boston

Supporting the Massachusetts Convention Center Authority (MCCA)'s expansion of the Boston Convention and Exhibition Center along D Street. Evaluated customer groups served by potential retail and the existing character of retail in the area. Leading a tenancing strategy designed to meet the community's vision for an authentic, destination retail experience. Researching potential tenants, developing collateral to market the opportunity, and conducting outreach to select potential tenants. Recommendations will outline next steps for recruiting tenants to activate D Street.

### Highest and Best Use Study for Dedham, MA

On behalf of the Town of Dedham, assessed redevelopment opportunities for the Police Station and Town Administrative Building. Conducted a market scan to identify opportunities, and worked with BETA Group to create a set of site redevelopment programs. For each alternative, conducted pro forma analysis to estimate the land value to the Town generated under sale and ground lease scenarios and offered a recommended redevelopment program for each site to balance maximizing financial return with enhancing the vibrancy of historic Dedham Square.

### RFP Development for San Antonio Center City Development Office Downtown Grocery Store, TX

For the San Antonio Center City Development Office (CCDO) assisted in issuing a Request for Expressions of Interest (RFEI) for supermarket operators and/or developers. Conducted outreach to operators, developers, landowners, and other relevant parties to identify solicitation content, promotion strategy, and generate market interest. Supported CCDO in drafting the RFEI to convey the goals and opportunities, developed evaluation criteria and assisted in reviewing responses.

### Water Street Corridor Plan in New York, NY

As part of a multidisciplinary team, worked to develop concepts for the improvement of privately-owned public spaces along Water Street in Lower Manhattan as part of a longer-term initiative to improve the pedestrian experience. Created a retail profile for existing retail and restaurant offerings, devised a stabilized year cash flow model for retail space to identify a financially viable plan, and estimated the value generated by the proposed upgrades for property owners.

### Retail Recruitment and Development Strategy in St. Louis, MO

On behalf of The Loop and East Loop Special Business Districts and Washington University in Saint Louis, created a retail recruitment and overall development strategy for the Delmar Loop, a retail and cultural arts corridor adjacent to the University and the route of a planned Trolley system connecting it to Forest Park. Assistance with the implementation phase resulted in six new renters in the area including a supermarket and 24-hour diner.

**MIT East Campus Gateway**

Client: Massachusetts Institute of Technology

Contact: Michael Owu

MITIMCo, Director

[mowu@mitimco.mit.edu](mailto:mowu@mitimco.mit.edu)

(617) 253-4900

**Real Estate Advisory and Programming for Massachusetts Convention Center Authority**

Client: Massachusetts Convention Center Authority

Contact: Howard W. Davis, Director of Capital Projects

Massachusetts Convention Center Authority

[hdavis@massconvention.com](mailto:hdavis@massconvention.com)

(617) 954-2048

**On-Call Real Estate Advisory for the Port Authority of New York & New Jersey**

Client: Port Authority of NY & NJ

Contact: Michael Francois

Chief of Real Estate & Development

[mfrancois@panynj.gov](mailto:mfrancois@panynj.gov)

(212) 435-6482





Cambridge Redevelopment Authority

One Cambridge Center/Fourth Floor  
Cambridge, Massachusetts 02142  
617 492-6801  
617 492-6804 (FAX)



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## Memorandum

**RE: Community Fund Update**  
**Date:** May 15, 2014  
**To:** Cambridge Redevelopment Authority Board  
**From:** Chris Colley, CRA Intern

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## Background

In recent months, the feasibility and structure of a Community Fund sponsored by the CRA has been explored in great depth. The Community Fund was first identified as a project worth investigating in the early stages of the CRA's strategic planning process, and has, in the months since, progressively evolved from a purely conceptual idea to a more fleshed-out, albeit still incomplete, framework.

Initial conceptualization of a Community Fund was limited to two general assertions. First, that the fund represented an opportunity to disperse the financial benefits accrued by the CRA from the success of the Cambridge Center development to community groups across the City. This dispersion would broaden the CRA's geographical reach but would also, and more importantly, provide needed resources to organizations capable of applying these them to creating transformational change across Cambridge. Second, in keeping in line with the CRA's mission and the legal framework of redevelopment authorities more broadly, projects supported by the Community Fund would have to be physical improvements that contributed to the tangible built environment.

Using these parameters, a draft framework was presented to the Board at their February meeting. This framework called for the creation of a three-pronged program providing a combination of grants and loans to fund a range of projects with different scales and purposes. The Board encouraged further exploration of the idea, emphasizing the need for a more tangible description of the potential impacts projects funded by the program could have, as well as a more detailed understanding for how the administrative elements of the project would be operated.

## Update

While the proposed structure of the fund has not radically changed in the period since its initial presentation, a number of steps have been taken to follow up on the earlier requests of the Board.

First, an appendix of similar programs, operating at a wide range of scales, was compiled. These sample programs range from small-scale municipal grant programs to multi-million dollar community development financial institutions operating at the regional and national level. Along with the general mission of each fund program, sample projects supported by the fund are included. This appendix should support the Board's understanding of how different funding configurations can support different projects, and is attached as an addendum to the initial memo proposal.

In order to assess the validity of the proposed structure, a number of meetings were conducted with industry experts capable of commenting on the suggested form. A conversation was held with a representative from the Opportunity Finance Network, a national consortium of community development financial institutions that

provides technical support for organizations aiming to create funds similar to the one proposed. An additional conversation was held with representatives of the Boston Redevelopment Authority to discuss their in-house lending program. The outgrowth of both of these conversations was similar: both groups discouraged the use of grants, citing the need to leverage funding as much as possible to maximize its efficacy, but also made very apparent the level of administrative capacity and expertise necessary to feasibly conduct a loan program in a successful and sustainable fashion. This paradox—the limited long-term efficiency of grants contrasted with the lack of in-house CRA resources to issue loans—is central to the debate as to how best proceed with the Community Fund program.

Meetings were also held with local stakeholders, including representatives from the City's Community Development Department and Just-A-Start. These conversations were primarily conducted to gather information as to how these agencies conduct their own loan and grant programs, as well as to further identify gaps in funding within the City that the Community Fund may be able to plug. Lessons learned from the conversation included a better understanding of the need for pre-development funding for different projects (a component included in the original proposal), and the potential for applicants to pair Community Fund resources with resources available through other existing subsidy programs.

More recently, in an effort to address the problem of limited administrative capacity to issue and track loans, meetings have been set up with local financial institutions that may be able to act as partners in the fund's administration. While it is too early to assess the results of these meetings, this is an avenue that should continue to be pursued. In the interest of being able to launch the fund if a partnership of this sort comes to fruition, preliminary application documents have been created.

### **Next Steps**

There seems to be a consensus internally within the CRA and externally with stakeholders who hear about the Community Fund proposal that it is a program that will be will can have wide-spread benefits and is worth pursuing. While there are numerous minor administrative concerns with the proposal that still need to be ironed out, namely concerning who will be responsible for selecting winning projects and the exact process whereby the projects will be evaluated, there are three critical questions that need to be answered by the Board before CRA staff can actually move forward with issuing a Notice of Funding Availability and marketing the project.

First, is this an initiative that is worth committing the limited available time of CRA staff to?

Second, would the Board prefer to see the program issue grants (acknowledging the finite nature of the program that would go along with this) or loans (acknowledging the additional expenditures that would go along with their administration)?

Third, if the CRA is unable to find a financial institution willing to administer the loan, would the Board be willing to hire a loan officer, likely on a part-time basis, with the experience necessary to both assess the risk of applicants and oversee their loans in a manner that maximizes the likelihood of repayment?

Cambridge Redevelopment Authority

One Cambridge Center/Fourth Floor  
Cambridge, Massachusetts 02142  
617 492-6801  
617 492-6804 (FAX)



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## Memorandum

**RE: Community Fund**

Date: February 11, 2014  
To: Cambridge Redevelopment Authority Board  
From: Chris Colley, CRA Intern

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*The following document is intended to facilitate discussion regarding the scope, mission, and structure of the CRA's proposed community loan fund, **not** to serve as a concrete or finalized proposal.*

### Goal:

The CRA's community fund supports physical improvement projects that better Cambridge's built environment through blight removal and the reactivation of underutilized or substandard spaces.

Each of the projects should correspond with the CRA's mission to implement creative initiatives that promote social equity and the creation of a more balanced economic ecosystem. Community fund awards should be leveraged with other public and private resources to insure maximum possible public benefit.

It is the primary goal of the fund to offer awards to a diverse assortment of nonprofit organizations, small businesses and other community groups whose proposals are both feasible and supportive of economic vitality, livability, and sustainability in Cambridge.

### Scope and Sequence of Funding Process:

The fund offers three types of awards: capacity grants, capital grants, and low-interest loans.

Capacity grants of up to \$2,500 will be offered for applicants who have a project in mind, but lack the capacity or resources to assess its feasibility or outline a plan to make it a reality.

Capital grants of up to \$20,000 will be offered for smaller scale projects physical improvement projects. Awardees will be required to use this grant money within one year of their selection. Awardees will be required to provide a documented 1:1 match of their award. This match can include in-kind services.

The final type of award will be low-interest loans of up to \$100,000. These awards are intended to support more ambitious projects that have already completed necessary pre-development efforts. These loans will be subject to more stringent monitoring than their seed grant counterparts, but can also be used over a longer period of time. Terms will be set based on prevailing market forces, and advertised in the notice of funding availability.

Depending on the applications received, a different mixture of awards will be offered in each year. While the exact allocation of awards is flexible, no more than 5% of funds awarded will be for capacity building grants, no more than 20% of money awarded will be capital grants, and no more

than 80% of money awarded will be for low-interest loans. The fund is not required to distribute all advertised money.

Awards will be issued on an annual basis beginning in 2014. While ten years of funding are anticipated, the fund will begin with a two-year pilot program to evaluate its scope, methodology, and efficacy.

#### **Pilot Period**

##### **2014**

*January-May:* Unrolling of project as component of strategic planning effort

*June 1:* Request for proposals/notice of funding availability released.

*September 1:* Deadline for project submission.

*October CRA Board Meeting:* Funding package presented for board approval.

*November 15:* 2014 awards provisionally granted.

##### **2015**

*January-start of construction season:* Pre-construction improvements and necessary permitting for 2014 awardees conducted by applicants. Final awards granted upon receipt of necessary permits.

*Early Spring:* Construction begins for 2014 awardees. Marketing for upcoming round.

*June 1:* Request for proposals for 2015 round released.

*September 1:* Deadline for proposal submission.

*October CRA Board Meeting:* Funding package presented for board approval.

*November 15:* 2015 awards provisionally granted.

*December:* Evaluation of 2014 awardees. Potential revision of the scope and logistics of the project depending on the relationship of project outcomes to the overall mission.

#### **“Stabilized Period” (2016-2023)**

*April-May:* Marketing and outreach.

*June 1:* Request for proposals for round released.

*September 1:* Deadline for proposal submission.

*October CRA Board Meeting:* Funding package presented for board approval.

*November 1:* Awards provisionally granted.

*December:* Evaluation of prior years awardees.

**Proposed Funding Schedule** (subject to change based on pilot performance and quality of applicant pool on a year-to-year basis)

| <b>Year</b> | <b>Amount</b> |
|-------------|---------------|
| 2014        | \$300,000     |
| 2015        | \$400,000     |
| 2016        | \$400,000     |
| 2017        | \$400,000     |
| 2018        | \$400,000     |
| 2019        | \$400,000     |
| 2020        | \$400,000     |
| 2021        | \$400,000     |
| 2022        | \$400,000     |
| 2023        | \$400,000     |
| Total       | \$3,900,000   |

#### **Eligibility Requirements:**



1. Project is located within Cambridge.
2. Award request does not exceed \$2,500 (capacity grant), \$20,000 (capital grant), or \$100,000 (low-interest loan).
3. Project is a one-time physical improvement that does not require ongoing funding.
4. Project complies with Cambridge permitting and zoning guidelines.
5. Project is eligible for funding under redevelopment law.
6. Project contributes to economic vitality, housing, or open space of Cambridge.
7. Project provides a benefit accessible to the public
8. Project sponsor is a nonprofit, community based organization, or small business located within Cambridge.

#### **Selection Committee and Evaluation Process:**

A five-member committee will evaluate proposals and provide a funding package for approval to the CRA board. This committee will have the following composition:

- Two CRA board members
- One CRA employee
- Two Cambridge City staff members, at least one of whom is from CDD

The selection committee will meet three times during the deliberation period, at the close of which they will present a selection of proposals to the CRA board. The first meeting will be an orientation introducing the proposals received, the second will provide a forum for discussion of different projects, and the third will result in a finalized list of preferred projects. Efforts will be made to distribute awards to a diverse mixture of applicant types. The practical process for selecting individual projects needs to be determined.

Applications will be evaluated on the following criteria:

1. Alignment with CRA mission to promote economic vitality, open space, livability and sustainability
2. Magnitude of impact
3. Demonstrated capacity of applicant to implement the proposed project
4. Demonstrated financial need of applicant
5. Potential for eliminating blight
6. Accessibility of the improvement to the general public
7. Financial feasibility
8. Relationship to existing planning and development efforts

Sample projects include:

1. Creating or improving a park, community garden, or other public open space
2. Rehabilitating an existing building
3. Supporting construction of a new building
4. Business improvement that contributes to the public realm
5. Spatial programming that contributes to the public realm

#### **Links to Existing Funding Opportunities:**

Where possible, applicants will be encouraged to investigate other funding to support their projects. These include, but are not limited to:

- Local programs (Cambridge Conservation Commission Community Garden Program, Cambridge CDD Façade Improvement Program, Affordable Housing Trust, Cambridge Arts Council, Community Preservation Act etc.)
- State programs (Historic Rehabilitation Tax Credit, Community Investment Tax Credit)
- Federal programs (Brownfields tax credits, LIHTC, etc.)
- Private funding

## **Award Distribution**

Given the different nature of the three awards, they require different frameworks for distribution. Recipients of all three awards, however, will be required to provide detailed budgets with the applications, and then revised versions of these budgets when awards are finalized.

Grants will be distributed through reimbursement and invoice. Expenses under \$500 will be covered by award recipients and then reimbursed by community fund administrators upon receipt of documentation; expenditures exceeding \$500 will be invoiced directly to the community fund. Grant awardees will have one year from the time of finalization of their award to collect their funds.

Pending proper legal arrangement, loans will be distributed to the winning project applicants. This process requires logistical detail beyond the scope of this memo.

In certain cases, provisional awardees may be unable to obtain the necessary permitting in time to collect or utilize their award. Awardees will be permitted to petition for a deferral in this case.

## **Assessment of Award Efficacy**

Annual evaluations will be undertaken to measure the success of the distributed awards. Evaluations will be used to modify the program's scope and structure, particularly during the pilot period.

Capacity grants will be measured in their efficacy by the successful completion of the program proposed in the application. Whether this leads to further action is irrelevant to the actual success of the capacity grant—what's important is that this funding is used to evaluate the feasibility of the proposal in a way that leads to a final determination of the course of the project.

Capital grants will be evaluated based on the ultimate completion and maintenance of the proposed physical improvement. Annual evaluations will be conducted for five years after project completion or the end of the fund (whichever comes first).

Loan efficacy will be evaluated through two primary criteria: repayment of the loan and completion of the project. Project maintenance will be evaluated in a similar fashion as that of capital grants.

## **Some Issues for Further Discussion**

- Does the proposed three-tier structure of grants and loans make sense?
- What procedure do we use to appoint members of the selection committee?
- What marketing plan should be used to insure the highest quality of applications possible?
- How can we structure the criteria to encourage the distribution of awards to a wide variety of organizations (ie. Minimum percentage for non-profit, minimum percentage for small business, etc.)? Should a similar geographic distribution be enforced as well?

## Appendix: Sample Programs

### *Grant Programs*

**Program Name:** Community Improvement and Outreach Grant

**Location:** Salt Lake City, UT

**Administering Body:** Salt Lake City Housing and Neighborhood Development

**Description:** Salt Lake City has allocated \$187,000 in grant funds for community non-profits, neighborhood groups, and neighborhood business districts as part of the Community Improvement & Outreach Program. This program is designed to quickly and efficiently improve the quality of Salt Lake City's communities and neighborhoods. With the help of residents & local organizations these funds can be used towards public safety projects, recreation and education projects, sustainability projects, neighborhood improvements, neighborhood-school partnerships, local project developments, and more. Four award types are available: small neighborhood improvement grants (\$12,000 total, \$2,000 each), large neighborhood improvement grants (\$90,000 total, \$10,000 each), community outreach grants (\$20,000 total, \$1,000 each), neighborhood matching grants (\$65,000 total, \$5,000 each).

**Sample Project(s):** Community garden; Frisbee golf course; neighborhood signage

**Source:** <http://www.slcgov.com/hand/community-improvement-outreach-grant>

**Program Name:** Neighborhood Projects Initiative

**Location:** Oakland, CA

**Administering Body:** Redevelopment Agency of the City of Oakland

**Description:** The Neighborhood Project Initiative (NPI) program is a community grant program that funds one-time, small-scale, community-initiated physical improvement projects that benefit the community and currently have no other source of funding. Projects must be located within the West Oakland redevelopment project area boundaries. The program is designed to support existing blight reduction and beautification efforts in the redevelopment project area and to encourage community participation in the revitalization of West Oakland. The maximum grant award per project is \$50,000.

**Sample Project(s):** Public landscaping; dog run facility; exterior lighting

**Source:** [https://www.cityofboston.gov/dnd/obd/G\\_PNP.asp](https://www.cityofboston.gov/dnd/obd/G_PNP.asp)

**Program Name:** Small Business Improvement Fund

**Location:** Chicago, IL

**Administering Body:** City of Chicago

**Description:** The Small Business Improvement Fund program uses Tax Increment Financing revenues to help owners of commercial and industrial properties within specific TIF districts to repair or remodel their facilities for their own businesses or on behalf of tenants. Program participants can receive matching grants to cover up to half the cost of remodeling work, with a maximum grant amount of \$150,000.

**Sample Project:** HVAC replacement; new windows, floors, or roofing

**Source:**

[www.cityofchicago.org/city/en/depts/dcd/supp\\_info/small\\_business\\_improvementfundsbf.html](http://www.cityofchicago.org/city/en/depts/dcd/supp_info/small_business_improvementfundsbf.html)

**Program Name:** Partners with Nonprofits

**Location:** Boston, MA

**Administering Body:** Department of Neighborhood Development, Office of Business Development

**Description:** Partners with Non-Profits (PNP) provides matching grants up to a maximum of \$25,000 per project per fiscal year for capital improvements to non-profit facilities located in Boston. In the past, PNP grants have been awarded to healthcare centers, homeless shelters, youth organizations, senior centers, and cultural and educational institutions throughout Boston. In a given fiscal year the program leverages \$3 million of construction projects. PNP believes that

by helping to maintain strong neighborhood institutions we promote the sustainability of strong neighborhoods.

**Sample Project(s):** Repairs of code violations; handicap accessibility

**Source:** [https://www.cityofboston.gov/dnd/obd/G\\_PNP.asp](https://www.cityofboston.gov/dnd/obd/G_PNP.asp)

**Program Name:** The Community Foundation

**Location:** Atlanta, GA

**Administering Body:** The Community Foundation

**Description:** The Neighborhood Fund builds upon grassroots ideas, energy, and passion to empower community members to improve their neighborhoods. Neighborhood Fund provides resources to community groups (non-501(c)3) seeking to impact their community at the local level. Since 1991, more than 300 neighborhood projects have received an estimated \$2,000,000 in grants and technical assistance to support community organizing, neighborhood gardens, youth fitness activities, cultural events and more. The Neighborhood Fund provides comprehensive support that assists residents and neighborhood groups as they organize around their strengths and assets.

**Sample Project:** Magnolia Circle Tenants Association: \$1,800 to support a raised bed community garden; Ormewood Park Community: \$10,000 to build a playground

**Source:** <http://cfgreateratlanta.org/Community-Leadership/Current-Initiatives/Neighborhood-Fund.aspx>

#### *Loan Programs*

**Program Name:** Boston Local Development Corporation

**Location:** Boston, MA

**Administering Body:** Boston Redevelopment Authority

**Description:** The Boston Local Development Corporation (BLDC) works to increase employment opportunities for Boston residents by providing small business loans with a focus on commercial, industrial and service companies. The BLDC is a private 501(c) (3) non-profit corporation governed by an independent board of trustees. The day to day operation of the program is provided by the Boston Redevelopment Authority's financial services department.

**Sample Project(s):** AB Seafood, a fish processing company in the Newmarket District, planned to greatly expand their operating space and create a number of new jobs. To support this project, the BLDC was able provide \$150,000 in financing through its Backstreets loan fund. This expansion will create at least ten new jobs and retain another twenty. Financing allowed AB Seafood to continue paying bonuses to experienced fish cutters who train entry level employees. As a result previously unskilled employees were able to advance to better paying jobs within the company.

**Source:** <http://www.bostonredevelopmentauthority.org/business-dev/financing/bldc>

**Program Name:** Chicago Community Loan Fund

**Location:** Chicago, IL

**Administering Body:** Independent

**Description:** The mission of the Chicago Community Loan Fund is to provide flexible, affordable and responsible financing and technical assistance for community stabilization and development efforts and initiatives that benefit low- to moderate-income neighborhoods, families and individuals throughout metropolitan Chicago. In particular, CCLF was created to ensure that Chicagoland community developers (including small and emerging groups) would have a lender to turn to for harder-to-underwrite projects and enterprises.

Individual and institutional investors concerned about the social dividend of their investments place funds in CCLF at or below market-rate, creating a pool of loan capital dedicated to improving the lives of people in disinvested communities. CCLF, in turn, re-lends this capital at a rate close to or at prime to finance community organizations' development projects. Different funding products are available for a variety of needs, including predevelopment loans, rehabilitation loans, working capital loans, etc.

**Sample Project:** In 2009, CCLF provided a \$250,000 mini-permanent mortgage to Growing Home for the completion of its Wood Street Urban Farm. The loan also allowed Growing Home to maintain essential reserves so that it could continue to be a successful and stable organization. CCLF worked closely with Growing Home to ensure the loan's success after other lenders voiced concerns over a high loan-to-value rate and environmental remediation of the site.

**Source:** <http://cclfchicago.org/>

**Program Name:** Boston Community Loan Fund

**Location:** Boston, MA

**Administering Body:** Boston Community Capital

**Description:** BCLF provides loans to nonprofit organizations, community development corporations (CDCs) and local developers that build affordable housing and provide social and community services for underserved communities. Founded on the firm conviction that low-income communities can sustain debt, we make loans that enhance and stabilize these communities. Our loan products and services are customized to meet the needs and constraints of our borrowers, providing fast, flexible and sufficient capital at each stage of a project's development.

**Sample Project(s):** Affordable homes for over 15,800 families; child care facilities serving over 9,800 children; schools and youth programs serving over 4,400 low-income students; community health centers providing a comprehensive range of care to over 81,000 patients; over 1.6 million square feet of commercial real estate and community facilities in distressed communities

**Source:** <http://www.bostoncommunitycapital.org/what/loan-fund>

**Program Name:** Opportunity Fund

**Location:** California (San Jose, San Francisco, Los Angeles)

**Administering Body:** Independent

**Description:** Opportunity Fund is a not-for-profit social enterprise helping thousands of California families build financial stability. Our strategy combines microloans for small businesses, microsavings accounts, and community real estate financing. Now California's leading microfinance provider, Opportunity Fund began based on the idea that small amounts of money and financial advice could help people make permanent and lasting change to improve their own lives. The microloan program, targeted to low-income entrepreneurs has a median loan size of \$5,000, a 92% repayment rate, and a business survival rate of 95%.

**Sample Project(s):** Opportunity Fund provided a \$25,000 loan to a hair salon owner who could not qualify for traditional financing. Through the Opportunity Fund, she was able to renovate the salon, retaining her existing employees and improve service.

**Source:** <http://www.opportunityfund.org/about/>

**Program Name:** Accion Chicago

**Location:** Chicago, IL

**Administering Body:** Independent

**Description:** Accion Chicago is an alternative lending organization dedicated to providing credit and other business services to small business owners who do not have access to traditional sources of financing. By encouraging the economic self-reliance of microentrepreneurs, Accion Chicago strives to help businesses and communities grow.

Many of their clients do not have access to traditional bank loans. The small size of their loan request and limited credit history regularly make them ineligible for conventional financing and unable to obtain the credit they need to grow their businesses. Accion Chicago provides the credit and training necessary to help small business owners increase their incomes, create new jobs, and strengthen their communities. Accion Chicago lends from \$500 to \$50,000 with terms from 2 to 72 months.

**Sample Project(s):** \$2,500 loan for start-up supplies to Orlando's Barber Studio, Chicago, IL

**Source:** <http://www.accionchicago.org/>

*DRAFT*

# **Cambridge Redevelopment Authority Strategic Plan**

May 2, 2014



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**2. Context**

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**5. Financial Considerations**

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**Appendices (bound separately):**

CRA Potential Project Cards

Urban Redevelopment Precedents

Stakeholder Participants and Input



*DRAFT*

# 1. INTRODUCTION



*The development patterns in Cambridge have been shaped by its important position in the region, with rail and roadway connections and adjacency to the Charles River and the ponds near the headwaters of the Mystic River.*

## VISION

**I**N FIVE YEARS . . . Through strategic community investments and real estate projects, the Cambridge Redevelopment Authority (CRA) will be creating landmark places that represent enduring urban design, with vibrant civic spaces and sustainable approaches to infrastructure and the built environment. Its projects will contribute to the community fabric of the city. Using its unique ability to merge the public interest with private sector resources, the CRA will implement projects that cannot be achieved by others. The CRA will have made significant contributions to the quality of the life for residents, employees, business owners, and visitors.

*The CRA staff will work in close partnership with the Cambridge Community Development Department (CDD) and other City staff, and will manage a mixed workload that includes property management, real estate transactions, project management, community*

*investment programs, design review, and longer-range strategic initiatives for key redevelopment areas.*

*The CRA will be a relatively small yet efficient, independent operation, with a well-regarded Board that is responsive to community concerns and ensures that its decisions are transparent and sound.*

*A unique strength of the CRA will be its ability to act nimbly to negotiate and develop real estate to achieve public goals. Projects will include district scale projects involving infrastructure, mixed-use development, and mixed-income housing as well as small-scale investments related to the mission. As a redevelopment authority, the CRA will be financially independent and stable, able to steward public and private funding sources and maintain a longer-term vision that has continuity through political cycles.*

### CAMBRIDGE REDEVELOPMENT AUTHORITY MISSION

The Cambridge Redevelopment Authority is committed to implementing imaginative, creative development that achieves social equity and environmental sustainability. Our goal is to work in the public interest to facilitate infrastructure investments and development projects that integrate commercial, housing, civic and open space uses. We are a public real estate entity with a unique set of redevelopment tools, working in close partnership with the City of Cambridge and other organizations.

### MISSION

A mission statement is the basis for any strategic plan, since all the activities of an organization respond to this call. The mission serves the purpose of setting forth the organization's identity and its core programmatic work, while also establishing a connection to the organization's constituency and serving as inspiration for the future. The new mission statement for the CRA (see inset), which has been shaped by the Board and staff, is a necessary update to be specific to the CRA, to the Cambridge context, and to today's demands. The accompanying vision serves as a complement that lays out more specifically the unique role of the redevelopment authority, the importance of its partnerships, and the type of work that it will engage over the next five years.

### PROCESS

The CRA started a new chapter in March 2012, when a new Board was established with four members appointed by the City of Cambridge and one by the Commonwealth of Massachusetts. Based on recommendations from a transition study, the Board hired an interim Redevelopment Officer and a Strategic Planner to help set a course of action.



*Community forum discussions, March 2014.*

### *Outreach and Collaboration*

The strategic planning process was launched in June 2013 as a collaborative effort between the CRA Board and staff, with input from the City of Cambridge and many other stakeholders (Figure 1). Early in the process, the CRA staff interviewed City officials and representatives of the State Department of Housing and Community Development, Cambridge Housing Authority, Massachusetts Institute of Technology (MIT), and the Kendall Square Association (KSA) to gain an understanding of roles and current initiatives in the city. Consistent collaborations with the Cambridge Community Development Department have helped inform the strategic planning process.

The plan also evolved through discussions at monthly CRA Board meetings, which are open to the public. The Board held an extended strategic planning working session at its August 2013 meeting, where the draft mission, vision, and operating principles were developed. Staff and Board representatives met with each of the City Councillors in January 2014 to review draft concepts and collect ideas.

A broader public outreach phase began shortly after, including an online forum on the CoUrbanize interactive website. An open community workshop on March 26, 2014, gave the Board, staff, and participants a chance to weigh the implications of these priorities further. The CRA continues to meet with business associations and neighborhood associations across Cambridge to gather input and suggestions. Over a one month period, 54 comments and 172 interactions expanded the reach of the discussion about CRA priorities.

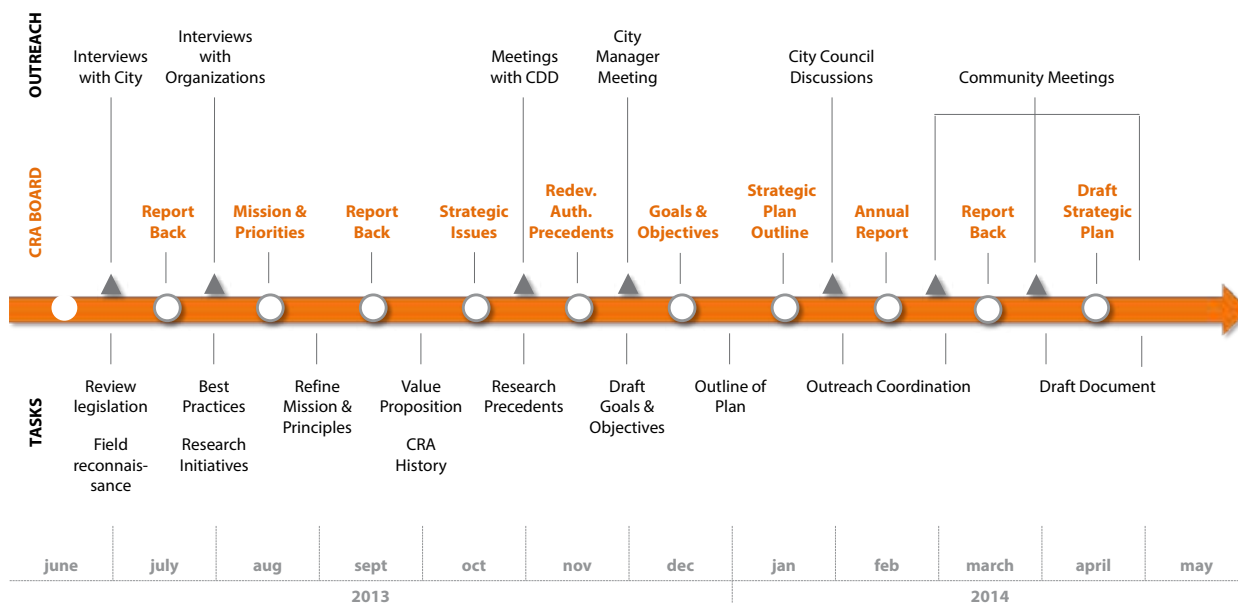


Figure 1. The Strategic Plan has been developed with the input of many stakeholders over the course of a year.

### Research

During the planning process, the staff reviewed the legislation and met with State officials to understand the intent and the parameters of the enabling legislation, M.G.L. ch. 121 A and 121B. This was followed by research and conversations with other redevelopment authorities to gain insight into the use of these tools today, both within the Commonwealth and nationally.

Field reconnaissance and the conversations with multiple stakeholders was an important part of the research effort. Through these, the broader range of development issues facing the city provided context. The CRA was better able to define its position within the spectrum of roles and responsibilities being carried out by the City, quasi-public entities, non-profit organizations, and the private sector.

Through many conversations in a variety of venues, a long list of potential development initiatives and activities was developed and became the

basis for evaluating the role of the CRA. For each suggestion, the CRA staff researched the location, property facts, status, and relevant planning studies (Appendix A).

### STRATEGY FRAMEWORK

The Strategic Plan is based on a balanced scorecard that takes into consideration four key areas that an entity must address as it carries out its mission (Figure 2; adapted from Kaplan 1996, 2004):

- External Actions and Relationships
- Internal Operations
- Financial Considerations
- Learning and Growth

This approach allows the organization to focus on the external activities that best align with its mission, while recognizing the need to build internal capacity and systems to support this work. At the same time, the need to scrutinize each potential action according to its financial

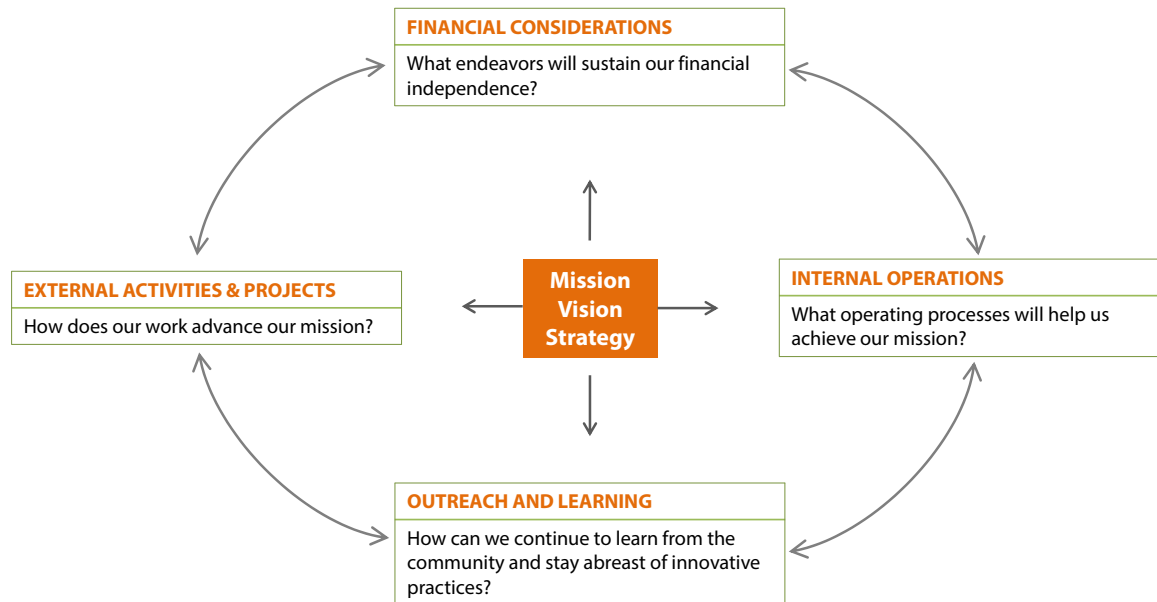


Figure 2. The Strategic Plan has been developed with the input of many stakeholders over the course of a year (adapted from Kaplan, 1996, 2001).

implications is recognized. Projects might spend down funds, maintain and manage investments, or generate new sources. The CRA operates in a dynamic context in a city on the forefront of many innovative initiatives. With the balanced scorecard, the CRA recognizes the need for ongoing outreach and learning.

## OPERATING PRINCIPLES

Through the strategic planning process, the CRA established the following principles to guide its work.

1. **Act:** Complement the City's planning role by focusing on implementation using redevelopment tools imaginatively.
2. **Operate with transparency:** Be visible and foster face-to-face relationships and a forum for discussing ideas.
3. **Maximize the public benefit:** Serve a broad public purpose with ethically sound practices in partnership with the City and others.

4. **Operate with fiscal responsibility:** Use our independent resources wisely to accomplish our mission.
5. **Set an example:** Through our actions, advance thinking on issues with long-term consequences and within a larger context, be innovative yet with an awareness of history.

## STRATEGIC OBJECTIVES

As a part of the strategic planning process, each subcommittee of the Board participated in work sessions with staff to identify objectives to fulfill the CRA mission and vision. In alignment with the "balanced scorecard" approach, these are organized around external activities, internal operations, financial considerations, and outreach and learning, and aligned with the CRA's operating principles (Figure 3). These objectives become the basis for the Strategic Plan elements described in Chapters 3 through 6.

|                    |                                | PRINCIPLES  |   |   |   |   |
|--------------------|--------------------------------|---|---|---|---|---|
|                    |                                | Maximize the Public Benefit                             | Operate with Fiscal Responsibility                            | Act   | Operate with Transparency   | Set an Example  |
| BALANCED INTERESTS | External Activities & Projects | Evaluate projects/ programs against mission             | Evaluate projects/ programs against resources                 | Set priorities for long and short term projects/ programs                     | Assign Board members as ambassadors for different initiatives       | Lead in innovative practices                            |
|                    |                                | Establish protocols for community loan fund             | Identify new revenue sources through development and/or loans | Participate in city policy decisions that affect CRA activities (e.g. zoning) | Update community on status of projects using variety of platforms   | Track changes in city and development trends            |
|                    | Internal Operations            | Align internal capacity with strategic priorities       | Align budget with priority projects                           |   | Reinforce Board role in policy, oversight, fiduciary responsibility | Identify opportunities for employee learning and growth |
|                    |                                | Establish collaborative office environment and location |   |   | Share news and updates between Board and staff                      | Involve interns in research on innovative practices     |
|                    | Financial Considerations       | Align program and administrative costs with priorities  | Ensure administrative costs are in service to programs        |   | Utilize financial procedures and protocols                          |   |
|                    |                                | Reinvest revenues to serve the public interest          | Balance risk with a higher return on investment               |   |   |   |
|                    | Outreach and Learning          | Measure our progress with data and benchmarks           | Monitor time and expenses by projects                         | Develop an understanding of community issues on specific projects             | Engage in ongoing dialogue with community                           | Engage higher education representatives                 |
|                    |                                | Identify targets for community loans                    |   | Maintain relationships with city, state, and federal officials                |   | Participate in regional special interest groups         |

Figure 3. These objectives are organized according to their relationship to the strategic framework and the CRA's operating principles.





*Kendall Square has been the focus for the CRA for many years, including investment in transportation infrastructure that set the stage for new development (circa 1980s, looking west on Main Street).*



## 2. CONTEXT

**T**he Cambridge Redevelopment Authority (CRA) was founded on November 12, 1956 pursuant to the authority granted by what is now M.G.L. ch. 121B, § 3. In the Commonwealth of Massachusetts, redevelopment authorities are provided with broad powers to plan and implement activities needed to redevelop underutilized, deteriorated or blighted open areas, to encourage new development, and to promote sound growth. Over the years, the CRA worked on projects throughout Cambridge including the Riverview Project, Rogers Block (Technology Square) Project, the Wellington-Harrington Neighborhood Renewal Project, the Walden Square Urban Renewal Project, the Alewife Feasibility Study, and the Broad Canal Land Assembly Project, and, most notably, the Kendall Square Urban Renewal Plan (KSURP, See Figure 4). Since 2012, the new Board has hired new staff and is setting a new direction, working in partnership with the City.

### REDEVELOPMENT AUTHORITY TOOL SET

In recent years, many redevelopment authorities in the Commonwealth and elsewhere in the United State are using their unique tools to spearhead innovative projects and programs. The more active authorities have been stepping in to fill a void when neither the public nor the private sector can move projects forward. Eminent domain is a tool of last resort, rarely used except in cases where a single small property is holding up redevelopment of many other properties. In all cases, redevelopment plans and any other actions by redevelopment

authorities requires city council approval. In Massachusetts, state approval is necessary for redevelopment plans and major amendments.

The advantages of an independent redevelopment authority are that it has the following attributes:

- Has an independent board, separated financially from the city,
- Endures through different political cycles, bringing consistency to development policies,
- Allows for longer range development policy,
- May assert stronger control over development and preservation,
- Is more independent of political pressure,
- Has the ability to act as a real estate developer and property manager, and
- May accept third party funding, combining public, private, and non-profit sources to accomplish a project.

All redevelopment authorities in Massachusetts have an independent five-person board. A few have independent staff, as the CRA does. Many redevelopment authorities are staffed by city staff, and some are completely integrated with city planning and/or economic development departments.

Redevelopment authorities in other localities offer the following insight into the range of available tools.

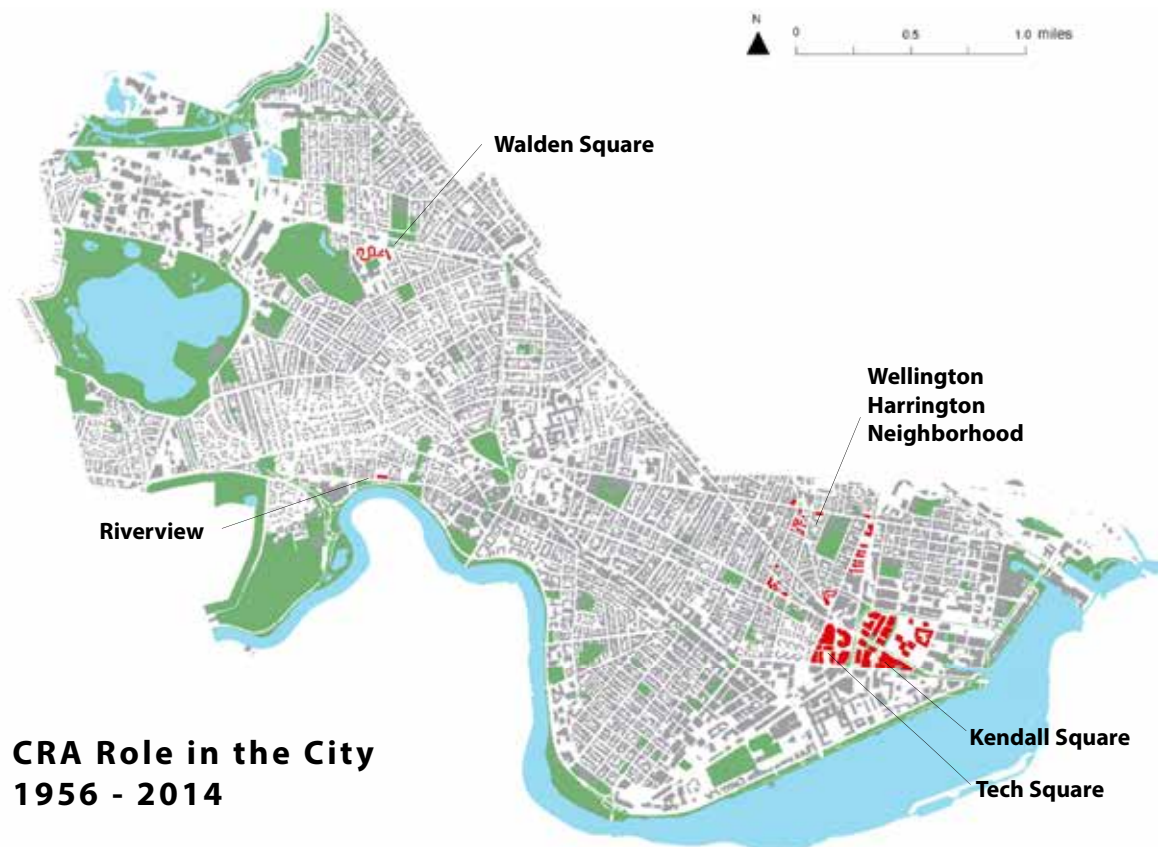


Figure 4. The CRA has undertaken many different types of projects in its sixty year history.

- **Salem:** works within an historic district where preservation and design review is paramount; plays a lead role in the adaptive reuse of public buildings.
- **Fitchburg:** has a mission to support and attract business; owns and manages the Putnam Place to foster startups and manufacturing; administers brownfield grants; acquires land; and provides economic development incentives.
- **Holyoke:** new authority staffed by the office of planning and economic development; new urban renewal plan to encourage transit oriented development (TOD) and the creative economy; implementation of city master plan.
- **Denver:** use of redevelopment to tackle large vacant buildings including an old power plant, which was redeveloped into REI complex, and the Lowenstein Theater, now home to a bookstore, film center, restaurants and shops.
- **Malden:** administers community loans and grants, as well as federal programs; oversees public works improvement programs; manages off-street parking; and spearheads new projects such as the proposed ballpark.
- **Somerville:** pursued District Improvement Financing (DIF) and other funding for infrastructure; facilitated transit station; acquired key parcels; and issued Developer Request for Proposal.

## MODELS FOR REDEVELOPMENT

The research into enabling legislation, past CRA projects, precedents from other communities, and the unique conditions in Cambridge today, four models for redevelopment suggest a range of different activities that might be relevant for the CRA to consider in moving forward.

### CRA HISTORIC MODELS FOR REDEVELOPMENT

Although most closely associated with Kendall Square, the CRA has actually been involved in a number of projects over the course of its nearly 60 year history. These selected projects are illustrative of the broad range of tools available to redevelopment authorities.

The **Riverview Project** was initially approved by the Housing Authority in 1952, and the CRA first studied the site in 1957. The Authority acquired the site in June 1959, prepared it for development and sold it in 1962. When completed in 1964, the project provided new 79 housing units. Riverview was a single project and not part of a large urban renewal area. Today, the public benefit on such a project would include the need for low and moderate income housing.

The **Wellington-Harrington Neighborhood Improvement Plan** was initiated in 1965. This broad-based redevelopment initiative included rehabilitation of blighted structures; construction of new residential, commercial, and community buildings; and funding of community groups. The plan was a partnership with the CRA and the Just-A-Start Corporation, which was founded by the CRA, and included significant community participation. Other important developments included workspace for artists, a new school, churches and houses of worship, the Dante Alighieri Cultural Center, and the economic revitalization of Cambridge Street, the area's main commercial corridor.

The CRA began studying **Kendall Square** in 1964 to address what was seen at the time to be a blighted area of empty and obsolete industrial space. The CRA has overseen the transformation of the 42 acre space into a dynamic economic center, adding almost 3.5 million square feet of commercial space including hotels, office, and biotech facilities. The project also involved the reconstruction of the Massachusetts Bay Transportation Authority station, a traction power substation, cogeneration facility, three structured garages, public open space, and a network of new streets, pedestrian walkways, and bicycle lanes.

#### *District Infrastructure*

In many locations, the need for infrastructure - such as streets, utilities, and parks - is a motivating force for using redevelopment tools. Kendall Square provides an example of this approach. By investing in the Red Line subway station, new streets, and civic parks, this part of the city was opened up for development according to a defined plan. Today, the Kendall Square Urban Renewal Plan area has a valuation of \$800 million and generates an estimated \$15 million annually in taxes and user fees for the City.

#### *Preservation and Infill Development*

One redevelopment approach is preservation and infill development within a district. District boundaries might be broadly drawn, but the redevelopment activities would focus on surgical infill projects while working to preserve the character of an area with design guidelines and development review. The Salem Redevelopment

Authority and the Wellington-Harrington Neighborhood Revitalization Plan illustrate this approach.

#### *Demonstration Projects*

Demonstration projects today are understood to be individual projects that call for unique public/private responses. Although this terminology is recent, the Riverview Project at 221 Mount Auburn Street can be viewed as an example of this approach. This project was a surgical intervention that addressed a real estate issue facing the city at that time, where the private sector was not able to act on its own. The Denver Lowenstein Theater offers another example of this approach.

#### *Distributed Model of Investment*

A fourth model for redevelopment is to administer small loan and grant programs, which distribute money back to the community to improve their properties or businesses. This activity is part of the

portfolio of the Malden Redevelopment Authority. Research into other examples is provided in the next chapter.

## CURRENT ISSUES AND OPPORTUNITIES

### *External Actions and Relationships*

The role of the CRA must be understood within the context of City responsibilities in planning and economic development as well as the activities of other organizations. The CRA also works under a complicated framework of municipal zoning, the Kendall Square Urban Renewal Plan, and multiple development agreements, which have been amended many times over the years. The City's recent K2C2 planning process identified the potential for new zoning that affects the urban renewal area as well as other areas in Kendall Square.

The CRA is currently operating within a very strong real estate market, which affects land and development costs and drives private development interests and pressures. External perception of the CRA is varied, based partly on the past actions of the CRA and partly on lack of understanding of urban redevelopment authorities, which have wide powers that range from the public to the private sphere.



*Community involvement and workforce development were essential elements of the Wellington-Harrington project.*

### *Internal Operations*

Even as a small operation, a full range of tasks is required to operate the business of the CRA: administrative, financial management, human resources, governance, and management of programs and projects. With a very small staff, administrative activities often preclude the more strategic project management tasks. Some tasks, such as payroll and bookkeeping, are being done by the City of Cambridge; very specialized tasks are outsourced to professional consultants, such as design review and transportation planning; and interns have been engaged to tackle other initiatives on a part-time basis. Given the need to analyze real estate opportunities in this particular market, detailed expertise in this area is needed. Until recently, there have been no policies and procedures for personnel. The Board sub-committees meet on an ad-hoc basis. A decision about the office location needs to be addressed.

### *Financial Considerations*

The CRA currently has a strong balance sheet and potential for new development agreements based on future development within the urban renewal area in Kendall Square. Nevertheless without steady revenue sources, the cash reserves can quickly be drawn down by the cost of operations. Many corrective measures have recently been put in place in response to the 2012 and 2013 audits. The financial strategy needs to consider investment strategy and financial stability as well as the best use of funds to further the organization's mission.

### *Learning and Growth*

The CRA is located in a city that prides itself on being at the forefront of many innovative practices, fueled in part by Harvard, MIT and other higher education institutions. The CRA will need to stay in touch with the interests of the community in each of Cambridge's neighborhoods.



### 3. EXTERNAL ACTIVITIES & PROJECTS



*Kendall Square has become a lively commercial center that attracts biotech, digital information and other companies, complemented by hotels, restaurants, parks, and more recently, housing.*

Over the course of the last year, much of the CRA's attention has been absorbed with organizing files, taking stock of history, and ensuring that the financial house is in order. The purpose of the Strategic Plan, however, is to move beyond the past and present and chart the course for future activities.

The strategic framework asks the question: *how does our work advance our mission?* A central component of the mission is to “work in the public interest to facilitate new and revitalized infrastructure and development.” In order to address this question, the CRA cast a wide net, talking to many stakeholders to define and to identify its possible role, activities, and projects.

The selection of specific projects is an ongoing process. A preliminary evaluation of initiatives is provided below along with key objectives for external activities and projects.

#### STRATEGIC PRIORITIES

The Board initially reviewed over twenty suggestions for projects, weighing the relative merit of each according to its value toward serving the public interest, its alignment with the CRA mission, and its financial implications. This review helped define the CRA mission and strategic role. These actions were categorized in two ways (Figure 5):

- Geographically with activities centered in Kendall Square, in other parts of the city, and city-wide
- Role in the development process, with initiatives representing planning and policy, programs, real estate transactions, and district and property management.

The following discussion presents the current evaluation of a full range of activities. The CRA will continue to play a role in the Kendall Square Urban Renewal Plan. Several key projects have been identified as new initiatives, while another set are

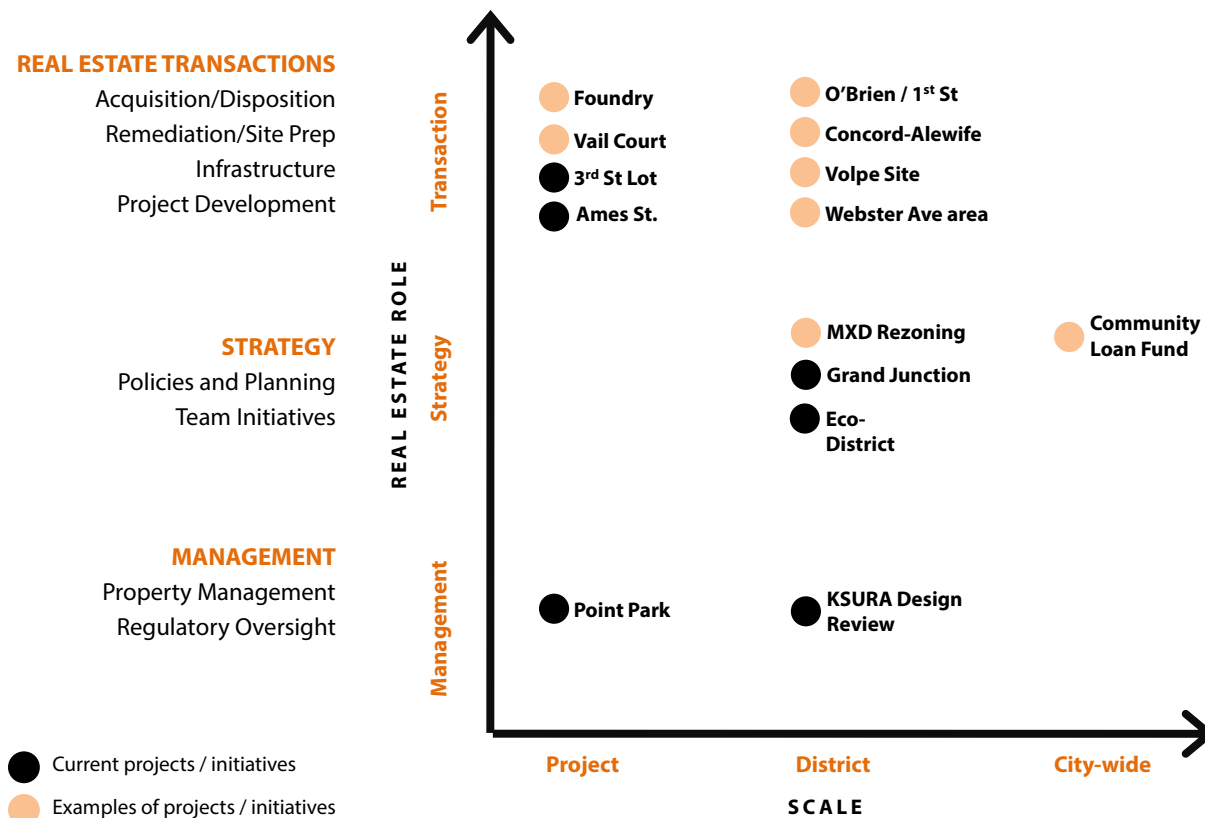


Figure 5. During the strategic planning process, a number of projects have been suggested as possible initiatives for a CRA role.

projects for further consideration. Another group of activities were deemed to be in the interest of the CRA, but not necessarily appropriate for the CRA to lead in that they are inherently planning in nature. Finally, a few projects were set aside as longer range or not likely to have a CRA role at this time.

#### Ongoing CRA Role in the KSURP

The CRA has a long history of involvement in development review and management in the Kendall Square Urban Renewal Plan area and this role will continue. Key activities at the current time are the following:

1. **Design review:** continue to review signage, new buildings, and modifications of buildings.
2. **MXD Rezoning:** participate in discussions with the City and the multiple property owners in the Kendall Square Urban Renewal Plan area to determine the best way to carry out recommendations in the K2 Plan.
3. **Ames Street Residential:** participate in the design review process for the Ames Street project.
4. **Point Park:** Coordinate with the City and Boston Properties to reconfigure Point Park ownership and geometry to facilitate streetscape improvement in the area.
5. **Eco-District:** participate in this initiative, which is a coalition of interests led by the City.

### New Project Initiatives

A number of projects have been suggested repeatedly as possible candidates for the CRA to play a role, facilitating the implementation of City plans. Ten projects were posted on the CoUrbanize website and were the basis for the community workshop discussions on March 26, 2014. With community input as well as discussions with the City, the following projects represent significant new initiatives for 2014:

6. **Grand Junction Path:** The CRA owns 1.75 acres of open space along this proposed two-mile multi-use linear path, which will connect East Cambridge, Kendall Square, and Cambridgeport, as proposed in the 2001 East Cambridge Planning Study and a 2006 Feasibility Study. The City, MIT, and MassDOT and the community are also involved in this project.
7. **Third Street Lot:** The CRA owns this 6,000 square foot lot on the corner of 3rd Street and Binney Street. Recently the site has been used for construction staging site but could accommodate an interim retail/commercial or other use.
8. **Foundry:** This 76,000 square foot City-owned building is currently vacant and in need of renovation. The City is currently discussing the program and development process, and is in active discussion with the CRA regarding a potential role for the CRA in this project.

### Community Grant/Loan Fund

One initiative that has come to the top of the Board's priority list is Community Loan Fund, which would be a way of reinvesting some of the development proceeds from Kendall Square into the community. The CRA staff is currently developing a pilot program to provide community grant / loan fund resources for physical development projects.

In order to be successful, rules for eligible projects must be developed to identify clearly the requirements for and definition of the public purpose required as the basis for any loan or grant.



*A decision about the interim use of the Third Street Lot is one of the priority actions for the CRA (google streetview).*

As a part of this effort, clear evaluation criteria must be in place for a transparent process. In addition, a set of protocols and appropriate staffing is needed to evaluate projects and process these monetary funds.

The research on comparable programs in other locations suggests that possible categories include:

- **Capacity Grants:** One time funds for capital project planning, feasibility study and/or design (up to \$2,500)
- **Small Capital Grants:** Providing smaller scale grants for improvements (up to \$20,000)
- **Low Interest Loans:** Financing for larger scale projects leveraging other funding sources for capital projects (up to \$200,000).

Potential projects are community gardens, park improvements, streetscape installations in retail corridors, public art, interpretive installations, commercial façade and entry improvements.

### Projects for Further Consideration

The Board will continue to evaluate the following projects according to their alignment with the CRA mission, financial implications, staff capacity, coordination with the City, and input from the community.





*Fairgate Farm in Stamford, CT is a community resource in the urban neighborhood (VitaStamford.com)*

- **1st and 2nd Street Corridor:** This corridor contains some disparate and underutilized properties in a key zone between the historic East Cambridge neighborhood, Cambridgeside Galleria, courthouse redevelopment, Lechmere station, and Kendall Square activities.
- **Concord/Alewife Quadrangle:** This 94-acre district between the railroad and Concord Avenue has over 1.5 million square feet of industrial, research, office, schools, and new housing developments. The focus of a 2005-2006 City planning study and rezoning, the area lacks a good roadway network and access across the tracks to the Alewife Station.
- **Fresh Pond Shopping Center:** This auto-oriented retail center was developed in 1978; the 16-acre site currently has an Activity Use Limitation from MassDEP due to former industrial uses.
- **O'Brien Corridor:** State Route 28 is a six-lane arterial highway fronted by some vacant and underutilized sites. The adjacent Green Line extension and community path and a proposed roadway redesign will bring change to this area.
- **Vail Court:** This 24-unit residential property is vacant and in poor condition with boarded up windows on the ground floor. The 0.65-acre site is close to the heart of Central Square.

- **Volpe National Transportation Systems Center:** The U.S. Department of Transportation conducts state-of-the-art research on this 14-acre site. The existing buildings (340,000 square feet) need reinvestment, and the recent K2C2 plan recommended additional residential, office, and open space development on the site.
- **Webster Avenue:** Industrial uses in this area are incompatible with adjacent housing and businesses, and some properties need remediation. This edge of Cambridge is adjacent to the future Green Line Station and proposed development in Somerville.

#### *Other Interests and Initiatives*

A number of critical issues are facing the city and Kendall Square in particular. Given the CRA's portfolio and commitment to social equity and a balanced economic system, the following topics will continue to be of interest to the CRA.

- Moderate income housing
- Transportation strategy
- Workforce development
- Public space and park programming
- Public art

These topics are matters of policy and long-range planning in the city, which are not the primary roles of the CRA. While the CRA will participate in conversations and integrate these elements as part of their work, it does not expect to lead in any of these initiatives.

Finally, a number of other projects and activities that were raised in the process have been set aside for the time being:

- Kendall Fund Administration
- W.R. Grace brownfields at Jerry's Pond
- Concord Alewife Triangle
- Department of Public Works facility relocation

This designation reflects a combination of the current status of these projects and the current capacity of the CRA staff.

### Project Proposal



Figure 6. This diagram of a decision tree for future project selection will be expanded to include specific and measurable criteria.

## STRATEGIC OBJECTIVES

Over the course of the next year, the CRA will focus on the following action steps necessary to advance its core work. These are aligned below with the CRA Operating Principles. These objectives are intended to be measurable outcomes that can be evaluated on an annual basis.

### Maximize the Public Benefit

- **Evaluate projects and programs against mission:** Based on the preliminary decision tree, specific measures for evaluating projects proposals need to be established (Figure 6).
- **Establish protocols for the community loan fund:** This work will involve a set of rules and regulations governing project definition, public purpose, and evaluation criteria, as well as additional staff capacity necessary to evaluate projects and manage loan and grant funds.

### Operate with Fiscal Responsibility

- **Evaluate projects and programs against resources:** A project budget should be developed for each new initiative as part of the Board approval process. This budget would

estimate staff time, cost of consultants, and any other costs, and the relationship to the annual budget.

- **Identify new revenue sources through development and/or loans:** While the CRA is fortunate to have some financial resources at hand, these will quickly be expended without consideration of project impacts on budget and the need for new sources. As an example, the Ames Street project will generate a new revenue stream over the next eleven years.

### Act

- **Update and reevaluate priorities for long and short term projects and programs:** The process for ongoing evaluation of the CRA's priority projects is discussed further in Chapter 6. Outreach and Learning.
- **Participate in City policy decisions that affect CRA activities:** The CRA is an active partner of the City and will continue to participate and collaborate on a number of initiatives including the proposed MXD rezoning in Kendall Square.



*The City Council has identified the Foundry in East Cambridge as an opportunity for innovative programs. The City and CRA will work in partnership to develop a program and strategies for governance and adaptive reuse.*

#### *Operate with Transparency*

- **Assign Board members as ambassadors for different initiatives:** In the city of Cambridge, there are any number of important meetings and initiatives sponsored by private, institutional, non-profit, and public sectors. The CRA staff endeavors to keep abreast of these activities, but the Board has an important role in terms of being visible and present in these community conversations. As a volunteer Board, it's appropriate to deploy Board members strategically as their time allows to participate in key events.
- **Update the community on the status of projects and activities through multiple platforms:** The CRA will use the website, social media, and the public meetings to keep residents and other stakeholders informed.

#### *Set an Example*

- **Lead in innovative practices:** Cambridge is often on the forefront of innovative practices, emanating from the institutions, the city, the non-profit and the private sectors. In all of its work, the CRA should strive to set a positive example in demonstration projects and other endeavors that advance the approach to redevelopment.
- **Track changes in city and development trends:** The CRA staff and Board will keep abreast of trends in the city through their strong network of connections, and will continue to research advances in the field.

## 4. INTERNAL OPERATIONS

The internal operations of an organization are the vehicle for achieving its mission. As a public entity, the CRA operates with a Board and is subject to laws and policies of the Commonwealth, as well as its own by-laws. The role of the Board and Executive Director, staffing, office environment, policies and procedures, and methods for internal communication are key elements of the organization's operations. A set of strategic objectives for internal operations establish criteria for ongoing evaluation.

### THE BOARD

The CRA has a five-member volunteer Board, as mandated by M.G.L. ch.121b, with four members appointed by the City and one member appointed by the Commonwealth. According to the current By-Laws (January 16, 2013), the officers include a Chair, Vice-Chair, Treasurer, and Assistant Treasurer. As a public entity, the CRA Board is subject to open meeting laws (M.G.L. 30A, s.18-25), including provisions for executive sessions, and posts the Board agenda, minutes, and relevant documents online so that they are publicly accessible.

The current CRA Board was appointed in May 2012, and since that time, has been responsible for conducting a Transition Study, engaging the Executive Director, and carrying out the strategic planning process. The CRA Board has been actively engaged in establishing the new direction for the CRA, which has included drafting the new mission and operating principles, and fostering relationships in the community. During this time, the Board has continued its regulatory and oversight responsibility in the Kendall Square Urban Renewal Plan. The current Board exemplifies the recommended roles and responsibilities, which are documented below.



*Historically, Kendall Square is the intersection of Broadway and Main Street.*

### Role and Responsibilities

The role of the CRA Board is to provide oversight of the organization, exercise fiduciary responsibility, adopt and amend redevelopment plans, and set strategic priorities and policies that will carry out the organization's mission. As a redevelopment authority, the CRA Board also is responsible for design review and real estate decisions. The Board also plays an important role as ambassadors in the community, which helps strengthen relationships with the City, businesses, residents, and other partners. As their schedules allow, Board participation in community events increases the visibility of the organization and its work. An engaged Board is better able to offer insight and advice on key decisions, while still allowing the staff to make executive decisions and to carry out day-to-day operations.



Board members must be residents of the City of Cambridge, bringing a dedication to serving the interests of its various constituents. Maintaining the five-member Board is essential to the future of the CRA. As new Board members are appointed in the future, they should receive a Board briefing, including by-laws, summary of redevelopment authority role and powers, and information about past and current projects. As a relatively small Board, the professional expertise and knowledge of each member should be considered carefully to fulfill oversight responsibilities.

## *Agendas and Decisions*

Working with the Executive Director, the Board identifies strategic priorities for the year, which helps to shape monthly Board agendas. The Executive Director is generally responsible for disseminating information to inform the Board about the organization's work and upcoming decisions. This information needs to strike the right balance of properly informing Board members without inundating them. In some cases, a Board member may be working on special projects or tasks and will report information to the full Board.

Monthly Board agendas guide the discussion around the organization's top priorities. Board agendas also must allow time for the annual rhythm of internal business ranging from budgets to audits. Public comment, approval of minutes, and Executive Director reports are monthly items. Review of budget status and investments should take place every quarter. The Board Chair and the Executive Director typically set agendas jointly. Since most materials are sent out ahead of time, presentations should be short to allow sufficient time for meaningful discussion, especially as it relates to the organization's goals. Each meeting should be designed and organized to achieve a clear purpose.

Important decisions that come before the CRA Board include the following:

- Annual budget
- Real estate transactions
- Investment decisions

- Redevelopment plans and major and minor amendments
- Development agreements and amendments
- Design review
- Internal policies and procedures
- Executive Director hiring, contract, and performance review
- Contracts and other financial transactions over \$10,000
- Nominations of Board members.

## **STAFFING**

As a small, efficient organization, staffing decisions at the CRA must be made carefully. Staff members will need to be versatile, collaborative, and willing to assist on necessary tasks as they arise (Figure 7). The Executive Director, who reports to the Board, is responsible for supervising the administration of the CRA's business and affairs. A few key staff positions will allow the Executive Director to spend more time on strategy for programs and projects, while managing the day-to-day administrative operations. Projects, programs, public outreach, and research will be carried out in collaboration with staff, consultants, and interns.

The activities of the CRA staff fall into the following categories:

- Programs, Projects, and Property Management
- Office Management
- Financial Management
- Human Resources
- Board Administration
- Community Outreach and Research

Within these categories, the responsibilities range from Board level oversight to executive level management to staff level professional and administrative roles, including interns. Given the size of the organization, the Executive Director is involved from the executive to the administrative level depending on need, and works closely with the Board in all areas. A key aspect of the Executive Director role includes Board support, which involves managing communication and information flows and preparing for monthly Board meetings.

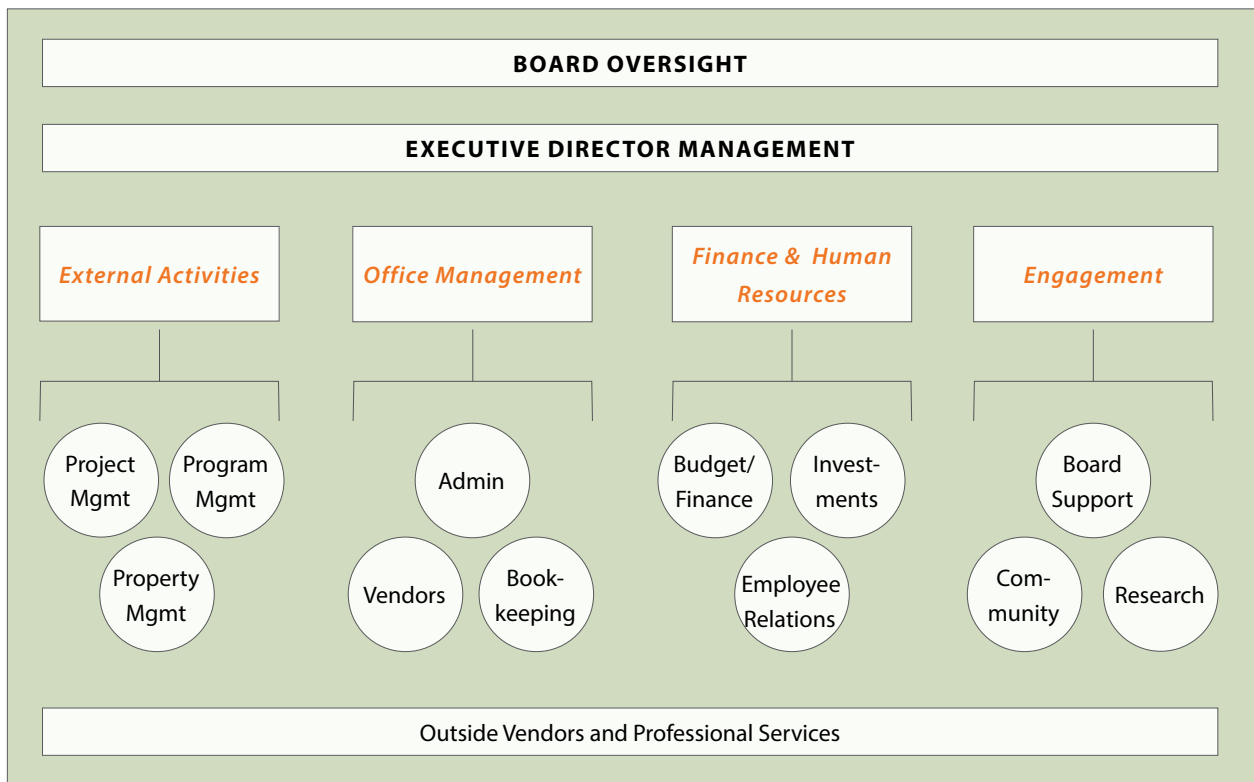


Figure 7. Although it's a small office, this simplified chart summarizes all the tasks that are required to run the CRA, underscoring the need to have a versatile, hands-on staff to address the range of activities.

The Executive Director also makes operational decisions related to financial management and human resources, and participates in the substance of the programs and projects that are the work of the organization. As a primary representative of the organization, the Executive Director is also instrumental in maintaining relationships with the City, negotiating with development partners, and engaging with the community and other stakeholders.

The CRA extends its capacity in a number of ways. The organization procures the services of professional consultants who work on a "house doctor" basis as needed to support the work of the CRA. Currently these include legal, audit, information technology, architectural, and engineering professionals. A process to engage the services of a real estate advisor is underway now. In the past year, the CRA also engaged financial management and web development services for a more limited time frame. The City of

Cambridge has been providing bookkeeping staff and administrative staff to support Board meetings. Graduate school interns have been instrumental in research and general support within the office, and a part-time temporary administrative staff has been invaluable in helping to organize the office. A part-time staff has led the Strategic Plan effort and is assisting with public outreach. The strategy for staffing CRA activities in the future is described below.

#### **Programs, Projects, Property Management**

Programs, projects, and property management are the main work of the organization. To date, this work has been carried out by a combination of the Executive Director, consultants, and interns. As more project and programs priorities get underway, however, some additional staff capacity is recommended. A mid-level professional with experience in urban planning, real estate, or a related field could fill the role of project and/



or program manager. Working closely with the Executive Director, this staff will be able to advance the work from predevelopment activities through to implementation and project monitoring. Activities will vary depending on the specific project or program, but may include the following:

- **Project Management:** predevelopment coordination, project planning, due diligence, assessment of project viability, financing, schedule and phasing, design procurement, developer request for proposal (RFP), project monitoring.
- **Program Management:** program development, management of the application process, loan or grant reviews, and financial management of fund transfer and loan payments.
- **Property Management:** vendor management for maintenance, repair, and security systems, and if leases are involved, tenant relations and financial management.

The Executive Director and the Board would be involved in pre-development and development negotiations, real estate transactions, and lease negotiations. In order to administer loans or grants, a set of program policies and procedures must be established, staff capacity expanded, and financial management systems put in place.

#### *Office Management*

The office manager will work under the direction of the Executive Director, and primarily will focus on the following three areas:

- **Administrative:** manage social media, correspondence, meetings, Board logistics, internal record keeping, property manager interactions, supply requisitions, and insurance coverage
- **Vendors:** manage outside vendors responsible for equipment, information technology, telecommunications, document storage, and other as necessary
- **Bookkeeping:** process invoices, timesheets, expenses, and payroll; manage procurement;

maintain contracts and bank statements; and distribute monthly financial reports.

- The CRA will continue to utilize City staff as needed for program administration, but would have more internal capacity to manage bookkeeping and Board logistics.

#### *Financial Management*

The financial management will be performed through a combination of the CRA Board (notably the Treasurer and Assistant Treasurer), Executive Director, and outside professional services. The later would include the annual audit team as well as financial management and investment advisors as necessary. The Executive Director will have the primary responsibility of generating and tracking the budget; administering the accounting policies and procedures; managing cash flow, banking and insurance; and preparing for taxes and the audit, which will be conducted by outside consultants. The Treasurer and Assistant Treasurer are responsible for monitoring the investment of funds, and equity and debt financing. An outside advisor may be needed to assist in these efforts.

#### *Human Resources*

The Executive Director will take primary responsibility for human resources, working closely with the Board Chair and Vice-Chair. This work involves developing job descriptions (or consultant requests for professional services), interviewing, and training. The Executive Director will also administer performance reviews, ensure compliance with employee and contractor contracts, and in general apply the personnel policy. Legal counsel is on call to assist in advice on an ad hoc basis.

#### *Board Coordination*

Board support is a primary role of the Executive Director. This work involves preparation of documents for the monthly Board packet, helping develop the agenda, and preparing Executive Director Reports, as well as ongoing communication to the Board and the public. Working closely with the Board and its advisors, the

Executive Director helps set the strategic priorities for the organization. The office manager will assist in Board logistics, such as meeting preparation and documentation.

### *Public Outreach and Research*

Learning and growth is an important objective for the CRA. The internal capacity of the staff and the Board must allow time for ongoing public outreach, including informal relationship building and more formal participation activities. The Executive Director will take the lead in this area, although the participation of the Board is also essential. Research into innovative approaches and programs can be assigned to graduate-level interns who will work under the supervision of the Executive Director or a staff level project manager.

### **OFFICE LOCATION AND ENVIRONMENT**

The CRA office is currently located in One Kendall Square, with approximately 1,200 square feet on the fourth floor. The space is leased from Boston Properties, with an upcoming expiration in fall 2014. Currently the space is configured into a reception area, four private offices, and a conference room. Generous circulation space accommodates the numerous files held by the CRA as well as office equipment. Additional files, which provide documentation of over fifty years of work, are held in a basement storage area and an off-site storage facility. A building reception desk on the ground floor provides security for all the building tenants. Since September 2013, the Kendall Square Association (KSA) has subleased a portion of the office, but this arrangement will end when the KSA moves to new space in May 2014. Public meetings are held off-site, most frequently in the Cambridge Police Station on Fifth Street in East Cambridge.

The CRA is subject to procurement processes for its space, according to M.G.L. c. 30b. As the CRA considers its options, the following criteria should be evaluated:

- Cost of moving, including relocation of substantial files



*The CRA office is located in the heart of Kendall Square, near to the MBTA Red Line Station.*

- Advantage of a location in the Kendall Square Urban Renewal Plan area, where the CRA retains a primary interest
- Proximity to other priority projects in the Kendall Square area (Grand Junction Path, Foundry)
- Adequate privacy for conducting business including real estate transactions
- Security of files
- Ability to hold work-related meetings (from three to four or more people)
- Amount of space available
- Lease rates and terms (term, level of property management, utilities, insurance, etc.)

A goal will be to create a collaborative, flexible, welcoming work environment. The current configuration of the office is not ideal for

collaboration or flexibility, although its location in the Kendall Square Urban Renewal Plan area and its ability to accommodate file in a secure location are an advantage. With projected new staff, the amount of current space seems to be adequate for CRA operations.

## POLICIES AND PROCEDURES

Over the last year, the CRA Board and Staff have established a number of policies and procedures to guide their work. The Management Letter contained in the recent Audit statements has served as the basis for many of these recommendations. In addition, the CRA is governed by the laws and policies of the Commonwealth, notably M.G.L. c. 121a and 121b.

Policies that have recently been updated or that are under review by the CRA Board include the following:

- **By-Laws, updated January 16, 2013:** regulates the governance of the Board and its staff
- **Personnel Policy, amended and restated January 15, 2014:** sets out the terms of employment for the Executive Director and staff
- **Internal Control Policy, draft:** processing of invoices, purchase orders, checks

These additional policies should also be set in place:

- **Procurement Policy:** statement of procurement procedures that the CRA will use to carry out Commonwealth laws and regulations
- **Project Evaluation Criteria:** specific criteria for evaluating projects and programs against mission and financial and staff capacity
- **Community Fund:** goals, procedures, application forms, evaluation criteria, approval processes, legal documents, program monitoring and assessment guidelines

- **Investment Policy:** balanced risk and income levels, and short and longer-term access to funds.
- **Signage Design Guidelines:** documentation of review criteria and processes to be followed by the CRA for signage review in the Kendall Square Urban Renewal Plan.

## INTERNAL COMMUNICATIONS

With monthly meetings, the flow of information between the Board and staff needs to be strategic and informative, acknowledging that any deliberations (on-line, telephone, or in person) are subject to open meeting laws.

Strategies for disseminating information to the Board and the public are highlighted below, although with a small staff the ability to maintain these media is necessarily limited.

- **Email Posts:** Information can be sent out individual to Board members for review and comment as long as Board members do not reply to other Board members.
- **CRA Website:** Board agendas, minutes, and information packages are available in a public online location. The website also is a forum for news, such as upcoming meetings and special studies, current project information, and historic documentation.
- **Social Media:** Twitter provides a platform for posting updates on Kendall Square activities, announcing CRA events, outreach, and dialogue about relevant planning and development issues in Cambridge and the region. Facebook, Instagram or similar platforms could be used in the future. Third party websites, such as CoUrbanize, offer the ability to post information, gather input, and encourage dialogue.

## STRATEGIC OBJECTIVES

In order to improve its internal operations, the CRA will focus on the following action steps. These are aligned with the operating principles and are intended to serve as a checklist for evaluation on an annual basis.

### *Maximize the Public Benefit*

- **Align internal capacity in line with strategic priorities:** Based on the CRA priorities, strategic hires and engagement of outside consultants is recommended to supplement the office's administrative and external project capacity.
- **Establish a collaborative office environment and location:** Evaluation criteria should be developed with the Board, and sufficient information collected as necessary to make a strategic decision about whether to stay in the current location or move to a new location.

### *Operate with Fiscal Responsibility*

- **Align budget with priority projects:** The costs of staff and expenses needs to be projected for each of the priority projects identified in Chapter 3, External Activities and Projects.

### *Operate with Transparency*

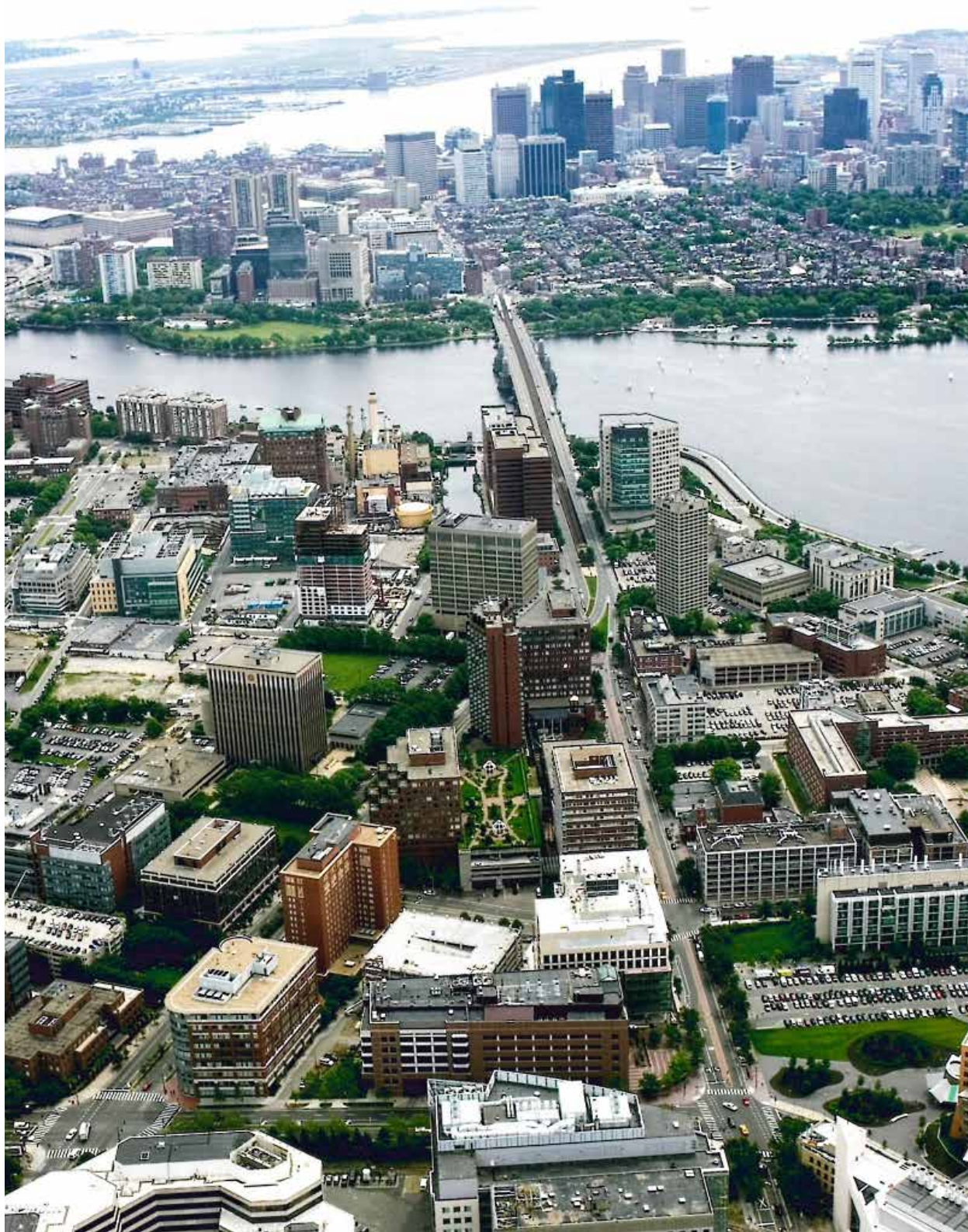
- **Reinforce Board role in policy, oversight, and fiduciary responsibility:** Ongoing Board and staff interactions will be governed by a clear understanding of roles and responsibilities.
- **Share news and updates:** As time allows, social media and other techniques should be used to keep the Board and the public abreast of new initiatives and developments.

### *Set an Example*

- **Involve interns in research on innovative practices:** The organization will continue to support two to three interns working summers and part-time during the school year.

- **Identify opportunities for employee learning and growth:** The Executive Director will stay abreast of development and regional trends through participation in the Urban Land Institute (ULI), American Planning Association (APA), and the Metropolitan Area Planning Council (MAPC). Training for MGL c. 30b procurement and social media are also recommended.





*Kendall Square has become an important location in the region and beyond (2005).*

## 5. FINANCIAL CONSIDERATIONS

**W**ith a new Board and the Strategic Plan, the CRA is in a position to determine its financial strategy over the next five years in alignment with its vision and mission and consistent with the other elements of the Strategic Plan (external activities, internal operations, and outreach and growth. This strategy encompasses decisions regarding sources and uses of funds, especially as it relates delivery of services.

Not unlike a business, government authorities can change their financial strategy over time, moving through cycles from growth to sustaining operations to a mature phase of managing assets (Figure 8). Over the last year, the focus at the CRA has been on sustaining operations, with a concerted effort to reduce costs. Through the strategic planning process, the CRA has recommitted itself to an active role in serving the public interest including new initiatives, some of which would reinvest current funds and anticipated revenue streams. With a focus on real estate, some of the other initiatives could lead to new revenue sources.

As of 2013, the CRA has assets totaling \$12 million, of which 7% are property assets. Unlike earlier eras, the organization does not receive a regular stream of public funding from the federal government, the Commonwealth or the City to sustain it. The current assets have been generated by adding value through the real estate process: assembling land, building infrastructure, gaining entitlements for development, and taking a patient position in terms of risk and investment returns over decades. While the CRA has not retained ownership of most of the land in the Kendall Square Urban Renewal Plan

area, the Development Agreements are structured such that any new development pays a fee based on gross floor area to the CRA.

The CRA property assets are a combination of public space (e.g. the Sixth Street walkway and Grand Junction parcels) and small parcels left over from the redevelopment process (e.g. the Third Street lot at Binney Space). The CRA expends funds to maintain these properties, but only the Third Street lot returns revenues based on license agreements for interim use of the 5,889 square foot parcel (0.14 acres).

With an annual budget of approximately \$800,000 to \$1 million, the current cash assets would be spent down in approximately 12 to 15 years. In selecting external activities and initiatives, the CRA must take into consideration the criteria of whether a project will spend down current funds or generate revenue to sustain the organization into the future. While both approaches might further its mission, the latter takes a longer term view. At the same time, simply sustaining the organization without reinvesting in the community does not fulfill the mission.

For a real estate portfolio, the CRA assets would not go far, especially in Cambridge where available land is scarce and prices start at approximately \$2 to \$3 million per acre and increase from there (Loopnet, April 2014). Limited strategic acquisitions may be possible. Thus the CRA Board has an important fiduciary responsibility to both conserve and invest its assets wisely, while seeking out and valuing new revenue sources.



|                     |           | Financial Approaches |                      |                      |
|---------------------|-----------|----------------------|----------------------|----------------------|
|                     |           | Revenue Growth       | Cost Reduction       | Asset Utilization    |
| Business Life Cycle | Start-up  |                      |                      |                      |
|                     | Mid-Stage |                      |                      |                      |
|                     | Mature    |                      |                      |                      |
|                     | Re-Start  | New Initiatives      | Efficient Operations | Community Investment |

Figure 8. Through the strategic planning process, the CRA has committed itself to reinvesting in the community and taking on new initiatives, while maintaining efficient operations (adapted from Kaplan, 1996, 2001).

## REVENUE SOURCES

Redevelopment authorities have a variety of ways of generating revenue. The form of the revenues within an urban renewal area or a demonstration project would be defined with the plan approved by the City Council and could be a combination of some of the sources described below.

### Return on Investment

The CRA has invested its funds across multiple financial institutions in a low risk portfolio with relatively low interest rates. Outside investment advice is recommended to evaluate the appropriate levels of risk and return and the appropriate financial vehicles for investment for a public entity.

### Real Estate Transactions and Management

Redevelopment authorities typically invest in land and property, which increase in value in over time, especially if improvements are made. At the present time, no properties are identified for acquisition, and current funds are not sufficient to invest in such properties for the long term or at any scale. At some point in the future, the CRA could sell some of its miscellaneous small non-open space parcels to adjacent landowners. At this point, however, holding these assets seems to be the wisest strategy.

Revenues from leases and property management are another form of revenue. At the current time, the CRA generates a modest income from interim use of its Third Street lot. Other strategies have been investigated for use of this lot, including improvements for parking or lease to other interim operations more compatible with the neighborhood. Like their private counterparts, redevelopment authorities can develop and lease property, generating a steady stream of revenues for the organization. Ground leases are a form of revenue that involves retaining ownership of land and selling the development rights to a third party for a long period, typically 99 years, in exchange for an annual payment. Other redevelopment authorities develop and operate parking facilities as a means of generating revenues. Property management is a line of business where the CRA would be paid a fee for managing or operating a facility.

### Development Fees

Development fees are the largest source of revenue for the CRA at this time. Based on development agreements that have been negotiated with private developers, the CRA receives a lump sum payment for any new development within the Kendall Square Urban Renewal Plan area. For the Ames Street project, the development fee will be in the form of an annual payment over a period of 11 years.

### **Project Administration Fees**

The CRA can be entrepreneurial in pursuing state programs or other third party funding to acquire land, invest in infrastructure, or otherwise improve properties and districts. In delivering these programs, the CRA can offset its costs with project administration fees. Potential sources that relate to redevelopment activities include District Improvement Finance/Tax Increment Finance (DIF/TIF), tax credits (New Market, Low Income, Historic), low interest loans (MassDevelopment), and infrastructure investment (I-Cubed, MassWorks, municipal bonds).

### **Program Administration Fees**

Administering programs is another way to support the organization while delivering services that further the CRA's mission. Programs might include technical assistance, grants, and loans to small businesses and property owners as a way

of preventing blight. Currently, the Economic Development division within CDD provides these resources for façade, signage and lighting improvements, although there may be ways for the CRA to complement this program or partner with the City to expand its impact.

Funding for federal or state demonstration programs could also involve fee for service activities that could be fulfilled by the CRA. Programs related to sustainability, smart growth, energy, and brownfields would be alignment with the CRA's mission. As an entity specializing in public real estate, the CRA could also provide technical assistance to the City or non-profit organizations to advance revitalization. Some redevelopment authorities act on behalf of the municipality to deliver Community Development Block Grants (CDBG), HOME and other federal programs, although in Cambridge this role is fulfilled by CDD.

## **FINANCIAL MEASUREMENT AND CONTROL**

A number of assessment techniques can be used to measure and control financial resources in a non-profit entity, including a government authority (Herzlinger, 1994).

- 1. Are the goals consistent with financial resources?** In non-profit entities, a basic principle is that the largest portion of the budget should be devoted to projects and programs, with overhead operations that support these efforts. An entity needs to strike the right balance between modest expenditures that reflect low levels of external activities and high expenditures that reflect an overly ambitious agenda (asset turnover). Similarly, assets can be used to earn income, but a balance needs to be achieved to retain some liquidity for use in achieving the mission and goals.
- 2. Is the organization planning for the future?** This principle addresses inter-generational equity, so that decisions are not weighted too much in serving present needs (starving future beneficiaries) or future needs (starving present beneficiaries). Capital needs to be seen as a resource that should benefit both current and future constituencies.
- 3. Are the sources and uses of funds matched?** Fixed expenses, such as retirement benefits, should be covered by revenue sources that are reliable and steady. Variable sources of income, such as third party grants, should be matched to discretionary uses, such as special programs.
- 4. Is the organization sustainable?** New programs should be justified with a discussion of financial consequences to the organization. A financially sound organization will diversify its revenues (multiple sources), its expenses (not overly reliant on any one line item), its assets (not invested in a single property), and its liabilities (balancing risk).

In the past, the CRA provided consulting services to other redevelopment authorities. While there is no capacity for this now, it could be an option in the future.

## USES OF FUNDS

After focusing considerable attention to reducing overhead in the last year, the CRA expenses are fairly well distributed. With a 2013 budget of \$800,000, the CRA used 50% of its funds on outside professional services, including legal, audit, and architectural and engineering advice. Personnel costs represented approximately one third of the budget (32%). Included in the personnel category are relatively high fixed costs for retirement benefits for former employees, which will continue to affect the budget over the next five to ten years. The CRA spent approximately 13% on office and administrative costs, and a small amount on property management (4%) and community outreach and professional development (1%).

In the future, as the CRA turns its attention to projects and programs, a greater proportion of professional services and personnel time will be focused on mission related activities rather than office administration. With better tracking of time and expenses, it will be possible to determine more accurately the ratio between overhead costs and project and program services in all categories.

## STRATEGIC OBJECTIVES

As the CRA considers future projects, the strategic objectives for financial considerations should guide their decisions. These are aligned with the operating principles and are intended to serve as a checklist for evaluation on an annual basis.

### *Maximize the Public Benefit*

- **Align program and administrative costs with priorities:** Strike a balance with the asset turnover to insure that funds are being used to deliver services without depleting all the assets.
- **Reinvest revenues to serve the public interest:** Identify programs and projects that carry out the mission of the CRA, while balance the consideration of the needs of current as well as future constituencies.

### *Operate with Fiscal Responsibility*

- **Ensure administrative costs are in service to programs:** Budget projects so that overhead costs are in proportion to the implementation costs of projects and programs, which are at the heart of the CRA mission.
- **Balance risk with a higher return on investment:** Invest funds wisely to earn a favorable return while maintaining accountability as a public entity.

### *Operate with Transparency*

- **Utilize financial procedures and protocols:** Operate the business functions based on a set of policies for internal controls. Provide frequent reports to the Board and the public on the budget and assets of the CRA.

## 6. OUTREACH AND LEARNING

**T**his draft document is a work in progress as the CRA is currently in the process of gathering input and feedback on the elements of the proposed Strategic Plan. As described in Chapter 2, the strategic planning process has been shaped by engagement with many members of the community, including initial meetings with City staff, City Councilors, partner organizations, and other stakeholders, as well as input generated at a community workshop held on March 26 and the CoUrbanize website. The monthly CRA meetings have provided an opportunity to hear from community members and to discuss preliminary findings with the Board members. Meetings with neighborhood associations, business associations, and other community groups are ongoing. With a focus on the draft document, comments from the Board, the City, and community members will be addressed and incorporated into the final plan.

With leadership from the Board, the CRA is committed to staying in touch, learning from others, and leading the way using innovative approaches. Looking outward, the CRA will continue to build strong relationships with others in the Cambridge community, as well as the agencies, institutions, and others in the region that share a similar mission. The balanced scorecard and strategic objectives found in each chapter provide a set of benchmarks to monitor progress on an annual basis. The Strategic Objectives related to Outreach and Learning are found below.

### STRATEGIC OBJECTIVES

#### *Maximize the Public Benefit*

- **Measure progress with data and benchmarks:** As office systems are set up, data related to project budgets, loans, development, public benefits, and community meetings should be tracked.
- **Identify targets for community loans:** The program definition and criteria should respond to input from community dialogue and analysis of need.

#### *Operate with Fiscal Responsibility*

- **Monitor time and expenses by projects:** Assigning time to specific projects will demonstrate the CRA's delivery of services.

#### *Act*

- **Develop an understanding of community issues on specific projects:** The CRA's actions should respond to input garnered from the community and other stakeholders.
- **Maintain relationships with city, state, and federal officials:** An important part of the outreach process involves partnerships with other government agencies to identify opportunities, keep abreast of current issues, and collaborate on shared initiatives.

*Operate with Transparency*

- **Engage in ongoing dialogue with the community:** The community outreach process is an ongoing one, involving formal and informal meetings.

*Set an Example*

- **Engage higher education representatives:** With so many institutions of higher education in the region, the CRA should cultivate relationships with faculty and student groups who are studying new approaches in urban planning, design, real estate, and community development.
- **Participate in regional special interest groups:** Cambridge holds an important position in the region and must look beyond its borders to track initiatives in Somerville, Boston, and the region. In particular, issues related to urban and natural systems call for collaboration, especially climate change, energy use, hydrology, and transportation.



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## Memorandum

**RE: Storage Container Marketplace on Parcel 6**  
**Date:** May 13, 2014  
**To:** Cambridge Redevelopment Authority Board  
**From:** Chris Colley, CRA Intern

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### Background

Parcel 6 is located at the southwest corner of Binney Street and Third Street. It is abutted by the Volpe Center to the west, Binney Street to the north, Third Street to the east, and Munroe Street to the south. The irregularly shaped parcel is approximately 5,900 square feet, and measures approximately 150 feet long by 39 feet wide. The parcel is zoned as a Business-A district, allowing for a variety of commercial uses.

During the construction of the Volpe Center, the CRA retained ownership of a number of parcels along the periphery of the complex with the expectation that surrounding roads would ultimately have to be widened to accommodate the increased activity anticipated in the area. Although these plans never materialized, the CRA retained ownership of the parcel. In recent years, the parcel has been rented to Flett Construction as a venue for construction staging during their work on Cambridge Center projects.

Throughout recent months, CRA staff has explored potential alternative uses for the site, an effort provoked both by community comments and an internal desire to see the parcel take on a more productive use. Given the strategic nature of the parcel in any potential redevelopment of the Volpe Center, the uses explored were temporary in nature, likely only occupying the site for 5-7 years. Some of the uses considered included: food trucks, surface parking, public art, CRA office space, modular retail uses, and continued construction staging. These uses were presented to the CRA board at their December 2013 meeting.

The proposed uses were evaluated using a variety of criteria. Their feasibility from a zoning and permitting issue was paramount. Financial considerations considering the revenue generating potential of the use were considered—given the temporary nature of the use, the financial burden it would impose in terms of upfront capital investment was also relevant. Perhaps most importantly, uses were evaluated based on the impact they would have on aesthetic and functional nature of the area, both in the vicinity immediately surrounding Parcel 6 and in Kendall Square more broadly. Would the use create a more appealing built environment? Would it provide a service or amenity not currently offered in the surrounding area?

### Proposed Use: Storage Container Marketplace

With these criteria in mind, the feasibility of creating a storage container marketplace was identified for more detailed exploration. The proposed marketplace will be populated with a diverse selection of vendors, primarily focusing on selling fresh foods, but also niche retail goods as well. The containers will be programmed by a market manager who is responsible for identifying appropriate vendors and securing the permits necessary for their operation. It will diversify the availability of goods and groceries available

in the area, while providing an active space for people to gather and interact.

The advantages of storage containers as retail spaces are two-fold. First, they provide a low-cost venue for retail vendors to sell their wares, allowing start-up vendors to operate with limited initial funding. Second, the limited level of initial investment required makes them well suited for temporary use on parcels where future, more intensive development, is anticipated.

Storage container marketplaces have been successfully created in a number of locations, nationally and across the country. In Toronto, the Scadding Court Community Centre has repurposed containers to allow for start-up food vendors to implement their business ideas in low-cost modifiable spaces. Here in Cambridge, In Harvard's Science Center Plaza, the ice cream vendor Churn has implemented a highly customized container. At Brooklyn's DeKalb Market, a lot was activated in the period prior to development by allowing retail vendors to sell their goods from a range of modified container spaces. Each of these venues has contributed to the surrounding environment, diversifying retail and food options while activating underutilized spaces.



Market 707, Toronto



Harvard Plaza, Cambridge



DeKalb Market, Brooklyn

At Parcel 6, a storage container marketplace would address the criteria used for selecting an interim use. It would provide a more lively atmosphere along Third Street, bringing activity to the site to create a more engaging and aesthetically environment. It would address the need for increased food and retail options in Kendall Square. From a feasibility standpoint, it requires a limited upfront capital investment and conforms to the site's zoning restrictions.

### Implementation

Three key steps need to be taken in order to implement the proposed use.

1. Acquire the containers. We have identified a Massachusetts based vendor, Mini Warehousing, which offers a wide range of containers that are available for both rent and purchase.
2. Issue an RFP for a market manager capable of populating and marketing the space.
3. Conduct the necessary infrastructure improvements to prepare the site. This will need to include landscaping and furnishing, and may also require improved utility connections.

Given the CRA's obligations on the site and the work associated with these steps, the pilot program can be implemented at the beginning of August and run until the end of October.

### Questions Informing Next Steps

1. Is it best to purchase or rent containers? How many containers should be acquired?
2. What is the preferred programming for the site? Should it focus exclusively on food, essentially being a semi-permanent farmer's market, or should an emphasis be placed on a wider range of retail options?
3. What is the level of investment that the Board is willing to commit to the site? This will greatly affect the landscaping possible and the quality of the resulting space.