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[http://www.cambridgema.gov/~media/Files/CDD/EconDev/foundrybuilding/HMFHFoundryReport\\_062013.ashx](http://www.cambridgema.gov/~media/Files/CDD/EconDev/foundrybuilding/HMFHFoundryReport_062013.ashx)

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## **EXECUTIVE SUMMARY and RECOMMENDATIONS**

The Foundry Works Building (“Foundry”), a currently vacant, former industrial and office building located at 101 Rogers Street, was acquired by the City of Cambridge in 2009 from Alexandria Properties (“Alexandria”) in connection with a zoning amendment Alexandria sought. The Foundry was provided to the City as part of Alexandria’s consideration given to the City in connection with the zoning amendment. The zoning amendment now incorporated into the Cambridge Zoning Ordinance as Section 13.59.10 states a preference for municipal or community uses and requires a minimum of 10,000 square feet within the building to be dedicated to educational, cultural or institutional uses as permitted under the Zoning Ordinance and acceptable to the City (See Zoning section below).

Since that time, through a number of public forums, a variety of ideas have been shared about potential uses for the space, and how to leverage this unique opportunity in the most beneficial way for the community. An overall theme has been a relatively consistent desire expressed for uses that provide a range of opportunities for the community in the areas of science, technology, engineering, arts, and math (“STEAM”).

There are a number of important factors to consider as the building redevelopment and re-use process moves forward including: building consensus within the community on a more focused development objective; determining the cost and level of rehabilitation the building will need; costs associated with potential tenant space “fit out” of the building, as well as operating and maintenance costs for specific uses; and the most effective implementation strategy in order to achieve the desired uses and function of the building.

This report includes information on the condition of the structure, applicable laws and regulations, the history and status of the building re-use process to date, and potential implementation strategies and financial models associated with each approach, so that informed decisions can be made.

As we move forward, I recommend that we further refine the development objectives. As part of this process, there should be opportunities for the community to continue to engage in a consensus-building process to identify and prioritize specific desired outcomes.

I also recommend that the City continue to work closely with the Cambridge Redevelopment Authority (“CRA”) in terms of its potential role and possible contribution towards the redevelopment and management of the building.

## **INTRODUCTION and POTENTIAL DEVELOPMENT OBJECTIVES**

The development objectives for the Foundry are based on overall City goals and policies as well as a significant amount of community input specifically regarding the building. The City is also committed to ensuring that the celebrated success of Kendall Square is reflected throughout the community.

The City recognizes that the Foundry symbolizes an important, yet critical, link between Kendall Square and the adjacent community. The City’s acquisition and future re-use of the building represents a unique opportunity to provide a range of public benefits, while also activating the space, and strengthening the connection between neighborhood residents and the relatively new and growing industries in the area.

The Foundry will likely need both immediate and long term physical upgrades in order for it to be suitable for use. The cost financially to the City and taxpayers associated with meeting necessary codes, retrofitting the space(s) in order to accommodate the desired program of activities, as well as potential maintenance and operating costs, should be considered as part of any proposal for the building.

While some flexibility and mix of uses is appropriate, strong preference will be given to uses that will directly benefit and engage the surrounding community; specifically, through mentorship, internship, apprenticeship, and educational programs for Cambridge residents that can highlight both successful public and private partnerships, as well as the important work of non-profit organizations. The building should also remain reasonably open and accessible to the general public, especially on the ground floor. Additional consideration should be given to ensure that use types are compatible with one another.

Any proposals should include significant training opportunities in the fields of science, technology, engineering, arts, and math (STEAM) that can effectively introduce and prepare Cambridge residents for the existing and growing professional fields that have emerged in Kendall Square over the past several

years. Proposals should also include ample space and resources for community-based cultural and art functions. Examples of appropriate types of uses include, but are not limited to:

- Community education or job training center
- Community kitchen, food preparation space
- Theater, performance space (such as a black box theater)
- Arts & performing arts studio space
- Start-up manufacturing, fabrication (“maker”) space
- Gallery, museum, library
- “Family” commercial recreation (e.g. mini-golf, bowling, etc.)
- Early childhood education/day care use

Conversely, single uses that occupy 100% of the building square footage such as residential, single tenant office/lab, university or other institution with classroom, lab, office providing service only to students and/or faculty, are not consistent with the development objectives that have emerged throughout the process up to this point and should not be considered as feasible outcomes. An important initial stage of the redevelopment process for the Foundry will include further refinement of the development objectives.

## **HISTORY and COMMUNITY PROCESS TO DATE**

February 9, 2009

Following about two years of public discussion and deliberation, the City Council adopted a rezoning proposed by Alexandria to allow the development of approximately 1.5 million square feet of commercial office/lab space on several sites along Binney Street.

As part of the rezoning, Alexandria committed to convey land and funding to the City to develop two new public parks, to redesign and reconstruct a section of Binney Street, to develop approximately 220,000 square feet of mixed-income housing, and to convey the Foundry to the City, among other things.

June 1, 2010

The Planning Board granted a special permit approving the Alexandria Planned Unit Development (“PUD”), allowing Alexandria’s development to commence in accordance with the adopted zoning.

January 9, 2012:

Alexandria transferred ownership of the Foundry to the City with a preference for “its use for municipal or community purposes”.

April 29, 2013:

The City Council voted to provide \$40,000 to the City Manager for an independent assessment of the Foundry prior to making a decision regarding whether to retain or sell the property.

July 31, 2013:

The Finance Committee conducted a public meeting to examine the finances of various proposals for the future of the Foundry building. The City Manager presented a cost benefit analysis of several scenarios, including but not limited to sale of the building, retention of the building for rehab and lease, and retention for use by nonprofit rental/community space.

August 16, 2013:

A joint committee meeting of the Neighborhood Long Term Planning Committee, Economic Development, Training and Employment Committee and the Public Facilities, Arts and Celebrations Committee was held. HMFH Architects, who were contracted by the City to independently assess the Foundry building (April 29th), presented their report. The report identified two scenarios and estimated the total cost of upgrades. Note: This total cost is not necessarily incurred entirely upfront and some upgrades can occur over time. Option A, the minimum scenario, costs approximately \$9,498,658 and Option B, the optimal scenario, costs approximately \$11,228,448.

October 30, 2013:

City staff hosted tours of the Foundry building and an informational session led by the City Manager, Deputy City Manager and CDD staff. Over 50 people toured the building and approximately 45 people attended the informational session. At each location, questionnaires (which were also posted online) were distributed to gather public input on:

- What types of uses the Cambridge community would like to see at the Foundry;
- What uses they would not like to see; and
- What types of partnerships could help further these uses.

Comments and responses to the questionnaires indicated a mix of ideas for the space. However, the majority of respondents emphasized a desire for public use. This included a strong desire for STEAM activities. For spaces without a designated public use, respondents generally suggested there at least be a public benefit associated with the usage such as mentorship, internship, and educational opportunities for Cambridge residents. Additional takeaways included the desire for multiple rents levels and eighteen hours of activities. See Appendix E for summary and expanded description of public meeting.

### **SUMMARY OF HMFH REUSE STUDY – June 18, 2013**

The overall cost of renovating the Foundry by the City would be impacted by a number of issues that private developers would not typically face. For example, the City is constrained to follow public design and construction procurement statutes, as it does for all other public facilities work. This results in a project cost premium over private development. Additionally, Cambridge's progressive policy decisions with regard to building and environmental stewardship, energy use and conservation, sustainable operations, and green building standards will add costs that a private developer would consider extra or optional.

Planning for a LEED Silver level certification, which is the City's policy, will also influence how this existing building is developed, specifically regarding code compliance, historic building protections, Cambridge public policy, public design and procurement statutes, and use and occupancy.

Code compliance is generally triggered when certain cost thresholds are exceeded or certain changes in use occur. In addition, the energy-related performance requirements of the state Stretch Code will need to be met and seismic upgrades will be required. If the City remains the owner of the building, a higher level of compliance than for a private owner should be anticipated.

It is not anticipated that the Foundry will be expanded; however redeveloping the site will likely require a Project Review Special Permit from the Planning Board. A new elevator and new entrance at Rogers

Street will be needed to achieve full Americans with Disabilities (“ADA”) accessibility. Also, unlike a private developer, the use of historic tax credits is not an option for the City.

The Foundry’s presumed approved occupancy is for office, but depending on the ultimate uses in the building, a higher level of code upgrades may be required to accommodate the changes in use. Adding certain use groups, such as assembly, retail, or daycare, will trigger other code requirements and additional building costs such as additional egress access and additional plumbing.

HMFH estimates the costs just to upgrade the building to include LEED Silver 2009 Core and Shell compliance, full ADA accessibility and a fuller range of occupancy to be:

Construction Costs	\$8,982,790
Soft Costs	\$2,245,698
TOTAL	\$11,228,448*
Savings if bid privately	(\$2,245,698)

\*2014 costs

## **REGULATORY and LEGAL CONSIDERATIONS**

### **DISPOSITION OF MUNICIPAL PROPERTY**

Any disposition of a real property interest owned by the City, whether by lease or a transfer of title in fee, is subject to M.G.L. Chapter 30B, the Uniform Procurement Act as well as Cambridge Municipal Code (“City Ordinance”) Ordinance Chapter 2.110 “City-Owned Land and Buildings.” A disposition of a real property interest owned by the City to a non-profit organization would also require consideration of the Anti-Aid Amendment to the Massachusetts Constitution.

If the City were interested in partnering with the CRA in the re-use of the Foundry, the City could convey or lease the Foundry to the CRA without the transfer being subject to M.G.L. Chapter 30B. Such a transfer would be subject to City Ordinance Chapter 2.110 unless the City Council voted that the provisions of Chapter 2.110 would not apply to such a transfer, which the City Council is authorized to do pursuant to the provisions of M.G.L. Chapter 121B, § 23(d). In addition, if there were such a transfer, the CRA may have some flexibility with respect to the regulatory restrictions which face the City in the re-use of the Foundry.

#### **A. M.G.L. Chapter 30B.**

M.G.L. Chapter 30B establishes an advertised proposal process that the City must follow in disposing of any real property interest by sale or rental with a value greater than \$25,000.

For any disposition of real property, regardless of value, the City is required to declare the property available for disposition. The City must also determine the value of the property interest either by an appraisal or a value assessment. If the value of the property interest exceeds \$25,000, the City must solicit proposals. This would require the City to advertise a Request for Proposals (“RFP”) which would provide interested parties with the information they need to submit a responsive proposal. The Purchasing Agent usually appoints a committee to review and evaluate any responsive proposals, and

then transmits a recommendation to the City Manager, who would in turn submit his recommendations to the City Council for a vote on the disposition.

B. City Ordinance Chapter 2.110.

Chapter 2.110 states that when the City is considering a disposition of a real property interest “the City’s objective will be to receive the fair market value for such property, to protect real estate values, and to dispose of each property without favoritism.”

Chapter 2.110 requires the City Manager to convene a community meeting to discuss the issues and community concerns about a proposed disposition of a City-owned property or property interest. Thereafter, the City Manager is required to prepare a comprehensive report addressing the potential uses of the property or property interest to be disposed of, including, but not limited to the financial impact of each use, zoning status, development potential of the property or property interest, and any proposed development plans for the property or property interest. The City would also be required to obtain two independent appraisals of the property or property interest. The City Manager’s report would be submitted to the Planning Board, the City Council and the City Clerk for public dissemination. The Planning Board would thereafter hold a public hearing on the report and afterwards forward its recommendation to the City Manager for transmittal to the City Council. The City Council would hold a public hearing as well, and any disposition the City Council approves would require a two thirds majority vote.

C. Massachusetts Constitution’s Anti-Aid Amendment.

As referenced in the Executive Summary, the Foundry was transferred to the City by Alexandria Properties in consideration for the passage of an amendment to the City’s Zoning Ordinance. Under Massachusetts law, this exchange is a lawful practice known as “contract zoning.”

The Anti-Aid Amendment to the Massachusetts Constitution (the “Anti-Aid Amendment”) prohibits the appropriation of “public money” for the purpose of “founding, maintaining or aiding” any private charitable non-profit organization. “Public money” is any money or asset which has been exacted by the government in the exercise of its “police powers.” The exercise of the City’s zoning power in this context is the exercise of its “police powers.” Thus the Foundry is considered “public money” under the Anti-Aid Amendment because it was acquired by the City in the exercise of its police powers.

As a result, if the City transfers lease interests in the Foundry to non-profit organizations at below-market rates, the City would likely be deemed to be violating the Anti-Aid Amendment. The City cannot simply give away a public asset without obtaining something in return that provides a significant benefit to the public. The City could provide resources or space at below market rates if a non-profit were to agree to enter into a contract or grant agreement to provide some direct deliverable service that directly benefits the public. For example, the City could lease a portion of the Foundry to a non-profit at below-market rates but only if in exchange the non-profit agrees to provide training or other services to members of the public.

If the City were to develop the Foundry itself, any design and construction of the building for such development would also need to adhere to the requirements found in the Massachusetts public

construction laws (M.G.L. c. 149, §§44A-H) as well as the statutory requirements for design professional service procurement (M.G.L. c. 7C). In addition, if the City were to lease the Foundry to a developer, absent special legislation, the term of the lease would be limited to thirty (30) years. In this scenario, depending on a number of factors, the developer under a long term lease may also be subject to the Massachusetts public construction laws (M.G.L. c. 149, §§44A-H) as well as the statutory requirements for design professional service procurement (M.G.L. c. 7C).

D. M.G.L. Chapter 121B and the Cambridge Redevelopment Authority.

The CRA may have greater flexibility than the City in terms of regulatory restrictions if the City leases or transfers title to the Foundry to the CRA. If the City were to lease or convey the Foundry to the CRA, such a transfer would be exempt from M.G.L. Chapter 30B. A transfer of any interest in the Foundry to the CRA would still be subject to City Ordinance Chapter 2.110; however, under M.G.L. Chapter 121B, § 23(d) the City Council has the power to “establish exceptions...to ordinances...regulating the design, construction and use” of a building such as the Foundry to an entity such as the CRA, and therefore could vote to dispense with the provisions of Chapter 2.110 in such a scenario. Second, the City could transfer any such interests from the City to the CRA with or without consideration. Finally, pursuant to M.G.L. Chapter 121B, the City would not be limited in the length of time for any lease agreement with the CRA for the Foundry.

Under M.G.L. Chapter 121B, if the CRA disposes of any real estate interest in the Foundry to a third-party subject to an urban renewal plan, that disposition would likely be exempt from M.G.L. Chapter 30B. As a separate legal entity, the CRA’s disposition of any real estate interest to a third-party would likely not be subject to City Ordinance Chapter 2.110. In addition, it also appears that the CRA could transfer property interests to non-profit organizations at below market rates so long as the CRA has determined that such a disposition met a significant public purpose and the Massachusetts Department of Housing and Community Development (“DHCD”) has approved the measure.

The CRA has provided the following analysis regarding its exercise of the powers available to urban renewal agencies under M.G.L. c. 121B (“Chapter 121B” or “c. 121B”):

The CRA, pursuant to its authority under Chapter 121B, among other powers, has the power to: (i) declare certain areas of the City blighted open, decadent or substandard; (ii) prepare plans for the redevelopment of such areas; and (iii) to carry out demonstration projects for the “prevention and elimination of slums and urban blight.” Within urban renewal areas, the CRA is authorized to prepare urban renewal plans that call for the undertaking of urban renewal projects aimed at eliminating what the law has defined as decadent, substandard and blighted open areas.

Some or all of these actions might require City Council approval and/or approval by the DHCD. The CRA has opined that it has additional powers that might accomplish a similar goal outside of formally-established urban renewal areas within the City through a section of M.G.L. Chapter 121B authorizing it to employ “demonstration projects,” as follows:

Specifically, Section 46(f) of Chapter 121B provides it with the authority to adopt and develop “demonstration projects.” That section of the law reads, in part: “An urban

renewal agency shall have all the powers necessary or convenient to carry out and effectuate the purposes of relevant provisions of the General Laws, and shall have the following powers in addition to those specifically granted in section eleven or elsewhere in this chapter:... (f) to develop, test and report methods and techniques and carry out demonstrations for the prevention and elimination of slums and urban blight”.<sup>1</sup>

In order to consider such a demonstration project or other development scenarios with the CRA, the City would likely want to more fully explore what would be required in order to partner with the CRA to evaluate and develop some of these options.

## ZONING

### **ZONING FOR THE FOUNDRY, 101 ROGERS STREET**

The Foundry is in an Industry A-1 base zoning district and two overlay districts, the Eastern Cambridge Housing Overlay (“ECHO”) District and the PUD-4C district.

Two unique zoning requirements apply to the site:

- The maximum allowed Floor Area Ratio (“FAR”) is 3.00 for all uses.
- At least 10,000 square feet of Gross Floor Area must be devoted to educational, cultural or institutional uses listed in Section 4.33 of the Table of Use Regulations.

Development and use limitations are summarized below:

#### **Development Limitations**

	<b>Existing Conditions</b> <i>(estimated)</i>	<b>Allowed by Zoning</b>
Floor Area Ratio (FAR)	1.52	3.00
Gross Floor Area	57,000 square feet	112,500 square feet (max)
Height	47 feet	45 feet (max)

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<sup>1</sup> The terms “slums” and “urban blight” are not specifically defined in section 46(f) or elsewhere in Chapter 121B, but Section 1 defines the related term “blighted open area” as: a predominantly open area which is detrimental to the safety, health, morals, welfare or sound growth of a community because it is unduly costly to develop it soundly through the ordinary operations of private enterprise by reason of the existence of ledge, rock, unsuitable soil, or other physical conditions, or by reason of the necessity for unduly expensive excavation, fill or grading, or by reason of the need for unduly expensive foundations, retaining walls or unduly expensive measures for waterproofing structures or for draining the area or for the prevention of the flooding thereof or for the protection of adjacent properties and the water table therein or for unduly expensive measures incident to building around or over rights-of-way through the area, or for otherwise making the area appropriate for sound development, or by reason of obsolete, inappropriate or otherwise faulty platting or subdivision, deterioration of site improvements or facilities, division of the area by rights-of-way, diversity of ownership of plots, or inadequacy of transportation facilities or other utilities, or by reason of tax and special assessment delinquencies, or because there has been a substantial change in business or economic conditions or practices, or an abandonment or cessation of a previous use or of work on improvements begun but not feasible to complete without the aids provided by this chapter, or by reason of any combination of the foregoing or other condition; or a predominantly open area which by reason of any condition or combination of conditions which are not being remedied by the ordinary operations of private enterprise is of such a character that in essence it is detrimental to the safety, health, morals, welfare or sound growth of the community in which it is situated.

Open Space	3,000 square feet	None required
Parking	42 spaces	<i>Requirement depends on use</i>
Bicycle Parking	None provided	<i>Requirement depends on use</i>

ALL FIGURES APPROXIMATE

### Use Limitations

Allowed by Base Zoning	Required for at least 10,000 square feet
<u>Residential</u> : all types except hotel, transient <u>Institutional</u> (see right column) <u>Office</u> : all types <u>Retail</u> : stores, restaurants, consumer services <ul style="list-style-type: none"> <li>• Special permit for bars, theaters, commercial recreation</li> <li>• No fast order food</li> </ul> <u>Light Industry</u> : assembly, manufacturing, storage <ul style="list-style-type: none"> <li>• Some specific uses are not allowed or require a special permit</li> </ul>	<u>Religious</u> : congregation hall, rectory, convent, community center <u>Educational</u> : public/private school, university, vocational school, day care, dormitory <u>Noncommercial research</u> <u>Health care</u> : hospital, clinic, nursing home <u>Social service</u> : social/community center <u>Local government</u> : fire, police, museum, library, public recreation, offices <u>Other institutional</u> : includes private noncommercial gallery, museum, library

### Project Review

Development of the Foundry, whether it involves rehabilitation of the existing building or construction of a new building of at least 50,000 square feet, would require a Project Review Special Permit from the Planning Board.

## HISTORIC CONSIDERATIONS

Because it is over 50 years old, the Foundry building is subject to Cambridge’s Demolition Delay Ordinance. The Cambridge Historical Commission would review any proposal to demolish the building, and could decide to study the property for possible Landmark Designation.

The Foundry is not currently listed on the National Register of Historic Places. However, it may be eligible for listing given that similar adjacent historic buildings are listed. A National Register listing could make the property eligible for tax credits if it were rehabilitated for use by a private entity.

## POTENTIAL IMPLEMENTATION APPROACHES

Approach and Description	Cost/Budget Impact	Estimated Timeline	Legal Process
<p><b>1. City leases property to a developer that redevelops and manages it.</b></p> <p>The City would issue an RFP to contract with a developer for the building. The RFP would detail the required programming objectives.</p>	<p><b>There are no anticipated financial impacts to the City.</b></p> <p>A private developer would likely have to determine the balance between building improvement, maintenance, and operating costs and how to lease the space in a way that meets the City's programming objectives.</p>	<p>June 2014 Refine development objectives</p> <p>September 2014 Issue RFP for Real Estate Disposition/Lease of space</p> <p><b>Summer/Fall 2015 construction begin</b></p> <p><b>Summer/Fall 2016 construction complete</b></p>	<p>MGL c. 30B Public Procurement /Lease of spaces</p> <p>Chapter 2.110 City Ordinance Disposition of City Owned Property</p> <p>MGL c. 149 Public Construction?</p> <p>MGL c. 7C Designer Selection?</p>
<p><b>2. City works with the Cambridge Redevelopment Authority (CRA) to redevelop the property.</b></p> <p>The City would enter into an agreement with the CRA, based on defined development objectives. The CRA has a real estate redevelopment capacity and statutory authority which may provide additional opportunities for goals and development objectives to be met in the most favorable way.</p>	<p><b>Up to \$6million</b></p> <p>The financial impact to the City would depend on how much of the capital improvements would be undertaken by the City and what amount of CRA resources would also be used.</p>	<p>June 2014 Refine development objectives</p> <p>Fall 2014 Enter into agreement with CRA</p> <p>Winter 2014 CRA Issues RFP for lease of space</p> <p>Spring 2015 Developer Selected</p> <p><b>Summer/Fall 2015 construction begin</b></p> <p><b>Summer/Fall 2016 construction completed</b></p>	<p>MGL c. 121B Powers of the CRA</p> <p>Chapter 2.110 City Ordinance Disposition of City Owned Property</p>

Approach and Description	Cost/Budget Impact	Estimated Timeline	Legal Process
<p><b>3. City makes initial capital improvements.</b></p> <p>City would make limited improvements to the building (code and accessibility requirements, sprinkler and plumbing systems, walls and insulation). The City would then either contract with a developer through an RFP or work with the CRA as noted above to make additional improvements and building fit out, and to manage the property.</p>	<p><b>\$6million</b></p> <p>Estimated cost of upgrades to entrances/egress, elevator, toilets/plumbing, fire/sprinkler system, and exterior walls and insulation. This is a relatively low amount to bond, so it would likely be paid from the “free cash” fund. There would be no anticipated direct impact on tax bills.</p>	<p>June 2014 start for designer selection for initial capital improvements</p> <p>Sept. 2014 award design contract</p> <p>March 2015 bid project</p> <p><b>July 2015 construction begins</b></p> <p><b>July 2016 construction complete</b></p>	<p>MGL c. 7C Designer Selection</p> <p>MGL c. 149 Public Constriction</p> <p>MGL c. 30B Public Procurement /Lease of spaces</p> <p>Chapter 2.110 City Ordinance Disposition of City Owned Property</p>
<p><b>4. City makes all capital improvements.</b></p> <p>The City would make all of the capital improvements to the property as described in the HMFH Reuse Report. The City would then either contract with a developer through an RFP or work with the CRA as noted above to complete building fit out, and to manage the property.</p>	<p><b>\$12million</b></p> <p>Estimated cost of all construction is \$12million. This would include improvements listed above as well as upgrades to the building envelope (windows, roof) and building mechanical systems. This amount would likely be bonded over 10/20 years and would result in an impact on tax bills. See Appendix B, Foundry Bonding Costs.</p>	<p>June 2014 start for designer selection for capital improvements</p> <p>Spring 2014 finalize development objectives/requirements</p> <p>Sept 2014 award design contract</p> <p>May 2015 program developed, bid project</p> <p><b>September 2015 construction begins</b></p> <p><b>September 2016 construction complete</b></p>	<p>MGL c. 7C Designer Selection</p> <p>MGL c. 149 Public Constriction</p> <p>MGL c. 30B Public Procurement /Lease of spaces</p> <p>Chapter 2.110 City Ordinance Disposition of City Owned Property</p>
<p><b>5. City retains and manages property.</b></p> <p>City takes full responsibility for all capital improvements and basic fit out of the building for range of uses. The City would lease and manage space. Tenants would be responsible for customizing space to their specific needs.</p>	<p><b>\$22million plus \$700,000*/year for operations</b></p> <p>Estimated cost of all construction and basic interior fit out is \$22million. This amount would likely be bonded over 10/20 years and would result in an impact on tax bills. See Appendix B, Foundry Bonding Costs.</p>	<p>June 2014 start for designer selection</p> <p>Sept 2014 award designer contract</p> <p>Sept 2015 program developed, bid documents</p> <p><b>Jan 2017 construction begins</b></p> <p><b>April 2018 construction complete (15month)</b></p>	<p>MGL c. 7C Designer Selection</p> <p>MGL c. 149 Public Constriction</p> <p>MGL c. 30B Public Procurement /Lease of spaces</p> <p>Chapter 2.110 City Ordinance</p>

Approach and Description	Cost/Budget Impact	Estimated Timeline	Legal Process
	<p>The estimated cost of managing and operating the building would be <b>\$700,000 per year</b>.</p> <p>*There would also be potential revenue generated from leasing the space.</p>	<b>construction process)</b>	Disposition of City Owned Property

Estimated operating and managing costs includes staffing, maintenance, services, supplies and energy use for an approximately 12-hour operation, 6 days per week at the Foundry. The estimate also includes a 3% escalation for three years.

Personnel /Management	\$400,000
Maintenance Services	\$120,000
Supplies	\$25,000
Energy	\$85,000
Total Estimated Operating Costs	\$630,000
Escalated for 3 years at 3%	\$700,000 (rounded)

# APPENDIX

## A- BUILDING CONDITIONS

### Overview

The Foundry consists of approximately 53,800 SF of rentable area and 42 parking spaces. The first floor has approximately 23,000 SF of gross area and the second and third floors each have approximately 15,000 SF of gross area. The Foundry includes a narrow open space to the east of the building is approximately 3,000 SF in area. The Rogers Street frontage includes the main entrance and 12 parking spaces. The total lot area is 37,500 SF.

### Foundry Building



Site Layout	The parcel is rectangular in shape and has a frontage on 2 roadways: Bent Street and Rogers Street
Land Area	37,500 sq. ft.
Building Footprint	53,800 sq. ft. rentable
Gross Building Area	Garage Level 23,089 Sq. Ft. (Rentable Area 4,000 Sq. Ft.) First Level 23,089 Sq. Ft. (Rentable Area 22,500 Sq. Ft.) Second Level 14,969 Sq. Ft. (Rentable Area 14,400 Sq. Ft.) Third Level 14,969 Sq. Ft. (Rentable Area 14,400 Sq. Ft.) <b>TOTAL AREA 76,116 Sq. Ft.</b>
Built	Main – 1890 Side wings – 1910
Exterior Construction	The original structure is masonry veneer over a heavy timber frame structure. In the 1980s the building was

	converted to office use by excavating down for a parking level and adding 3 floors for offices. The infill structure is steel frame with concrete decks.
Roof Construction	<p>Center Section - Gable-shaped timber roof trusses, approximately 8 ft. deep at mid-span, spanning in the east-west direction and spaced at 10 ft. on center, with wood and steel rod members, supporting wood roof planking. These trusses are supported at the High Roof eaves by wood beams and A-frame trusses (outboard trusses).</p> <p>East and West Side Sections - Mono-shaped heavy timber roof trusses, approximately 7 ft. deep at one end, spanning in the east-west direction and spaced at 10 ft. on center, with wood and steel rod web members, supporting wood roof planking. These trusses are supported on the west side by the Heavy Timber Trusses and on the east side by an exterior brick wall which may once have had window openings.</p>
Clear Height	<p>Garage to First Level – 10'-0"</p> <p>First to Second Level 10'-0" – at shed reaches to 17'-0"</p> <p>Second to Third Level – 10'-0"</p> <p>Third Level to roof deck – 10'-0" to 18'-0"</p>
Electrical Service	797.8 kVA available
Elevators	One XX lbs. passenger elevator

## B – FOUNDRY BONDING COSTS

### Future Year Projected Property Tax Impact

Based Upon Current Budget Assumptions

	<b>Foundry Building Bond</b>	<b>\$12,000,000</b>	<b>Bonded Over</b>	<b>10 Years</b>
Bond	\$12,000,000 with an issue date of Feb 2016	Construction start date of September 2015		
Estimated Interest Rate	3.25% for 10 Years	\$1,590,000	The Estimated Interest Rate is based on the potential for current low interest rates to rise over the next several years.	
Operating Expenses		\$0		
Total Debt Cost and Operating Expenses		\$1,590,000		
First Payment in FY17 for Foundry Costs		\$1,590,000		
Projected FY17 Levy from Five Year Plan		\$382,450,000		
First Payment for Foundry Costs		\$1,590,000		
Revised FY17 Levy with Foundry Costs		\$384,040,000		
FY16 Projected Levy from Five Year Plan		\$361,750,000		
FY17 Projected Levy from Five Year Plan without Foundry Costs		\$382,450,000	Estimated Levy Increase	5.72%
FY17 Projected Levy with Foundry Costs		\$384,040,000	Estimated Levy Increase	6.16%
Increase over Projected FY17 Levy for Foundry Costs				0.44%

Tax Impact on Residential Property using FY14 Actuals with a Taxable Value of the following:

Current Assessed Value	\$ 500,000	\$ 750,000	\$ 1,000,000	\$ 1,500,000
Current FY14 Tax Rate	\$ 8.38	\$ 8.38	\$ 8.38	\$ 8.38
Current FY14 Tax Bill	\$ 4,190	\$ 6,285	\$ 8,380	\$ 12,570
Tax Payment with Projected Budget Assumptions and Foundry Costs	\$ 4,475	\$ 6,713	\$ 8,950	\$ 13,425
Total increase in Tax Payment	\$ 285	\$ 428	\$ 570	\$ 855
Increase in Tax Payment for Foundry Only	\$ 20	\$ 30	\$ 40	\$ 60

## Future Year Projected Property Tax Impact

Based Upon Current Budget Assumptions

Foundry Building Bond	\$12,000,000	Bonded Over	20 Years
Bond	\$12,000,000 with an issue date of Feb 2016		Construction start date of September 2015
Estimated Interest Rate	3.25%	for	20 Years
Operating Expenses			\$990,000
Total Debt Cost and Operating Expenses			\$0
First Payment in FY17 for Foundry Costs			\$990,000
Projected FY17 Levy from Five Year Plan			\$382,450,000
First Payment for Foundry Costs			\$990,000
Revised FY17 Levy with Foundry Costs			\$383,440,000
FY16 Projected Levy from Five Year Plan			\$361,750,000
FY17 Projected Levy from Five Year Plan without Foundry Costs			\$382,450,000
FY17 Projected Levy with Foundry Costs			\$383,440,000
Increase over Projected FY17 Levy for Foundry Costs			
		Estimated Levy Increase	5.72%
		Estimated Levy Increase	6.00%
			0.28%

The Estimated Interest Rate is based on the potential for current low interest rates to rise over the next several years.

Tax Impact on Residential Property using FY14 Actuals with a Taxable Value of the following:

	\$ 500,000	\$ 750,000	\$ 1,000,000	\$ 1,500,000
Current Assessed Value				
Current FY14 Tax Rate	\$ 8.38	\$ 8.38	\$ 8.38	\$ 8.38
Current FY14 Tax Bill	\$ 4,190	\$ 6,285	\$ 8,380	\$ 12,570
Tax Payment with Projected Budget Assumptions and Foundry Costs	\$ 4,465	\$ 6,698	\$ 8,930	\$ 13,395
Total increase in Tax Payment	\$ 275	\$ 413	\$ 550	\$ 825
Increase in Tax Payment for Foundry Only	\$ 15	\$ 22	\$ 30	\$ 45

## Future Year Projected Property Tax Impact

Based Upon Current Budget Assumptions

	<b>Foundry Building Bond</b>	<b>\$22,000,000</b>	<b>Bonded Over</b>	<b>10 Years</b>	<b>Plus Operating Expenses</b>
Bond	\$22,000,000 with an issue date of Feb 2017				
					Construction start date of January 2017
Estimated Interest Rate	3.50%	for	10	Years	\$2,970,000
The Estimated Interest Rate is based on the potential for current low interest rates to rise over the next several years.					
Operating Expenses in Year One plus annual increase thereafter					\$700,000
Total Debt Cost and Operating Expenses					\$3,670,000
First Payment in FY18 for Foundry Costs					\$3,670,000
Projected FY18 Levy from Five Year Plan					\$400,600,000
First Payment for Foundry Costs					\$3,670,000
Revised FY18 Levy with Foundry Costs					\$404,270,000
FY17 Projected Levy from Five Year Plan					\$382,450,000
FY18 Projected Levy from Five Year Plan without Foundry Costs					\$400,600,000
FY18 Projected Levy with Foundry Costs					\$404,270,000
Increase over Projected FY18 Levy for Foundry Costs					
					Estimated Levy Increase 4.75%
					Estimated Levy Increase 5.71%
					0.96%

Tax Impact on Residential Property using FY14 Actuals with a Taxable Value of the following:

Current Assessed Value	\$ 500,000	\$ 750,000	\$ 1,000,000	\$ 1,500,000
Current FY14 Tax Rate	\$ 8.38	\$ 8.38	\$ 8.38	\$ 8.38
Current FY14 Tax Bill	\$ 4,190	\$ 6,285	\$ 8,380	\$ 12,570
Tax Payment with Projected Budget Assumptions and Foundry Costs	\$ 4,470	\$ 6,705	\$ 8,940	\$ 13,410
Total increase in Tax Payment	\$ 280	\$ 420	\$ 560	\$ 840
Increase in Tax Payment for Foundry Only	\$ 45	\$ 68	\$ 90	\$ 135

Each \$1.00 in rent would decrease the cost to the taxpayers by approximately \$53,000, therefore it would require a rent of approximately \$69.25 per square foot to pay the total amount of debt service and operating expenses.

Operating expenses are estimated at \$700,000 or \$13.20 per square foot, therefore would be the minimum rent for the City of Cambridge not to have to subsidize the operation expenses of the building in year one and would increase in future years.

## Future Year Projected Property Tax Impact

Based Upon Current Budget Assumptions

	Foundry Building Bond	\$22,000,000	Bonded Over	20 Years	Plus Operating Expenses
Bond	\$22,000,000 with an issue date of Feb 2017				
		Construction start date of January 2017			
Estimated Interest Rate	3.50% for 20 Years	\$1,870,000			The Estimated Interest Rate is based on the potential for current low interest rates to rise over the next several years.
Operating Expenses in Year One plus annual increase thereafter		\$700,000			
Total Debt Cost and Operating Expenses		\$2,570,000			
First Payment in FY18 for Foundry Costs		\$2,570,000			
Projected FY18 Levy from Five Year Plan		\$400,600,000			
First Payment for Foundry Costs		\$2,570,000			
Revised FY18 Levy with Foundry Costs		\$403,170,000			
FY17 Projected Levy from Five Year Plan		\$382,450,000			
FY18 Projected Levy from Five Year Plan without Foundry Costs		\$400,600,000	Estimated Levy Increase	4.75%	
FY18 Projected Levy with Foundry Costs		\$403,170,000	Estimated Levy Increase	5.42%	
Increase over Projected FY18 Levy for Foundry Costs					0.67%

Tax Impact on Residential Property using FY14 Actuals with a Taxable Value of the following:

Current Assessed Value	\$ 500,000	\$ 750,000	\$ 1,000,000	\$ 1,500,000
Current FY14 Tax Rate	\$ 8.38	\$ 8.38	\$ 8.38	\$ 8.38
Current FY14 Tax Bill	\$ 4,190	\$ 6,285	\$ 8,380	\$ 12,570
Tax Payment with Projected Budget Assumptions and Foundry Costs	\$ 4,455	\$ 6,683	\$ 8,910	\$ 13,365
Total increase in Tax Payment	\$ 265	\$ 398	\$ 530	\$ 795
Increase in Tax Payment for Foundry Only	\$ 35	\$ 52	\$ 70	\$ 105

Each \$1.00 in rent collected would decrease the cost to the taxpayers by approximately \$53,000, therefore it would require a rent of approximately \$48.49 per square foot to pay the total amount of debt service and operating expenses.

Operating expenses are estimated at \$700,000 or \$13.20 per square foot, therefore would be the minimum rent for the City of Cambridge not to have to subsidize the operation expenses of the building in year one and would increase in future years.

**C - MEMO FROM CRA "FINAL FOUNDRY MEMO TO CITY MANAGER"**

**Cambridge Redevelopment Authority**

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



**Memorandum**

**RE: POTENTIAL FOUNDRY BUILDING REUSE STRATEGY**

Date: February 25, 2014

To: Richard Rossi, Cambridge City Manager

From: Tom Evans, Executive Redevelopment Officer *TE*

CC: Cambridge Redevelopment Authority Board; Brian P. Murphy, Asst. City Manager

**Introduction**

This memorandum is provided by the Cambridge Redevelopment Authority (CRA) to the City Manager as background to initiate a discussion regarding the potential role of the CRA in the City of Cambridge's (City) Foundry Building's (Foundry) reuse plan. Currently vacant, the City acquired the Foundry as the result of a real estate development proposal from Alexandria Real Estate involving a number of parcels in an adjacent sector of the Kendall Square area. The City's acquisition included the stipulation that a minimum of 10,000 SF of the total available 53,000 SF would be dedicated to community use as required by the City's Section 4.33 Table of Use Regulations. The CRA understands that the City is in the process of looking into future uses for the building, and that community uses should be maximized in a future reuse plan with significant public access as well as flexible/shared use of the space. The total lot area is 37,500 square feet with structured parking in the basement of the building.

During the CRA's strategic planning process, the Foundry has frequently been suggested as a property where the CRA's unique real estate development capacity and statutory authority might be of use in meeting the City's community development objectives. Further, community representatives have specifically identified the Foundry as a project for consideration as a part of the CRA's future redevelopment program. Any participation by the CRA in the redevelopment of the Foundry would follow a conceptual development program defined by the City to facilitate the revitalization of this public resource. It is understood that a partnership with the CRA is one of several redevelopment options under consideration by the City for the Foundry.

**CRA Distinctive Role**

The CRA has a number of unique advantages in managing real estate transactions for the City of Cambridge. In summary those include:

- Under Chapter 121B of the Massachusetts General Laws, the CRA has the authority to purchase or lease any property, real or personal, or any interest therein, found by it to be necessary or reasonably required to carry out redevelopment.

- The procurement and disposition requirements of Chapter 30B do not apply when the CRA is engaged in the development and disposition of real property in accordance with a plan approved by the appropriate authorizing authority. This means that, while the CRA assumes a competition on the disposition to realize the best possible outcome for the public, the redevelopment process can be prepared with an outcome specifically designed to achieve broader City objectives, including a developer review and negotiation process to select a redevelopment partner. More specifically, the CRA’s participation in the Foundry could:
  - assist in crafting a financially feasible development program for both the capital improvements and long-term operation of the building that maximizes the City’s objectives to provide community education, arts, and development programs;
  - provide focused pre-development resources towards this project as a new community development initiative for East Cambridge and/or take on a long-term management role of the Foundry; potentially leveraging some of its own capital reserves for financing and leveraging of third party funding sources such as historic tax credits, MassDevelopment investment, and public/private partnerships.
- Under the law, the CRA can establish urban renewal areas such as what has been done at Kendall Square. It can also carry out demonstration projects specifically designed to *“develop, test and report methods and techniques and carry out demonstrations for the prevention and elimination of slums and urban blight.”* A thirds option to consider would be for the CRA to serve as a technical advisor to the City, providing staffing and resources to the development effort.
- In any scenario, the City may be interested in leveraging CRA staff and financial resources to achieve its desired outcome: redevelopment of the Foundry principally to provide to City residents needed social benefits. In this way, the benefits realized from the successful Kendall Square redevelopment can be used to directly benefit City residents.
- While a redevelopment plan appears to be neither necessary nor appropriate, the Foundry could be a good candidate for a CRA “demonstration project” as a test of the creative use of the CRA’s powers. Should this option be pursued, the CRA’s actions would be spelled out in a plan to be prepared in cooperation with the City and the community and approved by the Board. Adopting the Foundry as a demonstration project could be a precursor to a broader revitalization effort in the environs of Kendall Square or could foster the use of the technique in other areas of the City. Thus this community development project would not require an urban renewal plan amendment.

**Development Strategy**

The CRA has followed the planning process for the Foundry facilitated by the Community Development Department (CDD), and is familiar with the multitude of creative ideas for the reuse of the building, including a broad range of shared-use activities, educational programs especially those focused on Science, Technology, Engineering, Arts, and Math (STEAM), visual and performing art space, workforce development opportunities and affordable incubator space for emerging companies. As highlighted by the City’s June 2013 Foundry Building Reuse Study, it is assumed that the rehabilitation of the building

would follow strong design standards for environmental sustainability and universal accessibility, and that designs for adaptive reuse would seek to highlight the original architectural features of the building while providing energy and spatial efficiency improvements.

The adaptive reuse of the Foundry appears a natural outgrowth of the Kendall Square Urban Renewal Project. The success of Kendall Square has provided Cambridge with unprecedented job growth in highly technical fields. It has also provided the CRA with a recent influx of financial resources to be reinvested in the community. At the same time, Kendall Square has made the cost of real estate prohibitive to the provision of community space focused on arts, education, local job development and low barrier to entry start-up operations. The Foundry could serve as a demonstration project within an emerging, broader revitalization effort of the CRA to utilize surgical redevelopment techniques to prevent or eliminate blighting influences, maximize environmental sustainability in the reuse of formerly industrial areas, and leverage the Kendall Square success to provide community development opportunities.

If tasked by the City to partner in the implementation of the Foundry's reuse, the CRA would refine a redevelopment strategy in the form of a properly adopted demonstration plan. The City would initiate the effort by providing the CRA with a conceptual development program. The CRA and the City would determine what baseline improvements would be made to the building with public resources, and then refine a developer selection process to establish a productive public-private partnership. It is expected that the City would maintain ownership of the property under any development scenario, while the CRA would provide public oversight over uses of the property in conformance with the City-outlined reuse goals. The CRA could obtain a long-term lease of the Foundry from the City or other interest in the building, in order to facilitate CRA or private capital investments. The City has also asked whether a mortgage might be used to secure the CRA's interest. While this is possible, we would have to explore this option in more detail before representing to the City that it is feasible.

The CRA is interested in exploring with the City how best to implement this project. While the details of the specific development strategy and requisite CRA plan framework would need to be worked out, it appears that the tools of the CRA could be considered by the City as a means to deliver to the Cambridge community a project that can contribute to the vibrant entrepreneurial environment, provide educational and workforce development opportunities to tap into this environment, and build a flexible community space for creative collaboration. To the extent the merger of these objectives can create a financial sustainability program while also facilitating collaboration between a mix of uses, the Foundry could emerge as another Cambridge innovation demonstrating the possibilities of collaborative community revitalization.

We look forward to additional discussions on this exciting initiative.

## D - COMPARISON PROJECTS

### FOUNDRY BUILDING REPORT COMMUNITY DEVELOPMENT DEPARTMENT AUGUST 2013

This report describes four different community spaces in the Greater Boston area that have reused older buildings for art, startup and community space.

#### **JPNDC Brewery Small Business Complex**

##### **Description:**

Jamaica Plain Neighborhood Development Corporation's (JPNDC) Brewery Small Business Complex (aka The Brewery) is located at 31 Germania Street in Jamaica Plain, MA 02130. JPNDC's goal at The Brewery has been to bring back the jobs that were lost when the Haffenreffer Brewery ceased operations in the 1960s and to create a supportive environment for local businesses, many of which are women or minority-owned.



The idea of revitalizing this abandoned 19th-century industrial site was little more than an ambitious dream for the JPNDC's founders in 1977. Six years later the organization was able to purchase the property, and by the mid-1990s, two-thirds of the complex was back in service. In 2006, a new public entrance on Amory Street welcomed the neighborhood to The Brewery and the many businesses that make it their home. In 2007, Ula Café joined Mike's Fitness, the Tony Williams Dance Center, long-time tenant Boston Beer/Samuel Adams and more than three dozen other businesses.

In 2008, the 25th anniversary of the JPNDC's acquisition of The Brewery, the development corporation began "phase 2" of the final renovations of the five-acre, 16-building, 150,000 square foot complex. The expansion allowed for JP favorites Bella Luna/Milky Way restaurant and a children's entertainment center.

- **Number of businesses:** 50
- **Number of jobs:** Employ more than 250 people
- **Size:** Five-acre, 16-building, 150,000-square foot complex. Phased redevelopment
- **Owner/Operator:** JPNDC
- **Key Dates:**
  - **1978:** JPNDC takes out an option to buy the Brewery and begins to raise funds for acquisition and renovation.
  - **2006:** The Brewery creates a new face with the opening of the Amory Street entrance, where new tenants Mike's Fitness, the Tony Williams Dance Center, Women in the Building Trades and others bring new or expanded services to JP residents.
  - **2008:** Phase 2 of Main Block renovations begin, to result in the anticipated 2009. Opening of the relocated "Bella Luna Restaurant" and "Pandemonium" a children's entertainment center and play space.

**Mission:**

The mission of JPNDC is to promote equitable development and equal opportunity in Jamaica Plain and adjacent neighborhoods through affordable housing; organizing and economic opportunity initiatives that improve the lives of low and moderate-income people and create a better community for all.

JPNDC's goal at The Brewery has long been to bring back the jobs that were lost when the Haffenreffer Brewery ceased operations in the 1960s and to create a supportive environment for local businesses, many of which are women and/or minority-owned.

The idea of revitalizing this abandoned 19th-century industrial site was little more than an ambitious dream for the JPNDC's founders in 1977. Six years later the organization was able to purchase the property, and by the mid-1990s, two-thirds of the complex was back in service.



**Development/Financing:**

JPNDC purchased the Brewery in 1983 to revitalize the neighborhood and support the development of successful small businesses. JPNDC is a non-profit community development corporation, which means they receive money through their development work, grants and donations.

Original financing was from a number of sources including: Federal- EDA, CDBG, OCS; City Property Tax Abatements; Bank Financing; Local Initiatives Support Corporation (LISC). More recent funding streams include New Market Tax Credits, Historic Tax Credits- State and Federal, New Intermediaries- e.g., Life Initiative,

Private Financing.

For more information on The Brewery: [http://www.jpndc.org/help\\_business/brewery.html](http://www.jpndc.org/help_business/brewery.html)



## **Arts at the Arsenal**

### **Description:**

The whole Arsenal Development is an 80+ acre complex that was once used for Army research and now houses over 30+ companies, including the Arts at the Arsenal. In the late 1960s, the Watertown Redevelopment Authority received the 45 acres of complex and then the rest of it was converted into new use in 1995. The largest buildings at the site are now home to the mall.



It was in the late 90s that a group of citizens came together secure Building 312 for the center. They had secured the long-term use of the building, under the 1998 redevelopment terms, for conversion into an arts center.

The Watertown Arts on the Charles incorporated as a non-profit organization to plan, raise support for, and operate an arts center that would serve Greater Boston. Building 312 was transformed into a modern, well-equipped, multi-use facility that opened its door in September 2005. The arts center now occupies 30,000

square feet of space on three floors. It houses:

- Two theaters
- Classrooms and workshop spaces (all ages, run by the center)
- Artist studios, gallery and exhibit space
- Rehearsal rooms, and informal gathering places

The space is also home for three resident companies: New Repertory Theatre, Watertown Children's Theatre, and The Quilters' Connection. The Center also has programming that includes art exhibits, concerts and performing events and is available for rent for corporate meetings, events by other non-profits, parties, and other theater groups. In July 2013, it was announced that the Arsenal Center for the Arts and longtime partner Watertown Children's Theatre will merge.

### **Mission:**

The Arts at the Arsenal's mission is to provide community artist space and learning opportunities. They do this through the theater space, classes for adults and children, studio and gallery space as well as rehearsal space for local artists. The Center provides a limited amount of scholarships (funding for the scholarships are provided by donors, such as the Massachusetts Cultural Council) for people who are unable to afford the cost of classes.

### **Financing:**

The Arsenal Center for the Arts received \$6.5 million+ dollars donated to "The Campaign to Build the Arsenal Center for the Arts" prior to its 2005 opening. When the campaign began, donations came from the town, local banks and businesses, local corporations, member/donor program and individuals. Currently, the Center stays in business through membership (\$30-\$5,000), corporate supporters, volunteers, and other donors. The center continues to run as a non-profit 501 c (3).

## Development Approach:

There was a huge campaign by the public for the need to have a center for arts in Watertown. Prior to getting the center at the arsenal, the community organizers already had members paying into an off-site location, showing the need and interest in a community arts space.



For more information on the Arts at the Arsenal:

<http://arsenalarts.org/>

## Artisan Asylum

### **Description:**

Artisan's Asylum, Inc. is a non-profit community craft studio located at 10 Tyler Street, in Somerville, Massachusetts. It was founded in March 2010 on Joy Street (Somerville) with only 1,000 square feet, but as demand grew, the organization moved to its current location on Tyler Street in 2011 (10-12 Tyler St/Ames Envelope Building). The Asylum has expanded from its original lease at Tyler Street (25,000 square feet) into over 40,000 square feet in the past year to accommodate more space for members and for equipment such as large scale 3-D printers, large cut-out printers, wood lathe, metal working, brazing, welding, plasma cutter and more.

Asylum current hosts around 250 monthly members, and have 140 studios, 45 pallet storage units, and over 80 shelf storage units available for rent. The maker space also has a large waiting list of



Boston/Cambridge/Somerville community members interested in participating. Recently, the Board began to look at expanding into youth programming.

In addition to reserved studio space for members, member levels also include daily, monthly membership and reserved drawer space for those who do not need a long-term space in the Asylum.

The Asylum also provides to members:

- Dedicated 1,200 square foot classroom and computer lab
- Kitchenette and social area
- Geothermal air conditioning and heating
- 15-foot and 25-foot ceilings
- Communal pallet jacks, dollies, and overhead cranes
- Proximity card access to for members and renters
- On-site, off-street shared parking lot and bike racks
- First floor location with leveled concrete flooring
- A tractor-trailer loading dock and floor-level double doors
- Electrical service at each renter unit, with over 300 kVA supplied to the building
- Dumpster outside for trash pickup

**Mission:**

The Asylum's mission is to support and promote the teaching, learning and practicing of craft of all varieties. To support that mission, they offer the following program and services.

- A fully equipped and professionally maintained manufacturing facility, which includes capabilities for precision metal machining, electrical fabrication, welding, woodworking, sewing & fiber arts, robotics, bicycle building and repair, lampworking, jewelry, computer-aided design, and screen printing
- A large range of affordable, publicly-accessible classes in these areas and more offered by local artisans, either focusing on creating a final product the student can take home after the class or general training for specific tools
- Monthly and daily membership plans for the general public to access our facility on weekends and after working hours, encouraging DIY culture and community craftsmanship
- Affordable space and equipment rental to local professional artists and businesspeople interested in having access to industrial-grade manufacturing equipment and a dedicated manufacturing environment without having to invest in capital equipment and long-term space leases
- On-site material storage and resale and on-site project storage, allowing community members to create and store projects without the hassle of handling material and storage logistics
- Hosting and promotion of local craft-related events

**Financing:**

Originally, the Asylum started off with a small space (1,000 sq ft) and used funds from savings, loans, and gifts to buy equipment, pay rent, etc. As the group planned the move into the Ames Building, they did a Kickstarter Campaign for fundraising efforts. The current income for the Asylum is through a variety of donors (individual and corporate) and its membership fees that run from \$25/day - \$500/month.

**Development Approach:**

Artisan Asylum is a tenant and it sought out its own space needs. City of Somerville helped with site search and zoning, but did not financial or development assistance. According to Costar, the Asylum was paying at the beginning of its lease (2011) \$9.97 per square foot. This is why it can keep membership fees low and still cover new equipment and operational costs.



For more information on the Artisan Asylum: <http://artisansasylum.com/>

## **Somerville Armory**

### **Description:**

The Center for Arts at the Armory (Arts at the Armory) is a non-profit organization located at 191 Highland Avenue between Davis and Union Squares in Somerville, Massachusetts. Arts at the Armory resides in the historic Armory building, serving as a community arts center for the residents of Greater Somerville. The property is approximately a 40,244 square foot lot located on the north side of Highland Avenue, between Central and Lowell Streets and contains parking in the rear of the building. Built in 1903 to house the Somerville Light Infantry of the Massachusetts Volunteer Militia, the Massachusetts National Guard also called the Armory home for 70 years. The Armory building is located entirely within one of Somerville's residential zoned districts, the RC district. The building is currently owned by Cambridge residents Joseph and Nabil Sater, owners of the Middle East Restaurant and Nightclub under the name Highland Armory Realty Trust.

In addition to the large performance space, the basement level includes a film/video studio and recording studio, six smaller work studios, and an art gallery. The first floor includes a restaurant/cafe, a performance hall, and office space. The second floor holds dance studios and more offices; the third floor is four small offices



### **Mission:**

The Sater family purchased the Armory and worked with residents, the city and community organizations to transform it into a center for the arts, culture and community. The Armory provides residency and offices for other organizations and artists who work in the visual arts, dance, theater and music. Over 10 different organizations use the space for their offices. In addition to this office space, there is a 7,000 square foot rentable performance space, a gallery, conference room and a café that is open to the public. All spaces are available for rent for the public and private events.



### **Financing:**

In the spring of 2004 the former National Guard Armory on Highland Avenue was sold at state auction to Joseph and Nabil Sater, owners of the Middle East Restaurant in Cambridge. The Saters purchased the 33,422 square foot building from the state in 2004 for \$2.6 million and developed the trust.

In addition to government money and grants, Joseph Sater and his family have put in a good deal of cash. Some \$4 million in loans were secured to buy and renovate the Armory.

Today, the Arts at the Amory managed the day to day activities and runs as a non for profit. It gains its revenue through building rental fees and ticket sales. Additionally, the Armory has made its space available to community organizations on a sliding fee scale to provide a place for them to hold meetings, and fundraising events.

**Development Approach:**

Since the building was state property until 2004, it went through the state disposal of property process. During the approval process in 2004, neighbors were concerned about adequacy of parking, levels of noise, and the impacts of having a cafe and performance space in a primarily residential neighborhood. Rizzo Associates completed a Traffic Study required by the BZA. The Special Permit was conditioned on the terms of an agreement negotiated directly between neighborhood residents and the Sater brothers. It took several years for construction to be completed on the building and a few more to secure all of the necessary permits and licenses.



For more information on the Arts at the Armory:

<http://artsatthearmory.org/>

**E – FOUNDRY ACTIONS TO DATE AND COMMUNITY MEETING NOTES  
FOUNDRY BUILDING STATUS REPORT**

**ACTIONS TO DATE AND NEXT STEPS**

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**ACTIONS TO DATE 2013:**

**February 9, 2009**

The City Council adopted a rezoning proposed by Alexandria to allow the development of approximately 1.5 million square feet of commercial office/lab space on several sites along Binney Street.

As part of the rezoning, Alexandria committed to convey land and funding to the City to develop two new public parks, to redesign and reconstruct a section of Binney Street, to develop approximately 220,000 square feet of mixed-income housing, and to convey to the City Foundry Building, among other requirements.

**June 1, 2010**

The Planning Board granted a special permit approving the Alexandria Planned Unit Development (PUD), allowing development of the sites to commence in accordance with the adopted zoning.

**January 9, 2012:**

Alexandria transferred ownership to the City of the Foundry building with a preference for “its use for municipal or community purposes”.

**April 29, 2013:**

The City Council voted to provide \$40,000 to the City Manager for an independent assessment of the property prior to making a decision regarding whether to retain or sell the Foundry.

**July 31, 2013:**

The Finance Committee conducted a public meeting to examine the finances of various proposals for the future of the Foundry building. The City Manager presented a cost benefit analysis of several scenarios, including but not limited to sale of the building, retention of the Foundry building for rehab and lease, and retention for use by nonprofit rental/community space.

**August 16, 2013:**

Joint committee meeting of the neighborhood long term planning committee, economic development, training and employment committee and the public facilities, arts and celebrations committee. HMFH Architects, who were contracted to independently assess the Foundry building (April 29<sup>th</sup>), presented their report. The report indicated two scenarios and indicated the total cost of upgrades. Note: This total cost is not necessarily incurred entirely upfront and some upgrades can occur over time. Option A, the A, the minimum scenario, costs approximately \$9,498,658 and Option B, the optimal scenario, costs approximately \$11,228,448.

**October 30 2013 - Informational Session and Tour:**

On Wednesday, October 30 2013, City staff hosted tours of the Foundry building at 101 Rogers Street followed by an informational session led by the City Manager, Deputy City Manager and CDD staff. Over 50 people toured the building and approximately 45 people attended the informational session.

At each location, questionnaires were distributed to gather public input on:

- What types of uses the Cambridge community would like to see at the Foundry;
- What uses they would not like to see; and
- What types of partnerships could help further these uses.

The questionnaire was also posted online. The following summary is a synthesis of the responses made during public comment at the informational session as well as both the online and paper questionnaire.

**Public Input:** Comments indicate a mix of ideas for the space. However, the majority of respondents emphasize a desire for *public* use. This includes the strong desire for STEAM activities. STEAM is a term generally used when describing education policy related to science, technology, engineering art and math, as opposed to a specific space use. For spaces without a designated public use, respondents generally suggested there at least be a public benefit associated with the usage such as mentorship, internship, and educational opportunities for Cambridge residents. Additional takeaways include the desire for multiple rents levels and eighteen hours of activity(ies).

There is some disagreement about what respondents *do not* want for the space. For example, there is some concern about additional market rate lab, office and incubator uses.

For purposes of organizing all comments received, they are separated into three categories: Programming, Space Use and Partnerships.

**Programming (see chart below):** The Programming category is separated into subcategories based on entity-type which include: Public, Nonprofit and Private. Some of the subcategories naturally have cross-over for uses which could be run by a public entity (i.e., the city), a nonprofit organization or a private company.

**Space Use:** The Space Use category also includes several subcategories: Community Center/Teaching/Learning Center (Community); Maker/Art Space (Maker); Research-Lab/Office Space (Lab/Office); Outside Space (Outside) and Other.

- The Community subcategory includes the following uses: Grocery/Fresh market, cafe, gym, nursery/ daycare, cooking school, gallery space, performance space, museum space and event space.
- The Maker subcategory includes: Art space and Metal/Woodworking shop/Trade shop.
- The Lab/Office subcategory includes: Incubator/shared office, office, lab/research space.
- The Outside subcategory includes: Garden, seating, and parking.
- The Other subcategory includes: Housing



### Foundry Building Programming Ideas

Programming Ideas	Public Sector	Nonprofit Sector	Private Sector
Adult Education		✓	
Family Economics/Teaching	✓		
Gallery/museum, (i.e. Cambridge Arts Council, Computer Museum)	✓	✓	
Performance space/ Dance/Film	✓	✓	
Event space	✓	✓	
Maker space, (i.e. metal, woodworking, & trade shops)	✓	✓	
Multigenerational & Multicultural programs	✓		
Nursery			✓
Restaurant/Café			✓
Cooking Facilities		✓	✓
Fresh Market/Grocery			✓
Gym	✓	✓	✓
Professional Offices, (i.e. law & medical)			✓
Social Enterprise Offices		✓	✓
Incubator space (i.e. Techstars)		✓	✓
Labs		✓	✓