

# CITY OF CAMBRIDGE

### COMMUNITY DEVELOPMENT DEPARTMENT

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To: Planning Board

From: Jeff Roberts, Senior Manager for Zoning and Development

Date: October 11, 2017

Re: Alexandria Innovation Space Zoning Petition

#### Overview

Alexandria Real Estate Equities has proposed a zoning amendment affecting the PUD-3A and PUD-4C zoning districts (see attached map), which were created through the Alexandria rezoning petition adopted in 2009. The proposed zoning change would exempt up to 10,000 square feet of "innovation space," or commercial space set aside for smaller companies on more flexible leases, from floor area limitations without affecting other requirements or limitations within the district.

## **Alexandria Zoning and Development Plan**

The City Council adopted the zoning for the PUD-3A and PUD-4C districts in 2009, following a petition by Alexandria and about two years of public discussion on the proposal. The Planning Board granted a special Permit (PB-243) authorizing a Planned Unit Development (PUD) master plan for Alexandria's sites in 2010.

The master plan includes approximately 1.75 million square feet of development across five blocks, with about 1.53 million square feet of commercial space and 220,000 square feet of required housing. Required contributions from this plan include the conveyance to the City of approximately 2.5 acres of land on two sites, with funding for the design and construction of park improvements, and the conveyance to the City of the Foundry building site, among other contributions.

Thus far, most permitted development and required land conveyances have been completed. The remaining components of the plan include the adaptive re-use of the existing building at 41 Linskey Way and the second phase of required housing, which would include approximately 132,000 square feet. The approved master plan authorizes the development of this housing through the adaptive re-use of an existing non-residential building at 161 First Street, demolishing an existing low-scale addition and constructing a larger new addition that would accommodate most of the housing.

The current petition suggests that instead of converting the existing building at 161 First Street to housing, the desire is to retain that building for commercial use, including some amount of innovation space (described on the following page). The proposed zoning does not change the requirement for additional housing, which could still be built separately on a portion of the 161 First Street site. After any zoning change is adopted, the Planning Board would need to review and approve a change to the approved development plan as well as the design of new development on that site.

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# **Innovation Space**

The Kendall Square ("K2") study, completed in 2013 (after the completion of the Alexandria rezoning and development plan), introduced the concept of "innovation space" as a special type of commercial space that would be set aside for smaller companies and entrepreneurs. The key characteristics of innovation space include limitations on the amount of floor area that individual business entities can occupy, lease durations of approximately one month, and shared facilities that can be used by multiple entities within the space. The specific requirements for innovation space are meant to be somewhat flexible to accommodate evolving market needs, but the main goal is to protect some amount of commercial space in Kendall Square from being absorbed by larger tenants.

Innovation space was incorporated into the PUD-5 zoning (created through MIT's Kendall Square Initiative) in 2013 and the MXD District rezoning in 2015, and is currently included in the proposed PUD-7 zoning for the Volpe parcel. It is referred to alternatively as Innovation Office Space or Innovation Space, but could generally include a range of workspace types such as offices, laboratories, and fabricating facilities. The characteristics of innovation space as set forth in the current petition are the same as in those other Kendall Square districts.

In the aforementioned districts, innovation space is required to be created as a component of new commercial office gross floor area (GFA). Required innovation space could be concentrated into one location (possibly as a joint endeavor to fulfill the requirements of multiple property owners in the district) or distributed into multiple locations, though contiguous units of at least 20,000 square feet each are encouraged where at least that much innovation space is required. Innovation space is also incentivized in these districts through GFA exemptions. In the PUD-5 and proposed PUD-7 districts, half of all innovation space is exempt from GFA limitations, while in the MXD district, all innovation space is exempt from GFA limitations.

The proposed zoning would not require innovation space, but would exempt up to 10,000 square feet of innovation space from GFA limitations at 161 First Street. As a result, any amount of innovation space could be created within the building (which contains approximately 36,000 square feet), but only up to 10,000 square feet would be exempt and any remainder would count as part of the commercial GFA allocation for the project. For the Alexandria PUD, the maximum exempt GFA under the proposed zoning would equal less than 1% of the total commercial GFA approved for the project as a whole, and therefore the scope of the change would be relatively modest. However, it would encourage an additional innovation space site to complement other sites that are existing and planned throughout the Kendall Square area.

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