



CITY OF CAMBRIDGE

Community Development Department

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To: Yi-An Huang, City Manager

From: Melissa Peters, Acting Assistant City Manager for Community Development

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Re: 84 & 96 Bishop Allen Drive RFI Submission Responses and Next Steps

Introduction

In 2023, the Central Square City Lots Study was conducted to explore how City-owned properties in Central Square could be reimagined to better achieve community goals. Public engagement and outreach established a hierarchy of priorities that were mapped onto ten parcels based on their ability to best support these identified uses. The study concluded with recommendations for how the City could best advance their redevelopment both through capital projects as well as leveraging public-private partnerships.

On August 8, 2024, the City of Cambridge ("City") in partnership with the Cambridge Redevelopment Authority ("CRA") issued a Request for Information ("RFI") for two City owned parcels identified as early action items by the Central Square City Lots Study: 84 and 96 Bishop Allen Drive. The RFI sought developers' perspectives on how they would approach the redevelopment of the sites and optimal ways to deliver desired public objectives. Specifically, the RFI sought feedback on eight key elements of the redevelopment:

1. Unlocking the sites' potential
2. Structuring public private partnerships
3. Housing alternatives
4. Affordable commercial uses
5. Cultural space
6. Civic open space
7. Public and private parking
8. Diversity and inclusion approach

The City received six responses to the RFI. The respondents included three for-profit developers and two non-profit developers as well as a planning and design firm. The responding firms were:

1. Just-A-Start (non-profit)
2. Fulcrum Land and Infrastructure (for-profit)
3. Graffito SP and Athena Development (for-profit)
4. HRI (non-profit)

5. Perkins & Will (planning and design firm)
6. Pennrose (for-profit)

This memo summarizes developer feedback regarding the eight key elements listed above, as well as staff recommendations for approaching these issues. It concludes by outlining the next steps for advancing the redevelopment of the sites.

Background

The Central Square City Lots Study identified 84 and 96 Bishop Allen Drive as offering early opportunities for redevelopment due to their proximity to the heart of Central Square, former use as a grass-roots led community cultural and event space, combined potential size, and their current use as surface parking lots. 84 Bishop Allen Drive is 33,715 square feet and currently provides approximately 75 public parking spaces. It is bounded by Bishop Allen Drive to the north, Norfolk Street to the east, Massachusetts Avenue to the south, and H-Mart to the west. The Central Square City Lots Study described the following vision for 84 Bishop Allen Drive:

84 Bishop Allen Drive offers a unique opportunity to build on current, temporary activation uses and develop a mixed-use building that provides a significant amount of housing, as well as integrate a flexible indoor/outdoor performance space, an outdoor public plaza, and retail/market space. There should be a significant focus on affordable housing and commercial space. The site should be studied for underground parking.

96 Bishop Allen Drive is 6,210 square feet and currently provides approximately 17 public parking spaces. It is bounded by Bishop Allen Drive to the north, H-Mart the east, the 10 Essex Apartments to the south, and Essex Street to the west. The Central Square City Lots Study described the following vision for 96 Bishop Allen Drive:

Together with 84 Bishop Allen Drive, 96 Bishop Allen Dr offers an opportunity to activate this block of Bishop Allen Drive and increase housing development in the area. Opportunities for ground floor active uses, such as retail or community spaces, should be explored with housing above.

The Central Square City Lots Study established a number of priority community benefits to implement through the redevelopment of the City-owned lots including housing (especially affordable housing), cultural space, small business entrepreneurial opportunities, civic space, and public parking. A goal of the RFI was to explore the opportunity to deliver some of these public amenities through the redevelopment of the lots by leveraging the value of the land. The findings from this effort will inform future engagement processes for refining development objectives for the lots.

Findings and Staff Takeaways from Request for Information Responses

Housing Development

RFI Responses:

All but one respondent envisioned a mixed-income housing approach to 84 Bishop Allen Drive. 84 Bishop Allen Drive was seen as large enough to create a meaningful number of affordable units within a mixed income, mixed-use residential building. In contrast, the smaller 96 Bishop Allen Drive site was seen as manageable as an affordable housing only project.

Staff takeaways:

Prior to issuing any potential development solicitation, the City should confirm its preferred approach for the creation of a meaningful number of affordable units on the sites. 84 Bishop Allen Drive appears most likely to attract interest for developing a mixed income project that would deliver affordable units under the City's inclusionary housing requirement. The City could work to leverage the value for additional affordable units beyond the inclusionary housing requirement, balancing that with other community goals for the site. Given the potential for 84 Bishop Allen site to accommodate 150 or more units, an all-affordable project at the site would require a large commitment of funding from the Affordable Housing Trust to move forward and would have to be sequenced within the City's pipeline of large affordable housing developments that are now or will be seeking needed funding, tax credit allocations, and tax-exempt bond volume capacity from the state in the coming years. The smaller size of 96 Bishop Allen Drive makes it more straightforward to be developed as affordable housing though the same need for AHT funding and state support would have to be considered. The City should remain open to offering the two parcels separately should it prove advantageous to an all-affordable project on that site. If either or both parcels are considered for an all-affordable development, the development schedule will be harder to predict, and it could take several years to assemble the funding that would be needed.

Public Private Partnership Structure

RFI Responses:

A fee simple ownership transaction or 99-year lease term was seen as necessary by developers planning to build mixed income residential projects or commercial projects. Developers indicated they would not be able to secure financing and investors to develop a mixed income or commercial project with a 50-year ground lease. A 50-year

ground lease structure was seen as potentially workable for nonprofit developers seeking to develop an all-affordable project.

Staff takeaways:

The City is not interested in selling its interest in the properties and is only interested in a long-term lease agreement. Since a ground lease shorter than 99 years was not seen as commercially viable by the for-profit developers who responded to the RFI or by the CRA's real estate consultant, the City is open to a 99-year ground lease structure for the disposition of both 84 and 96 Bishop Allen Drive.

Staff believe a 99-year ground lease approach balances the City's interest in maintaining long term control of the sites with the desire of lenders and investors for a transaction structure that works for them. Either through a long-term lease of the site and/or other legal restrictions, the City will put in place requirements to ensure that all required community benefits in new developments are appropriately incorporated and remain supported and accessible to the community.

Public Parking

RFI Responses:

Developers were generally supportive of a consolidated approach to meeting Central Square's public parking needs but expressed that replacing a meaningful number of public parking spaces would require significant public subsidy. While some respondents saw paths to maintaining a limited amount of surface parking on the site and one supported including limited parking for building residents, all saw challenges in providing significant public parking without the public sector covering the large majority of the construction cost. Underground parking was seen as advantageous from an urban design perspective as two respondents expressed concern about the urban design impacts of creating a large above grade parking garage on the site.

Staff takeaways:

The City should further study the feasibility of delivering public parking as part of the 84 Bishop Allen site redevelopment, as well as the practicality of meeting Central Square's public parking needs through other approaches. Given the high cost of structured parking, or underground parking (estimated at over \$150,000 per space), this public parking will likely need to be largely or entirely publicly funded, with the value of the land being contributed as just one potential source of funds. Building above ground

parking at 84 Bishop Allen Drive could result in inactive facades within the street wall zone which would negatively impact the vibrancy of the public realm. Underground parking would enable better urban design outcomes but would be more expensive to deliver. Delivering a single layer of underground parking is a potential middle ground solution that mitigates costs while replacing a portion of the lost surface parking.

Identifying additional opportunities for shared parking could also help support higher density development in Central Square. In studying the feasibility of parking provision, the City and CRA will explore the feasibility of encouraging public accessibility to parking on nearby privately-owned surface lots. The Flexible Parking Corridors zoning adopted at the end of 2024 may also provide opportunities for additional parking capacity. Achieving a parking strategy for these two parcels should involve significant collaboration with the business community in Central Square and be coordinated in partnership with the Central Square Business Improvement District (BID).

Ground Floor Commercial and Cultural Activation

RFI Responses:

Developers had varying appetites for managing ground floor space for retail and/or cultural purposes, with some developers seeing an active ground floor as a key component of their approach to the overall development, while others saw managing retail or cultural space as outside of their scope of expertise. A combination of studio and gallery space mixed with retail were seen as uses which could activate the ground floor and build off existing cultural resources in Central Square. On the other hand, developers saw significant building design and operational challenges to incorporating larger performance spaces within a residential mixed-use building.

Staff takeaways:

84 Bishop Allen Drive was the former home of the community-led Starlight Square community gathering space, and the incorporation of a significant space with a similar cultural mission and community function was strongly identified in the feedback received during the City Lots Study. Central Square is also the City's sole Arts & Cultural District, and the ongoing Central Square Rezoning Project is expected to include language that incentivizes the inclusion of Arts & Cultural spaces in new development. Subsequently, the inclusion of Arts & Cultural uses as a significant component of the ground floor is a priority for the City in any future redevelopment of these parcels. Given that developers had varying levels of interest in stewarding an active ground floor environment, the developer solicitation should provide flexibility as to the ultimate level

of involvement of the City, the CRA, and the developer in the design, ownership, and operation of the ground floor space.

Civic Open Space and Pedestrianization of Norfolk Street

RFI Responses:

Developers saw pedestrianizing Norfolk Street as a positive benefit to the site but expressed a desire for accommodating needs for loading and unloading for H-Mart as well as pick-ups and drop offs for future residents of a redeveloped 84 Bishop Allen Drive. Developers suggested solutions that incorporated part-time barriers or provided limited vehicular access.

Staff Takeaways:

The City should proceed in studying the pedestrianization of a portion of Norfolk Street. A pedestrianized Norfolk Street would function as a key element of 84 Bishop Allen Drive's entrance experience and civic open space, greatly expanding the site's potential to function as community gathering space and supporting the success of ground floor retail and cultural uses. Plans to pedestrian Norfolk Street should be developed in coordination with existing businesses and residences to ensure adequate access is maintained, as well as anticipate the operational and mobility needs resulting from the development of 84 Bishop Allen Drive. The creation of additional publicly accessible open spaces and leveraging existing connections such as Graffiti Alley should be strongly emphasized in any future development solicitation.

Diversity, Equity, and Inclusion

RFI Responses:

Most developers supported standards for MBE/WBE participation for both construction and design/professional services. Developers identified both clear mandates and public subsidies as tools for expanding economic opportunity through the project.

Staff Takeaways:

Diversity, Equity, and Inclusion are fundamental values of the City, and the City is a participant in the [Commonwealth Development Compact](#). This initiative aims to build economic opportunity for minority and women-owned firms in real estate development through a municipal pilot project, research into industry best practices and barriers, and ongoing coalition building and education for multidisciplinary stakeholders. Therefore, the City should pursue a multifaceted strategy to ensure the project creates opportunities for Minority, Woman and Disadvantaged Business Enterprises and local businesses. Requirements for contracting with certified Minority, Woman and Disadvantaged Business Enterprises in design and construction should be confirmed in

the developer solicitation. The City could also incentivize additional approaches to creating economic opportunity through the development process such as promoting capacity building for emerging development firms. Finally, the project has the additional ability to promote economic opportunity by ensuring that diverse businesses have access to leasing ground floor space.

Opportunities to Leverage Other Sites in Central Square

RFI Responses:

Four respondents saw surrounding sites and nearby privately-owned lots as offering the opportunity for the city to create shared parking which could support greater density on 84 and 96 Bishop Allen Drive and in the district. One respondent expressed interest in supporting a larger overall development by incorporating additional nearby lots.

Staff takeaways:

Any future developer solicitation should allow respondents to propose partnerships with willing nearby landowners if these partnerships can yield development outcomes that best achieve the community goals identified in the Central Square City Lots Study. Moreover, the City should explore other sites in Central Square to continue to advance public benefits identified in the Central Square City Lots Study that are not ultimately incorporated into the redevelopment of 84 and 96 Bishop Allen Drive. This includes considering (1) whether the project, as a key part of its cultural contribution, could also financially invest in existing cultural entities in Central Square, (2) if desired public parking is more easily accommodated on alternative sites, and (3) strategies for supporting and expanding arts & cultural spaces by leveraging municipally-owned properties throughout the District.

Next Steps

The RFI provided valuable information on the future development of the two lots via a public-private partnership. If there is City Council interest in pursuing an option for a public-private partnership, the next step would be to conduct a robust public engagement process specific to these parcels to inform development objectives. Specific development objectives would be used to develop a future solicitation to select a developer and ensure the project delivers the expected community benefits identified by the City Council and the community.

City staff recommend completing the Central Square rezoning process prior to releasing a solicitation for a development partner to provide clarity regarding entitlements. The

current schedule has zoning for Central Square being discussed and voted on early in 2026. City staff would start engagement following the zoning process.