

City of Cambridge

Executive Department

LOUIS A. DePASQUALE
City Manager

LISA C. PETERSON
Deputy City Manager

June 26, 2019

To the Honorable, the City Council:

I am writing you to recommend that the City Council approve the disposition of a leasehold interest in 420 unassigned parking spaces (the “**Leasehold Parking Spaces**”) and approximately 9,000 square feet (SF) of ground floor retail (the “**Leasehold Ground Floor Retail Area**”) (together the “**Leasehold Interest**”) in the First Street Garage, located at 55 First Street and owned by the City of Cambridge (the “**Garage**” or the “**Property**”). This report is submitted pursuant to Cambridge Municipal Code Chapter 2.110 (the “**Disposition Ordinance**”) and outlines steps the City has taken to meet the legal requirements for disposing of the Leasehold Interest. I have also included a breakdown of the benefits to the community proposed by the developer Leggatt McCall Properties (“**LMP**” or the “**Developer**”), who was the successful bidder in response to a Request for Proposals (“**RFP**”) for the Leasehold Interest that was issued by the City pursuant to state law requirements under Massachusetts General Laws Chapter 30B (“**Chapter 30B**”). The bid that was awarded to the Developer was conditioned upon and subject to the final approval by the City Council of the disposition of the Leasehold Interest pursuant to the Disposition Ordinance. Detailed information about the proposed disposition can be found on the City’s website at <https://www.cambridgema.gov/firststreetgarage>.

I. Executive Summary

The proposal submitted by LMP for the disposition of the Leasehold Interest provides significant financial benefits and other important amenities to the City with commitments that advance the City’s transportation, housing, and environmental goals.

Significantly, the proposal submitted by LMP for the Leasehold Interest provides for a **total of \$77,426,200 in financial benefits** to the City. This sum represents a substantial increase in revenue generated by the Leasehold Parking Spaces (\$49,291,200) and the Leasehold Ground Floor Retail Area (\$3,375,000) through the proposed 30-year lease term. This sum also includes contributions for capital and fit-out improvements to the Ground Floor Retail Area (\$4,000,000) as well as a lump sum payment of \$500,000 plus annual contributions towards capital improvements to the Garage (\$26,000 annually).

LMP has also committed to providing financial contributions to support affordable housing in the City, specifically providing a contribution to the Cambridge Affordable Housing Trust in the amount of \$4,500,000 as well as committing to increase the number of affordable housing units at its project to remediate and redevelop and complete the transformation of the long-abandoned, previously tax-exempt former Edward J. Sullivan Courthouse (the “**Courthouse**”) project (the

“**Courthouse Project**”), from eight (8) affordable units to twenty-four (24) affordable units (resulting in \$5-6 million in an additional estimated value to the City).

The proposal also provides significant contributions to community workforce development programs totaling an investment of \$950,000 over ten (10) years, with commitments to the Cambridge Pathways to Apprentice Program (\$20,000 annually), Just-a-Start, Inc. (\$50,000 annually), and the Cambridge Housing Authority (\$25,000 annually).

LMP has also committed to making annual contributions of \$50,000 to the City’s Community Benefits Stabilization Fund over the course of ten (10) years, totaling \$500,000 to be distributed through the City’s Community Benefits Stabilization Fund.

At the Garage, LMP proposes to activate the Ground Floor Retail Space with a program comprised of 1) a community / senior space (with an added financial commitment of \$25,000 over the 30-year lease term to fund programming for a total of \$750,000); 2) a café; 3) a demonstration kitchen for public educational use; and 4) an indoor, year-round farmers market. LMP has also committed to funding a senior parking program contribution of up to \$36,000 annually to the City to provide senior parking subsidies at the Garage.

Additionally, LMP has committed to green initiatives totaling up to \$5,650,000, which includes \$1,500,000 towards the acquisition of a solar array at the Garage with annual contributions of \$10,000 for the projected 25 years of useful life of the solar array (\$250,000). The total value of electricity produced by the solar array over its useful life for the City is estimated to be in excess of \$3,500,000. LMP has also committed to providing up to \$400,000 for twenty (20) electric vehicle charging stations to service forty (40) vehicles at the Garage as well as contributing \$50,000 towards the City's installation of additional bike sharing accommodations in the vicinity of the Garage.

The following Table 1 is an overview of the commitments made by LMP in its Proposal relative to each of the criteria set forth in the RFP:

Economic Benefits of Proposal - TABLE 1			
Lease Payment for 420 Unassigned Parking Spaces		\$49,291,200	Year One Lease Payment (\$326 per space x 420 x 12 months). Equals \$1,643,040 Annually. (Estimate assumes 30 Years of payments without CPI adjustment which would be required.) ¹

¹ Does not include potential losses of revenue due to any decrease of non-residential parkers.

Economic Benefits of Proposal - TABLE 1

Lease Payment for Ground Floor Retail		\$3,375,000	Year One Lease Payment - \$112,500. (Estimate assumes 30 years of payments without CPI adjustment which would be required.)
Ground Floor Retail Improvements		\$2,500,000	Estimated core and shell improvements.
		\$1,500,000	Estimated fit-out and ancillary soft costs.
Support for Capital Projects/Annual Basis	Garage Improvements	\$1,280,000	Annual payment of \$26,000 for 30 years plus \$500,000 lump sum payment.
	Retail Space	TBD	Ongoing improvements linked to retail space for 30 years.
Support for Community Enhancement	Additional Affordable Housing Units at Courthouse Project	\$6,000,000	Modification of Affordable Unit Mix from 8 Affordable, 8 Moderate Income and 8 Market Rate Units to 24 Affordable Units. Estimated contribution value: \$5-6 million.
	Affordable Housing Trust Contribution	\$4,500,000²	Above any other Incentive Zoning requirements.
	Community Pathways	\$200,000	\$20,000 annually for 10 years.
	Just-a-Start	\$500,000	\$50,000 annually for 10 years.
	Cambridge Housing Authority	\$250,000	\$25,000 annually for 10 years.
	Community Benefits Stabilization Fund Contribution	\$500,000	\$50,000 annually for 10 years.

² This amount is in addition to the estimated \$7,000,000 payment to the Cambridge Affordable Housing Trust pursuant to the City's Incentive Zoning requirements and required by the Special Permit for the Courthouse Project.

Economic Benefits of Proposal - TABLE 1			
	Contribution for Lease of Community / Senior Space and Demonstration Kitchen	\$750,000	\$25,000 annually for 30-year lease term.
	East Cambridge Seniors (65+) Subsidy Vouchers	\$1,080,000	Up to \$36,000 annually for 30-year lease term.
PTDM Strategies		\$50,000	Contribution toward City's installation of additional bike sharing accommodations in the vicinity of the Garage.
Green Initiatives	Solar Array	\$1,500,000	Up to \$1.5 million for the installation of a solar array.
	Value of Annual Maintenance of Solar Array	\$250,000	Up to \$10,000 annually based upon the projected 25-year useful life of the solar array.
	Annual Energy Savings	\$3,500,000	Annual estimated energy savings of \$140,000 for 25 years.
	Electric Charging Stations	\$400,000	Up to \$400,000 toward installation of an estimated 20 electric vehicle charging stations.
TOTAL		\$77,426,200³	

The proposed disposition of the Leasehold Interest would not only provide the above-described significant benefits but would facilitate and enable the redevelopment and complete the transformation of the Courthouse into an asset for the East Cambridge neighborhood and the City at large.

³ This total does not include estimated new annual property tax revenue of \$3,800,000, which assumes lost property tax revenue for six (6) years if the Courthouse Project does not move forward until a new project might be approved of approximately \$22,800,000. The total property tax revenue for 30 years with no assumed annual increase would be \$114,000,000. Ground Floor Retail Area property tax revenue for 30 years with no assumed annual increase is estimated to be \$750,000 (at least \$25,000 per year for 30 years.) This total does not include estimated new property tax revenue of approximately \$150,000 for the Ground Floor Retail Area and assumes lost property tax revenue for six (6) years if the Courthouse Project does not move forward until a new project may be approved.

Based on these commitments, I believe that the proposed disposition provides substantial benefits to the City and its residents and recommend that it be approved by the City Council.

II. Background

The Garage is bordered by First Street to the east, Second Street to the west, Thorndike Street to the north and Spring Street to the south. Garage entrances are located on Spring Street with exits on Thorndike Street. The CambridgeSide Mall, (formally known as the CambridgeSide Galleria shopping mall) is located at Cambridgeside Place, which is located nearby on the east side of First Street; the Courthouse is located at 40 Thorndike Street and is situated across the street from the Property on the west side of Second Street. The Middlesex Probate and Family Court and the Middlesex Registry of Deeds buildings are located northwest of the Property. The adjacent blocks include commercial and residential uses in buildings that reflect both the industrial and historic character of the area. **(See Exhibits 1-3, Context and Site Zoning Plans and Aerial Photograph of Garage.)**

The urban design framework of the East Cambridge Riverfront Plan of 1978 (the “**1978 Plan**”) proposed a public parking garage in the East Cambridge neighborhood to accommodate the anticipated parking demand for development pursuant to the 1978 Plan, which was also projected to increase due to anticipated future development. Implementation of the 1978 Plan required seeking and obtaining state and federal funding, including from the U.S. Department of Housing and Urban Development (“**HUD**”), in the form of an Urban Development Action Grant (“**UDAG**”) to develop the Property as a parking garage with ground retail space fronting First Street. The Property was acquired by eminent domain in 1982 to be developed specifically as a municipal parking facility to serve the community and adjacent developments in the area.⁴ The proposed development for the Property received a Planned Unit Development (“**PUD**”) Special Permit from the Cambridge Planning Board in 1983.

The Garage was built in two phases beginning in 1983 and 1986 pursuant to the UDAG awarded to the City as part of the overall redevelopment of East Cambridge. Phase I was a six-level precast concrete and steel frame structure built in 1983 accommodating roughly 558 parking spaces and 12,000 SF of ground retail space. Phase II was a six-level precast concrete frame expansion that added approximately 532 parking spaces and was completed in 1986. Phase I and II were referred to together as the 55 First Street Parking Garage with a total floor area of approximately 340,000 SF. The building occupies almost the entire city block and provides approximately 1,100 parking spaces including at the roof level. As part of the financing for the construction of the Garage, the UDAG required that the City enter into binding long-term leases with nearby developments. The owners of the Davenport Building have binding rights to continue to lease up to 250 parking spaces at the Garage until November 17, 2075 and the owners of the Bulfinch Square Building have binding rights to continue to lease at least 90 parking spaces at the Garage until December 31, 2079. In addition, the UDAG requires the City

⁴ Planning Board, Case No. PB-29, Final Development Plan PUD Special Permit Decision (1983).

to maintain 130 parking spaces to be available to the public and for employee and visitor parking at the Courthouse.

While the overall condition of the Garage was categorized as “fair to good” in a 2015 Condition Appraisal Report Update,⁵ the Garage structure is now four years older than it was in 2015, and it requires multi-year capital improvements to maintain its full use. The 2015 Condition Appraisal Report Update identified structural maintenance issues related to the Garage, including concrete deteriorations, corrosion to the steel reinforcement and differential settlement at the north exit from the Garage to Thorndike Street, that require significant repair and/or monitoring.

In 2011 and again in 2012, the Commonwealth of Massachusetts, acting through its Division of Capital Asset Management and Maintenance (“**DCAMM**”) issued a Request for Proposals for the sale and redevelopment of the Courthouse. LMP, as the successful bidder, entered into a purchase and sale agreement with the Commonwealth for the purchase of the Courthouse.

In September 2013, LMP in association with the proposed redevelopment of the Courthouse, sent a letter to former City Manager Richard C. Rossi requesting that the City make available for a long-term lease the Leasehold Parking Spaces and the Leasehold Ground Floor Retail Area at the Garage. In October 2013, former City Manager Rossi submitted this request to the City Council and requested that the City Council declare available for disposition, pursuant to Chapter 30B, the Leasehold Parking Spaces and the Leasehold Ground Floor Retail Area at the Garage. **(See Exhibits 4-5, Garage Site Land Use Plan and Garage Site Retail Area Plan.)** On October 7, 2013, following a public meeting, the City Council voted unanimously to declare the Leasehold Interest in the Garage available for disposition. **(See Exhibit 6, Council Order No. 8A of 10/7/13)** (“the City Council declares that the 420 parking spaces and the first-floor retail space [are] available for disposition by lease on terms and conditions satisfactory to the City....”)

In December 2013, LMP submitted an application to the Planning Board seeking a special permit to develop the Courthouse Project and following a public hearing, in October 2014, the Planning Board granted special permit PB No. 288 for the Courthouse Project with conditions (“**Special Permit 288**”), including a requirement to provide a certain number of parking spaces, some of which could be provided in the City’s Garage if available. It was also stated that “the original proposal to provide parking in the municipal garage remains the preferred option of both the Applicant and the Planning Board, given its closer proximity to the [Courthouse] building and its opportunities for mutually beneficial public-private partnerships.” **(See Exhibit 7, Summary of Benefits of LMP’s Courthouse Project.)**

Neighbors of the Courthouse Project filed a lawsuit challenging the Planning Board’s issuance of Special Permit 288, which was subsequently upheld after appeal in November 2017. In December 2017, LMP requested that the City re-engage in the disposition process and in a December 18, 2017 communication to the City Council, I provided the City Council with notice of the resumption of the disposition process.

⁵ Condition Appraisal Report Update by Walker Restoration Consultants (2015).

III. Disposition Process for the Leasehold Interest

As set forth below, the disposition of City-owned property, whether by lease or transfer of title, is subject to the legal requirements of Chapter 30B and the City’s Disposition Ordinance, Section 2.110.010 of the Cambridge Municipal Code as more fully set forth below.

A. Chapter 30B Requirements

Below in Table 2 is an overview of the process required by Chapter 30B:

Chapter 30B - TABLE 2		
Steps Required		Status
i)	That the governmental body shall declare the property available for disposition and specify any restrictions it wishes to place on the subsequent re-use of the property	The City Council declared the Leasehold Interest available for disposition in 2013.
ii)	and that the government body determines the property’s value;	The City has determined the property value of the Leasehold Interest through two professional appraisals.
iii)	and solicit proposals (Requests for Proposals; “RFPs”) prior to moving forward with the process	The City advertised the RFP in the Central Register on October 17, 2018 and advertised for a second time in October 25, 2018. One proposal (from LMP) was received on November 19, 2018.
iv)	and that proposals shall be opened publicly as advertised	LMP’s proposal was opened publicly and posted on the First Street Garage Project Page on the City’s website in November 2018.

On October 17, 2018, in order to comply with the requirements of Chapter 30B, the City issued the RFP for the Leasehold Interest and received a proposal submitted by LMP (“**LMP’s Proposal**” or the “**Proposal**”). Based upon a thorough review by the City’s Evaluation Committee, the Proposal was determined to be responsive, responsible and advantageous to the City. The Evaluation Committee determined there would be substantial benefits to the City as a result of the Proposal. Based on the Evaluation Committee’s review and recommendation, in January 2019, LMP was conditionally awarded the disposition of the Leasehold Interest pursuant to Chapter 30B subject to final approval by the City Council pursuant to the Disposition Ordinance.

B. Disposition Ordinance, Chapter 2.110.010 of Municipal Code Requirements

The City must also comply with the Disposition Ordinance, as outlined in Table 3 below. The purpose of Chapter 2.110.010 is “to protect the citizens of Cambridge and to achieve land uses

that best serve the City’s public purpose. In addition, when the public purpose is found to be best served by the disposition for a private development, 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.” See Exhibit 8, Disposition Ordinance, Chapter 2.110.010 of Municipal Code.)

Below in Table 3 is an overview of the process required by the Disposition Ordinance:

Disposition Ordinance, Chapter 2.110 - TABLE 3		
Steps Required		Status
i)	The City Manager shall hold a community meeting to hear community concerns.	<ul style="list-style-type: none"> • The first community meeting about the proposed disposition of the Leasehold Interest was held on October 30, 2018. • A second community meeting (open house) was held on March 26, 2019 to hear input and comments on the progress of the Parking Planning Study. • A third community meeting was held on June 19, 2019.
ii)	The City Manager shall issue a detailed report to the Planning Board, City Council and the City Clerk for public dissemination regarding the proposed disposition.	The City Manager’s Report is set forth herein, which includes details of how each criterion in the Disposition Ordinance is evaluated.
iii)	The Planning Board shall hold a public hearing not sooner than two weeks after receipt of the City Manager’s Report.	A public hearing regarding the proposed disposition of the Leasehold Interest and LMP’s Proposal is scheduled to be held by the Planning Board on July 16, 2019.
iv)	After study, the Planning Board shall submit its recommendation to the City Manager for submission to the City Council.	The recommendation of the Planning Board is scheduled to be submitted to the City Manager for transmission to the Council for its July 29, 2019 Meeting.
v)	The City Council shall hold a public hearing within six weeks of receipt of the City Manager’s Report and the Planning Board Recommendation.	The City Council public hearing is scheduled to be held on July 29, 2019. Disposition requires a two-thirds vote of the City Council to pass.

Disposition Ordinance, Chapter 2.110 - TABLE 3		
Steps Required		Status
vi)	At least (14) fourteen days prior to the public hearings by the Planning Board and the City Council, the City Clerk shall post notice of the hearings at various conspicuous locations upon the City property, giving the purpose of the hearing, and shall send written notice to the owners of property and renters, listed on the annual street list or on the assessor's records, within 300 feet of the City property.	<p>Planning Board Notice to be advertised on June 27, 2019.</p> <p>City Council Notice to be advertised on June 27, 2019.</p>

Under the Disposition Ordinance, the City Manager shall be responsible for engaging in a process that will result in a fair analysis of how the greatest public benefit can be obtained from the City property in question. This City Manager's Report constitutes the report that is required by Section 2.110.010 B of the Disposition Ordinance and is based upon careful consideration of the issues enumerated in the Disposition Ordinance, including holding at least one community meeting to discuss the issues and community concerns and addressing them in the City Manager's Report. The City Manager's Report must also include the information set forth in c.2.110.010 B, which will be discussed below.

The following provides an analysis, criteria and considerations of issues enumerated and set forth in the Disposition Ordinance.

1. Community Engagement - c. 2.110.010 B

On October 30, 2018, the first of three (3) community meetings was convened by the City Manager for City staff to hear from the community on the proposal to lease 420 unassigned parking spaces and 9,000 SF of ground floor retail space in the Garage (the "**First Community Meeting**") and for City staff to present information about the historical utilization of the Garage and the lease commitments under the UDAG. Comments expressed at the First Community Meeting included concerns about the lack of parking in East Cambridge and the need for further study of the parking issues; the importance of gathering input from residents before making a decision about disposition; perceived bias by the City towards developers; that the Garage is under-used as a public amenity due to poor communication by the City; access to the Garage's parking spaces during snow emergencies; affordability of Garage monthly parking passes; traffic effects due to increased development around Third and First Streets; and the impacts to the neighborhood of three to five million SF of proposed additional development from Kendall Square and Cambridge Crossing.

Public comments at the City Council meetings of November 5 and 19, 2018 reiterated many of the comments expressed at the First Community Meeting.

The City Manager and the Director of Traffic, Parking and Transportation (“TPT”) Joseph Barr commissioned the First Street Area Parking Planning Study of the area around the Courthouse and Garage (the “**Parking Planning Study**”).

On March 26, 2019, the second of three community meetings was convened by the Director of TPT and other City staff as an “open house” to present the scope of the Parking Planning Study and preliminary data results from it with members of the public (the “**Second Community Meeting**”). Members of the public provided comments on the Parking Planning Study which included suggested revisions to the scope of the study area to expand the scope of the Parking Planning Study to encompass the area bounded by Fifth Street to the west, Otis Street to the north, Third Street to the west, and Hurley Street to the south, as well as increasing the number of days of data collection for the Parking Planning Study, comments that data collected regarding the use of parking spaces on Thorndike and Third Streets did not appear to accurately represent the parking usage on those streets, and questions as to whether it was possible to know how frequently the parking passes are used for the Garage. Other comments and questions included whether the City had considered providing shuttle bus service for Cambridge Health Alliance (the “**CHA**”) employees to provide more parking in the Garage; whether the City might consider ending the lease arrangement with the CHA; whether it was possible to designate Third Street and other surrounding streets as snow emergency routes so plows could remove all the snow from the streets to provide for the maximum amount of parking spaces; whether the Parking Planning Study would be considering future demand; and whether the City has considered implementing “zoned parking” in East Cambridge to prohibit non-East Cambridge vehicles from parking in the area, as it appears most people park in the area during the weekday to be closer to Boston. Some residents commented that they support moving the Courthouse Project forward because it will increase tax revenue; that since the Courthouse ceased operations and relocated, residents have since utilized the Garage parking spaces formerly used by Courthouse employees and have not perceived an issue; that Garage parking rates are much lower than in other parking garages; that the City should investigate raising parking rates in the Garage; and concerns over the exterior appearance of the Garage.

The Parking Planning Study was amended to include an increased scope of the study area pursuant to suggestions made by members of the public at the Second Community Meeting and was completed on June 14, 2019. The key results are set forth in a summary, which together with a cover memo from Joseph Barr, Director of TPT, is attached hereto. (**See Exhibit 9, Cover Memo and Summary of Parking Planning Study.**)

The City held a third community meeting on June 19, 2019 at the Kennedy-Longfellow School (the “**Third Community Meeting**”) to update the community on the status of the proposed disposition, including a summary of LMP’s proposal and an update on the Parking Planning Study. Approximately 160 people attended the Third Community Meeting. Public comment

began at approximately 7:15 pm and about 55 people spoke. Each person was allotted two minutes for comment to ensure that everyone had a chance to be heard. The speakers were a mix of residents who live in East Cambridge and residents from around Cambridge. The opinions of the speakers were split between people who support the Courthouse Project and people who do not support the Courthouse Project. The majority of the closest neighbors to the Courthouse who were in attendance at the Third Community Meeting expressed support for the Courthouse Project and the proposed disposition of the Leasehold Interest, while many of the people in attendance at the meeting who spoke in opposition to the proposed disposition did not live in the immediate vicinity of the Courthouse. While some commenters focused specifically on the proposed disposition of the Leasehold Interest and the Parking Planning Study, many people spoke about the Courthouse Project as a whole and their support for or opposition to it.

The need for affordable housing in Cambridge was a frequent theme in the comments, with some residents supporting the 24 units of affordable housing the Courthouse Project will provide, and other residents calling for the City to look for alternative ways of using the Courthouse Project site to provide a larger number of affordable units.

The most common themes heard from residents who support the proposed disposition and the Courthouse Project was that the Courthouse has stood empty and deteriorating for too long, and that it is time to “move on” with the remediation. Multiple neighbors expressed concerns about the potential health impacts of the Courthouse building and the possibility of fire or other public safety issues although other residents indicated their support of LMP’s planned remediation and redevelopment of the Courthouse. Residents also spoke in favor of the community benefits included in the proposed disposition of the Leasehold Interest, such as the senior center and the farmer’s market.

In voicing their opposition to the Courthouse Project and the proposed disposition, some speakers stated that there should have been more consideration given for possible “alternative uses” of the Courthouse and the Garage, while others questioned whether it is appropriate for the Courthouse as a “public building” to be sold to a private developer for its own profit. A number of commenters suggested that the City or the State should find a way to remediate the Courthouse site without putting it in private hands. A few speakers also questioned whether the process set forth in the City’s Disposition Ordinance was being properly followed, and others stated that there should have been a public process involving the community in the State’s determination to sell the Courthouse property to the developer and the future use of the Courthouse site.

Specifically related to the disposition of the parking spaces in the First Street Garage, people in opposition to the disposition stated that if the 420 spaces are leased, community parking needs will not be met which will negatively impact residents, employees, and visitors. There were also specific concerns expressed over the methodology, comprehensiveness, and conclusions of the Parking Planning Study. Supporters of the Courthouse Project and the proposed disposition repeatedly expressed the perception that the parking issue is a “red herring” being used to stop the development of the Courthouse Project, and that the spaces in question have never been available to the general public, having previously been used by Courthouse users. Others

expressed significant concerns about whether residents would be able to continue to use the Garage for their monthly, daily and snow emergency parking needs. Residents in support of the proposed disposition stated that they accepted the results and conclusions of the Parking Planning Study and indicated that the benefits of the proposed disposition overall far outweigh the impacts of the reduction in parking available to the public in the Garage.

2. Description and Analysis of Alternative Uses for the Leasehold Interest c.2.110.010 B (1)

a. Garage Parking Spaces

The City received only one (1) proposal in response to the RFP and so the only alternative use for the Leasehold Interest that was considered by the City under the City Council's declaration of the 420 parking spaces and 9,000 SF of ground floor retail area available for disposition is the City's continuing to make the use of the Leasehold Parking Spaces available as part of the City's operation of the Garage as a municipal parking facility. Currently, there are several long-term leases for parking at the Garage totaling 513 unassigned spaces. The spaces are provided to those lease holders in the form of garage access cards. Other entities including area businesses and Cambridge residents have also been issued garage access cards, though not pursuant to long-term leases. There are approximately 260-380 spaces currently used with daily passes. One hundred thirty (130) spaces of these are available to the public pursuant to the UDAG Agreement. The Garage also serves as a designated parking location for Cambridge residents during City-declared snow emergency parking bans.

b. Ground Floor Retail Space

The City received only one (1) proposal in response to the RFP and so the only alternative use for the proposed Leasehold Ground Floor Retail Area that was considered under the City Council's declaration of the parking spaces and ground floor retail area available for disposition is the City's continuing to use the proposed Leasehold of the Ground Floor Retail Area for either storage or potential retail leasing in the future. The 9,000 SF of the proposed Leasehold of the Ground Floor Retail Area is currently vacant but is intermittently used by the City for storage and was used by the City in the past for other ground floor retail uses. The City has previously leased the ground floor space to retail entities with limited success.

3. Existing Zoning Status of the Property and Other Applicable Legal Requirements c.2.110.010 B (3-4)

a. Zoning Status

The current base zoning for the Garage is Business A ("BA"). Most residential dwellings, institutional uses, office and laboratories, and retail are permitted within the base district, along with some transportation, communication, and utility uses (see Section 4.30 of the Cambridge Zoning Ordinance.) For non-residential uses, the maximum Floor Area Ratio ("FAR") is 1.00

and the maximum height is 35 feet. For residential uses, the maximum FAR is 1.75, and the maximum height is 45 feet. (See Article 5.000 of the Cambridge Zoning Ordinance.)

The base district is modified by the PUD-4B overlay zoning district with the intention to provide the opportunity to create active, medium density commercial and residential with a mix of retail, office and residential land uses. The PUD-4B district was established in 2001 following the Eastern Cambridge Area Planning Study (“ECaPS”). This overlay zoning district specifically encourages a substantial housing component, where possible, located within the development parcel and adjacent to the existing residential neighborhood. The provisions of the PUD-4B district allow the approval of mixed-use PUD projects with greater height and density and more flexible dimensional limitations, subject to a special permit from the Planning Board (Cambridge Zoning Ordinance, Article 12.000 and Article 13.000, Section 13.50.) In granting a special permit, the Planning Board considers overall conformance with the plans for the area and public benefits that outweigh the impacts of the additional allowed development.

The following Table 4 is a summary of the applicable zoning requirements. See the referenced provisions of the Zoning Ordinance for more details:

First Street Garage Site Zoning Requirements - TABLE 4		
Zoning	BA (base zoning)	PUD-4B (subject to special permit)
Max. FAR (non-residential)	1.0	1.0
Max. FAR (residential)	1.75	2.0 (combined residential and non-residential)
Max. Height (non-residential)	35 feet	65 feet
Max. Height (residential)	45 feet	65 feet
Min. lot area/Dwelling Unit	600 SF	450 SF
Min. Open Space (non-residential)	No minimum	20% (all types)
Min. Open Space (residential)	15% (private)	20% (all types)
Min. Setback (non-residential)	No minimum	Determined by special permit
Min. Setback (residential-Front Yard)	10 feet + formula setback	Determined by special permit
Min. Setback (residential-Side Yard)	Formula setback	Determined by special permit
Min. Setback (residential-Rear Yard)	20 feet + formula setback	Determined by special permit
Inclusionary Housing Bonus (see Section 11.203 of Cambridge Zoning Ordinance)	30% increase Gross Floor Area (“GFA”) and dwelling units	30% increase in GFA and dwelling units

At the time that the Planning Board approved Special Permit 29 for the Garage, the site was in the PUD-4 overlay zoning district, which was established pursuant to the East Cambridge Riverfront Plan. Also, above-grade structured parking was not included in the calculation of Gross Floor Area or Floor Area Ratio limitations for a lot. Per Section 5.25.2 of the Cambridge Zoning Ordinance, new above-grade parking is included in GFA and FAR calculations for a lot, with some exceptions.

4. Development Potential of the Leasehold Interest - c.2.110.010 B (5)

The following Table 5 is a summary of the applicable zoning requirements relative to the development potential of the Garage.

a. Existing Garage Information

First Street Garage Existing Conditions (estimated) - TABLE 5	
Land uses	Parking, retail/office (some vacant or used for storage)
Zoning District	Base zoning BA/PUD-4
Land Area-Parcel Area	75,738 SF (1.73 acre)
Garage Area	Approximately 340,000 SF
Height	Approximately 66 feet
Open Space	3,738 SF
Garage footprint	Approximately 68,900 SF
Retail/office Gross Floor Area	Approximately 12,000 SF

b. Alternative Development Potential of the Leasehold Interest c.2.110.010 B (5)

There is no alternative development potential for the proposed Leasehold Parking Spaces or the proposed Leasehold Ground Floor Retail Area as the entirety of the proposed Leasehold Interest is wholly contained within the Garage, which functions and will continue to function as a municipal parking garage whether the Leasehold Interest is approved for disposition or not.

5. Development Plans Proposed for the Leasehold Interest c.2.110.010 B (6)

LMP proposes to make certain financial and programmatic commitments in exchange for the City granting the Developer the Leasehold Interest. Specifically, LMP proposes the following:

a. Community/Economic Benefits

i. **Garage Public Use:** The remainder of the parking spaces other than the Leasehold Parking Spaces in the Garage will continue to be used as part of the Garage’s functioning as a municipal parking facility, and neighborhood residents will continue to

be able to use the Garage for snow emergencies and parking within proximity to their residences.

ii. **Retail Programming:** Retail uses will include approximately 9,000 SF of rehabilitated retail space on First Street. The proposed retail programming includes:

- a. **Farmer's Market:** Fills a gap in area grocery offerings and increases security by activating retail frontage on First Street.
- b. **Community Center/Senior Space:** Dedicated community space for community events.
- c. **Demonstration Kitchen:** Serves public educational use and as a test kitchen.
- d. **Café:** Activates the west side of First Street.
- e. **Contribution of \$750K over the 30-year lease term dedicated to fund programming for the community center/senior space.** Retail would activate First Street, and a dedicated community center/senior space would provide a venue to serve East Cambridge residents.

iii. **Housing Development - Courthouse Project:** Modification of Affordable Unit Mix from 8 Affordable, 8 Moderate Income and 8 Market Rate Units to 24 Affordable Units. This is an estimated contribution value of \$5-6M.

iv. **Affordable Housing Trust:** Contribution of \$4.5M will be made to the Cambridge Affordable Housing Trust.

v. **Green Initiatives:** An upfront contribution of \$5.65M toward green initiatives such as a solar array and electric charging stations, at the City's sole discretion.

- a. **Solar Array Investment, Maintenance & Value:** Contribution of up to \$1.5M toward the solar array installation. Contribution of \$10K annually for solar array maintenance (\$250K). The estimated total value of electricity produced over the life of the solar array is \$3.5M. The annual value of electricity produced, estimated at \$140K initially, is to be retained by the City. LMP has committed to provide these funds to the City for other green initiatives" in the event that it is determined by the City that the Garage is not optimal for such an installation.

- b. **Electric Vehicle Charging Stations:** Contribution of \$400K toward 20 electric vehicle charging stations to service 40 vehicles at the Garage. LMP has committed to provide these funds to the City for other “green initiatives” in the event that it is determined by the City that the Garage is not optimal for such an installation.
- vi. **Bike Sharing Accommodations:** Contributing \$50,000 towards the City's installation of additional bike sharing accommodations in the vicinity of the Garage.
- vii. **Senior Parking Program:** Contribution of up to \$1.08M. This is a contribution of up to \$36K annually over the 30-year term to the City to provide senior parking subsidies at the Garage.
- viii. **City of Cambridge Community Benefits Stabilization Fund:** Contribution of \$500K over 10 years. This is a contribution of \$50K annually to be distributed pursuant to the City’s Community Benefits Ordinance, Chapter 2.127 of the Cambridge Municipal Code.
- ix. **Workforce Development:** Contribution of \$950K over 10 years will be committed to workforce development programs including Cambridge Housing Authority (\$25K annually/\$250K total), Cambridge Pathways to Apprenticeship Program (\$20K annually/\$200K total), and Just-a-Start (\$50K/\$500K total.)
- x. **Union Labor:** LMP pledges to carry out Garage improvements for any interior and/or fit-out work using major trade unions and to support an educational program for Cambridge students to learn from construction related to Garage improvements.

6. **Financial/Capital Improvement Benefits c.2.110.010 B (7)**

- a. **Lease Revenue - Parking:** Lease payments are estimated to be \$49.3M (before indexing using the CPI) over the 30-year lease term. This would result in a rate of revenue of \$326/space/month for the use of the 420 unassigned parking spaces, which is 45% higher than the current rate of \$225/space/month.
- b. **Lease Revenue - Retail:** Lease payments are estimated at \$3.375M over the 30-year lease term. This breaks down to \$12.50/SF for approximately 9,000 SF. This is an additional \$112,500 annually of revenue to the City.
- c. **Garage Capital Improvements:** Contribution for Garage improvements totals \$1.28M. This includes a lump sum payment of \$500K, and a payment of \$26K annually for a total of \$780K over the 30-year lease term. This will fund a multi-year capital improvement, repair and maintenance program.

- d. **Retail/Façade Improvements:** Contribution of \$4M toward façade improvements and retail fit-out proposed for the First Street rehabilitated retail space. This breaks down to \$2.5M estimated for improvements to the core and shell and \$1.5M estimated for fit-out and soft costs.

7. **Parking Planning Study c. 2.110.010 (6)**

The City commissioned the Parking Planning Study of the area near the Garage to determine the viability of leasing the proposed Leasehold Parking Spaces to a private developer. The Parking Planning Study took into account all current development and permitted development as well as concerns expressed at the First Community Meeting and at the two City Council hearings of November 5 and 19, 2018 relating to the proposed disposition. The study analyzed the impacts of the proposed Leasehold Interest both directly on the Garage and on parking in the surrounding neighborhood.

The summary and a cover memo from the Director of TPT is attached hereto as Exhibit 9, as noted on page 10 above. The full report and its data can be found online at <https://www.cambridgema.gov/firststreetgarage>. As noted in the cover memo, the key conclusions of the Parking Planning Study are as follows:

- a. There is ample parking within the study area to accommodate the anticipated 336 new daily parkers (based on 80% utilization of the 420 parking passes) at all times of the day.
- b. The potential lease will not inhibit the City's ability to provide monthly parking passes to Cambridge residents, or to make space available within the Garage during declared snow emergencies.
- c. Parking supply within the study area is significantly higher than parking demand, even if parking capacity at the CambridgeSide Mall is reduced in the future.
- d. The City will be able to continue to meet its obligations under the UDAG that helped finance construction of the Garage. This includes monthly parking that must be available to specified local buildings, as well as space for daily parkers.
- e. The proposed parking lease should not impact the availability of residential parking within the neighborhood, since non-resident customers parking within the Garage will not be able to access on-street resident permit parking.

- f. There are management and financial benefits associated with leasing parking to a single large customer, as opposed to large group of individual customers.

One ongoing source of uncertainty regarding parking supply and demand in the surrounding area is the possible redevelopment of the CambridgeSide Mall. New England Development (the owner of the Mall) has proposed a significant redevelopment of the site, though it seems likely that changes will be made to the zoning petition that is currently before the City Council and the Planning Board. The types of changes that have been suggested include reducing the proposed density and/or increasing the amount of housing. Both of these changes would likely reduce parking demand from the CambridgeSide Mall and increase the likelihood that parking would continue to be available for outside customers, including monthly and daily parkers who cannot find space at the Garage. It is also important to note that any redevelopment at the Mall would likely take a decade or more, during which time parking demand would be significantly reduced, creating additional space for unaffiliated parkers.

Should there be additional demand for commercial parking in the future, the data collection completed for the Parking Planning Study indicates that there are a number of underused office and residential parking garages in the study area that could potentially serve some of these users if they were to obtain commercial parking space permits. Although this would require property owners to take multiple steps—including obtaining commercial parking permits and seeking zoning approval for principal use parking—the City has heard informally that some of these garages may be looking for opportunities to lease out their excess parking.

Based on this study, the management plan for the Garage, and the status of parking facilities in the neighborhood surrounding the Garage, the Director of TPT has concluded that the Garage can successfully accommodate the lease of 420 unassigned parking spaces. As a result, the Director of TPT has indicated to the City Manager that based on the anticipated parking impacts, the City Manager can move forward with the disposition process.

8. Impacts on the Neighboring Area and the City as a Whole c. 2.110.010 (6)

For the area around the Garage, traffic on Third Street is congested at peak travel times. It is expected that additional traffic from the Garage will be diverted to First Street and away from Third Street especially when First Street is extended across Cambridge Street as part of the Cambridge Crossing redevelopment in the Northpoint area. Any additional traffic to the Garage that will be generated as a result of LMP's redevelopment of the Courthouse and the traffic impacts of that project have been thoroughly analyzed and reviewed as part of the Planning Board review undertaken in connection with its consideration of the application of LMP's Special Permit.

9. Recommended Financial Arrangements - Appraisals - c. 2.110.010 (7)

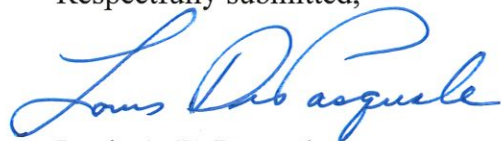
As required pursuant to the Disposition Ordinance, the City Solicitor received two independent, confidential appraisals for the Property. The purpose of the appraisals was to determine the value of the Property to a prospective buyer. City staff and I have reviewed the appraisals and I find that the offered price of \$326/space/month for the Leasehold Parking Spaces and \$12.50/SF/year for the Leasehold Ground Floor Retail Area, together with the proposed capital improvements and other financial benefits, are within an acceptable range. I find that the lease payments offered by LMP, combined with the other overall financial benefits outlined above together constitute a responsive and responsible offer, that it appropriately reflects the value of the Property, and that it is advantageous and would be highly beneficial to the City.

IV. Conclusion

Based upon a thorough analysis by the Evaluation Committee of the Proposal provided by LMP in connection with the redevelopment of the Courthouse, LMP's Proposal was determined to be responsive, responsible and advantageous to the City pursuant to the requirements of Chapter 30B. In its decision of Special Permit 288 for the Courthouse Project, which was granted by the Planning Board with conditions in October 2014, it was determined by the Planning Board that the Leasehold Interest for the Garage's Leasehold Parking Spaces and Leasehold Ground Floor Retail Area would bring much needed community benefits and amenities to East Cambridge. It is believed that the Proposal would reactivate First Street and generate revenue to fund the necessary capital improvements to maintain and extend the life cycle of the Garage, while maintaining parking availability for residents. I believe the disposition of the Leasehold Interest would produce the greatest public benefit that can be obtained for the proposed use of the Leasehold Parking Spaces and proposed use of the Leasehold Ground Floor Retail Area in the Garage at this time. The public process to engage the community regarding the proposed disposition of the Leasehold Interest has been robust and transparent, and I believe that the City has made and will continue to make appropriate efforts to address neighborhood concerns.

Therefore, based upon the foregoing, I recommend that the City Council authorize me to enter into a disposition agreement for the aforementioned Leasehold Interest in the Garage with LMP on such terms and conditions as I consider necessary and appropriate after consideration of this Report, the Planning Board recommendation, and a public hearing on the proposed disposition before the full City Council.

Respectfully submitted,



Louis A. DePasquale
City Manager

Attachments:

Exhibit-1: Context

Exhibit-2: Aerial Photograph

Exhibit-3: Garage Site Zoning Plan

Exhibit-4: Garage Site Land Use Plan

Exhibit-5: Garage Site Retail Area Plan

Exhibit-6: Council Order Declaring Lease Available for Disposition

Exhibit-7: Summary of Benefits of LMP's Courthouse Project

Exhibit-8: Disposition Ordinance, c.2.110

Exhibit-9: Summary of Parking Planning Study

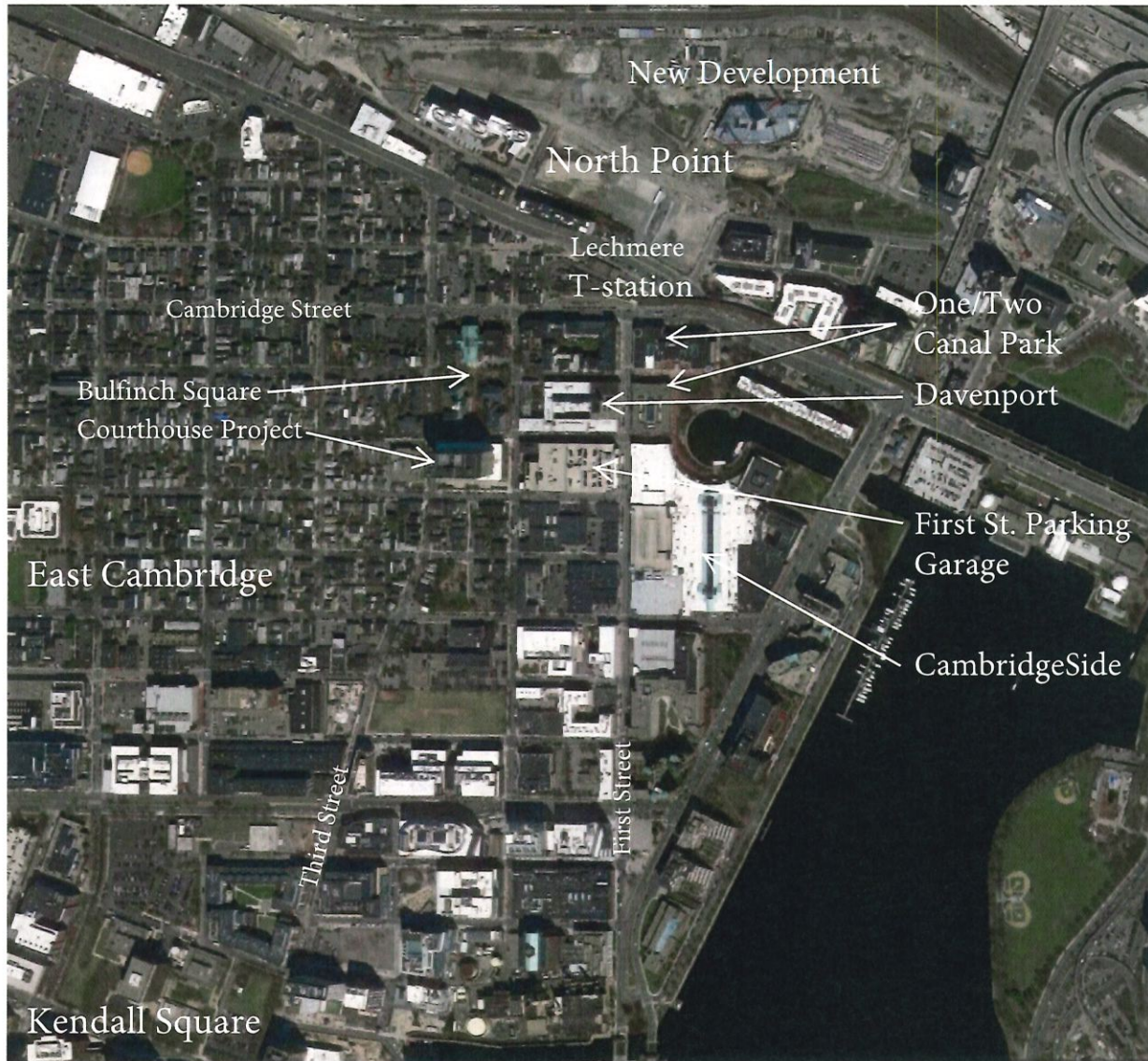


Exhibit-1: Context

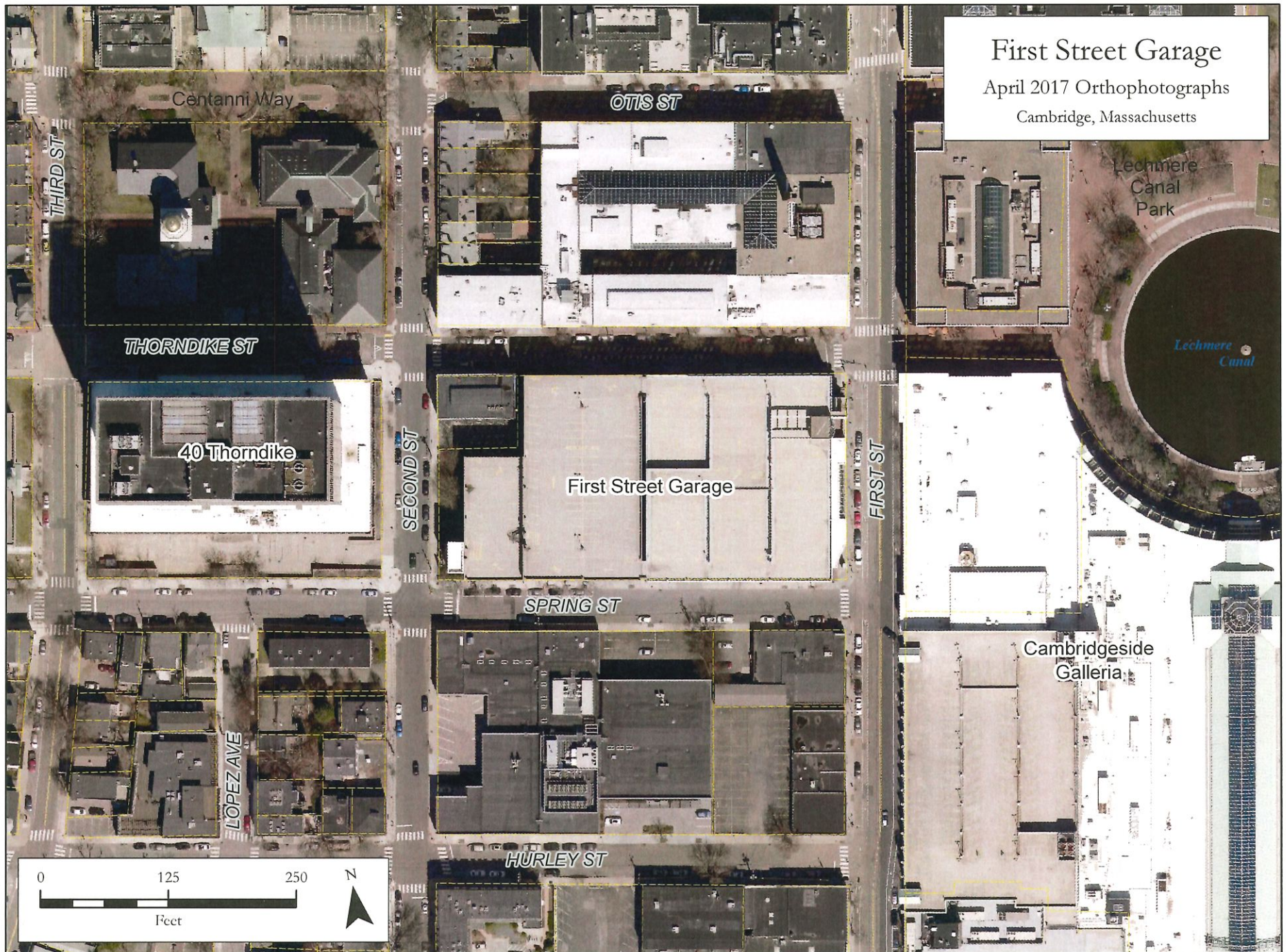


Exhibit-2- Aerial Photograph

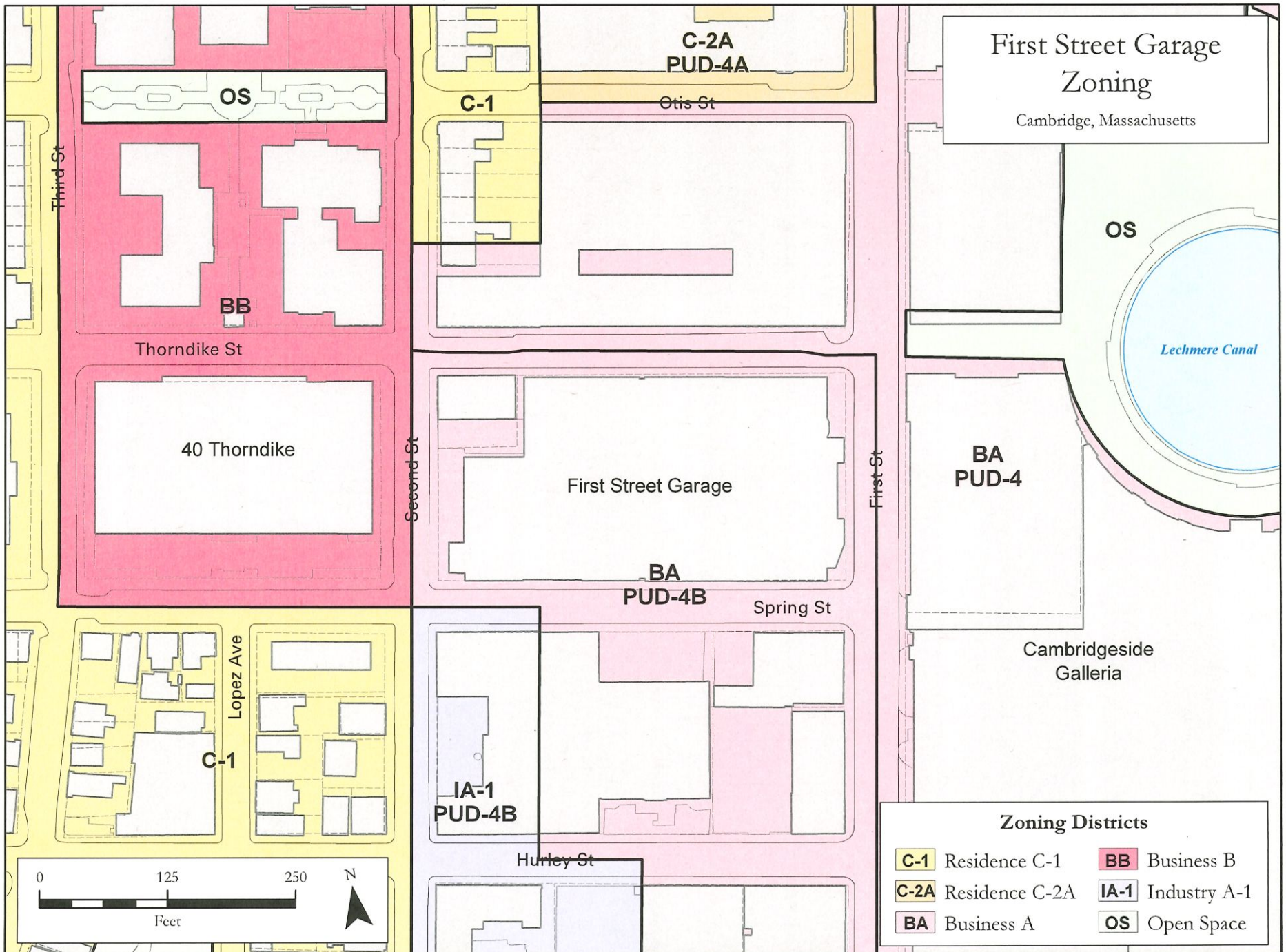


Exhibit-3 - Garage Site Zoning Plan

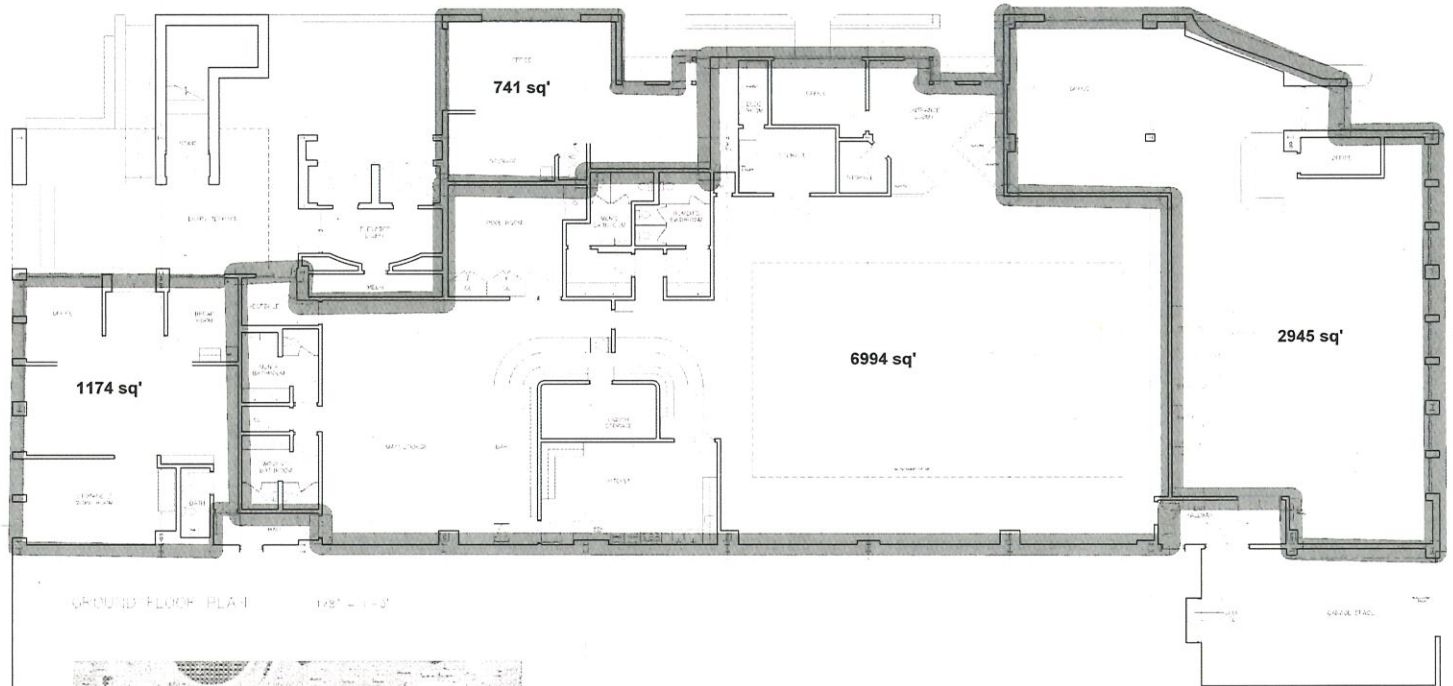


Exhibit-4 - Garage Site Land Use Plan

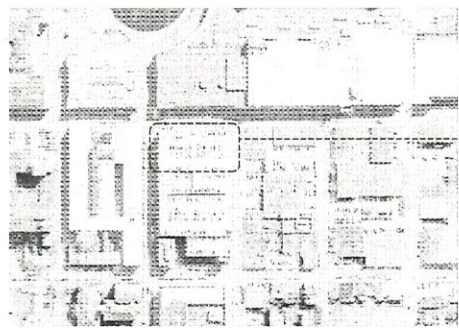
FIRST STREET

THORNDIKE ST

SPRING ST



GROUND FLOOR PLAN 1:81' = 1" = 0



SERIAL PHOTO OF SITE 1:11'



Scale AS SHOWN
 Date
 Job No.
 Designed by
 Drawn by
 Checked by
 Approved by

No.

Description REVISIONS

Date

CAMBRIDGE DEPARTMENT OF PUBLIC

CITY OF CAMBRIDGE, MASSACHUSETTS
 FIRST STREET PARKING GARAGE -
 GROUND FLOOR BUSINESSES

A1
 File No.

Exhibit-5 : Garage Site Retail Area Plan

Exhibit-6: Council Order Declaring Lease Available for Disposition



City of Cambridge

Agenda Item No. 8A
IN CITY COUNCIL
October 7, 2013

- WHEREAS:** Leggat McCall Properties has requested that the City of Cambridge ("City") make available for disposition a long-term leasehold interest to Leggat McCall of four-hundred twenty (420) parking spaces and a portion of the ground floor retail space at the City-owned First Street Garage, located on the east side of Thorndike Street between Second Street and First Street (the "Property"), in order to satisfy its asserted parking needs in association with its planned redevelopment of the former Edward J. Sullivan Courthouse at 40 Thorndike Street, and to improve and manage first floor retail space at the Property to contribute to the vitality of the area. Leggat McCall states in its letter that one of its goals in improving the retail space would be to secure a retail grocery store as a tenant there, which Leggat McCall would manage as lessor through a master lease arrangement with the grocery store as lessee; and
- WHEREAS:** Potential advantages to the City from such a disposition include: increased parking space revenue from the under-utilized parking garage; increased revenue from new businesses locating in the retail space in the Property; the provision of valuable retail services to area residents (such as a grocery store); making the First Street area more vibrant; and reducing the City's administrative burden in managing the retail space at the Property; and
- WHEREAS:** Chapter 30B of the Massachusetts General Laws requires that the City secure appraisals for the value of the proposed leasehold interest and issue a Request for Proposals (RFP) from parties that may be interested in acquiring a leasehold interest according to the conditions set forth by the City in the RFP. A winning bidder would be selected, but the eventual disposition of the leasehold interest would be conditioned upon completion of the additional process set forth below; and
- WHEREAS:** Chapter 2.110 of the City of Cambridge Municipal Code (the "Disposition Ordinance"), outlines a process required for the City to dispose of City-owned property, which will result in a "fair analysis of how the greatest public benefit can be obtained from the City property in question." The City Manager is required to convene a community meeting to discuss the matter and submit a detailed report to the City Council, the Planning Board and the City Clerk. The City Council would then refer the matter to separate public hearings by the Planning Board and the City Council, after which the City Council must vote by a two-thirds majority to approve disposition of the leasehold interest at an agreed-upon price. If the vote were to fail at that time, then there would be no disposition of a leasehold interest in the Property; and

WHEREAS

An action by the City Council to declare this leasehold interest available for disposition would initiate a process, lasting approximately six to eight months, during which the value of the leasehold interest would be appraised, a formal proposal would be solicited from the potential master lessee, and public hearings would be held to evaluate the proposal. At the end of this process, the City Council would decide whether or not to dispose of a leasehold interest at a specified price, along with any other terms and conditions of the master lease; now therefore be it

ORDERED:

That the City Council hereby declares the 420 parking spaces and the first floor retail space at the First Street Garage Property available for disposition by lease on terms and conditions satisfactory to the City, and authorizes the City Manager to initiate a process pursuant to Chapter 30B of the Massachusetts General Laws, Chapter 2.110 of the Cambridge Municipal Code, and other applicable laws, during which the value of the leasehold interest will be appraised, formal proposals will be solicited from interested parties, and public hearings will be held, which will result in a fair analysis of how the greatest public benefit can be obtained from the disposition of a leasehold interest and assist the City Council in determining whether and on what terms to dispose of a leasehold interest at the Property.

In City Council October 7, 2013

Adopted by a yeas and nays vote:-

Yeas 9; Nays 0; Absent 0; Present 0.

Attest:- Donna P. Lopez, City Clerk

A true copy;

Donna P. Lopez

ATTEST:-

Donna P. Lopez, City Clerk

8

City of Cambridge

Richard C. Rossi • City Manager



Executive Department

Lisa C. Peterson • Deputy City Manager

City Hall • 795 Massachusetts Avenue • Cambridge • Massachusetts • 02139
617-349-4300 • Fax: 617-349-4307 • City: 617-492-0233 • www.cambridgema.gov

October 7, 2013

To the Honorable, the City Council:

Attached is a letter dated September 26, 2013 from Leggat McCall Properties requesting that the City of Cambridge consider the disposition by a long-term lease to Leggat McCall of four-hundred twenty (420) parking spaces and a portion of the ground floor retail space at the City-owned First Street Garage. Leggat McCall has requested this in order to satisfy its asserted parking needs in association with its planned redevelopment of the former Edward J. Sullivan Courthouse at 40 Thorndike Street, and to improve and manage first floor retail space at the First Street Garage to contribute to the vitality of the area. Leggat McCall states in its letter that one of its goals in improving the retail space would be to secure a retail grocery store as a tenant there, which Leggat McCall would manage as lessor through a master lease arrangement with the grocery store as lessee.

Potential advantages to the City from such a disposition include: increased parking space revenue from the under-utilized parking garage; increased revenue from new businesses locating in the retail space in the garage building; the provision of valuable retail services to area residents (such as a grocery store); making the First Street area more vibrant; and reducing the City's administrative burden in managing the retail space.

An action by the City Council to declare this property available for disposition would initiate a process, lasting approximately six to eight months, during which the value of the property to be leased would be appraised, a formal proposal would be solicited from the potential master lessees, and public hearings would be held to evaluate the proposal. At the end of this process, the City Council would decide whether or not to dispose of the property at a specified price, along with any other terms and conditions of the master lease. Attached is a memorandum from the Director of Traffic, Parking and Transportation to me stating that the 420 parking spaces in the First Street Garage and the portion of the first floor retail space used by the Traffic, Parking and Transportation Department are available for disposition so long as the areas used by the department are relocated to other property sufficient to serve the department's needs. The remainder of the retail space at the garage building is currently vacant and also available for disposition.

Property Disposition Process

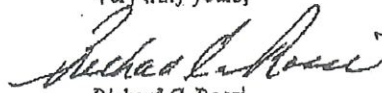
There are two critical steps in the property disposition process:

- Chapter 30B of the Massachusetts General Laws requires that the City secure appraisals for the property and issue a Request for Proposals (RFP) from parties that may be interested in acquiring the property according to the conditions set forth by the City in the RFP. A winning bidder would be selected, but the eventual disposition of the property would be conditioned upon completion of the additional process set forth below.
- Chapter 2.110 of the City of Cambridge Municipal Code (the "Disposition Ordinance"), outlines a process required for the City to dispose of City-owned property, which will result in a "fair analysis of

how the greatest public benefit can be obtained from the City property in question." The City Manager is required to convene a community meeting to discuss the matter and submit a detailed report to the City Council, the Planning Board and the City Clerk. The City Council would then refer the matter to separate public hearings by the Planning Board and the City Council, after which the City Council must vote by a two-thirds majority to approve disposition of the property at an agreed-upon price. If the vote were to fail at that time, then the property would remain with the City.

I am requesting now that the City Council declare the 420 parking spaces and the first floor retail space at the First Street Garage available for disposition on terms and conditions satisfactory to the City. This action would authorize me to begin the process of obtaining appraisals and issuing a Request for Proposals.

Very truly yours,



Richard C. Rossi
City Manager

RCR/mec
Attachment



September 26, 2013

SEP 26 '13 PM 1:56 City Manager

Richard C. Rossi
City Manager
City Hall
795 Massachusetts Avenue
Cambridge, MA 02139

**Re: Proposed Long-term Lease of Parking Spaces and Portion of Ground Floor
at City-owned First Street Garage**

Dear Mr. Rossi:

As you know, Leggat McCall Properties ("Leggat") has been selected by the Division of Capital Asset Management and Maintenance ("DCAMM") as the successful bidder for the former Edward J. Sullivan Courthouse at 40 Thorndike Street in Cambridge (the "Courthouse"). Leggat is in the process of preparing to seek approvals from the Cambridge Planning Board that will allow redevelopment and adaptive reuse of the Courthouse (the "Courthouse Project"),

As planning for the Courthouse Project has progressed, it has become apparent that there are opportunities for the Courthouse Project to meet project needs while simultaneously advancing both the interests of the neighborhood and the City of Cambridge. One of those opportunities is presented by the underutilized City of Cambridge First Street Garage. After extensive evaluation of the project's parking needs, and the physical constraints of the Courthouse and other site conditions, Leggat believes that approximately 90 parking spaces could be created within the Courthouse building complex itself in the lower two levels. However, from a land use planning perspective, the remainder of the Courthouse Project related parking ideally would be located directly across the street in the already existing and underutilized City-owned First Street Garage. Leggat therefore respectfully requests that the City of Cambridge make available for long term lease 420 parking spaces within the First Street Garage.

By leasing currently unused spaces within the First Street Garage, the City of Cambridge can increase its revenues essentially without incurring any additional costs or obligations. The First Street Garage would be more fully utilized for the purpose for which it was originally dedicated and constructed, as set forth in the original federal Urban Development Action Grants that helped finance the garage.

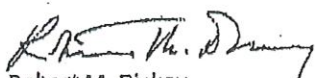
Richard C. Rossi
September 26, 2013
Page 2

Moreover, as part of its lease of parking spaces within the garage, Leggat would also be willing through a Master Lease arrangement to accept responsibility for management of ground floor retail space within the first floor of the garage. Through a Master Lease, Leggat would commit to improving that retail space, with the goal of securing a retail grocery store as a tenant. Leggat believes that such a Master Lease could relieve the City of administrative burdens while at the same time securing for the City more revenue than it currently achieves. We believe that the proposed improvements to the garage, and the resulting active retail uses along this portion of First Street, materially help to advance the City's planning objectives for this area by contributing to the vitality of First Street and providing valuable retail services to area residents.

It is our understanding that leasing the 420 parking spaces and the ground floor of the garage in the manner described herein would constitute a disposition of City Owned Property and thus could be subject to the Chapter 30B process as well as the provisions of Chapter 2.110 of the Cambridge Municipal Code. We respectfully suggest that, if the City wishes to pursue consideration of both the lease of 420 parking spaces within the garage, and a master lease of ground floor retail space within the garage, then the valuation process and ultimate approval of the lease by the City should: (i) separately establish a value for the long-term lease of 420 parking spaces within the First Street Garage, and the first floor retail space Master Lease; and (ii) require responsive proposals to address, in combination, both the long-term lease of the parking spaces and the lease of the first floor retail space.

Thank you for your attention to this important issue. I would be pleased to meet with you to discuss our request further.

Very truly yours,



Robert M. Dickey
Executive Vice President/Partner

Exhibit-7: Summary of Benefits of LMP's Courthouse Project

COMMITTED BENEFITS OF THE COURTHOUSE PROJECT

The following are benefits which LMP has committed to in conjunction with the Planning Board's grant of a Special Permit for the Courthouse Project:

- Estimated resulting new annual property tax revenue of \$3.8 million dollars. This assumes lost property tax revenue for six (6) years if the Courthouse Project does not move forward until a replacement project might be approved is approximately \$22,800,000. **The total property tax revenue for 30 years with no assumed annual increase in the annual tax revenue would be \$114,000,000.**
- **Estimated \$7 M payment to the Cambridge Affordable Housing Trust**, pursuant to the Incentive Zoning provisions.¹
- Mix of affordable unit mix: 8 affordable, 8 moderate-income, and 8 market rate units.²
- Commitment to carry out the Courthouse redevelopment/improvement with a General Contractor who is signatory to major trade unions.
- Open Space: "Publicly beneficial open" space on Spring and Second Street.
- Open Space: Create and maintain a "complementary landscaped courtyard" in the existing garage's open space on Second Street.
- Charles River Transportation Management Association (TMA): Provide ride matching, EZ-Ride shuttle service, emergency ride home service, vanpool formation assistance, and discounted car-sharing program to all Project Residents and Project Employees). Purchase and install EZRide benches, one inbound and one outbound.
- Transit Pass Program: Provides 100% transit subsidy for MBTA monthly passes to all employees of commercial tenants of 40 Thorndike who receive health care benefits (w/tax-free limit).³
- Provide residents with a MBTA Charlie card with value of a one-month combined bus/subway pass (currently \$84.50, to rise with fare increases) to each adult member of household (up to 2).⁴
- Bicycle Incentive (1): funds the installation of a BlueBikes station onsite, prior to issuance of Certificate of Occupancy.⁵

¹ The Proposed Garage Disposition provides an additional commitment of \$4.5 million to the Cambridge Affordable Housing Trust.

² The Proposed Garage Disposition also amends this commitment to provide for 24 affordable housing units. This is an estimated additional value of \$5-6 million.

³ The Proposed Garage Disposition expands the 100% transit subsidy to extend the subsidy to employees of retail tenants as well as commercial tenants.

⁴ The Proposal expands this benefit to provide Courthouse Project Residents with two MBTA monthly passes, at 100% subsidy, for the first three months of tenancy. This applies each time a new household moves in.

⁵ The Proposal provides for an additional contribution of \$50,000 toward the City's Bike share in the form of installation of additional bike-sharing accommodation near the First Street Garage.

Exhibit-7: Summary of Benefits of LMP's Courthouse Project, continued

- Bicycle Incentive (2): Provide a minimum Silver Level BlueBikes membership to all employees including retail. Will require all building commercial and retail tenants to become Silver Level Corporate Members of BLUE-Bike.⁶
- Monitoring Program: Will conduct a yearly survey on Employee transportation mode split and to produce a report on parking utilization counts every biennial parking utilization counts.
- Have an On-site transportation coordinator to serve Project Employees and Project Residents.
- Have Preferential parking: Provide dedicated parking spaces for 7 rideshare carpool parking spaces. Provide one Level 21 electric vehicle charging station at 40 Thorndike to serve 2 parking spaces.⁷
- Bicycle Parking: Provides 216 bicycle spaces. (166 long-term and 50 short-term spaces on site).
- Bicycle and Walking Incentive: Promotes and participates in the City's Green Streets Initiative, Walk/Ride Day Corporate Challenge, and other events as part of the City's month-long Go-Green Month.
- Bicycle Incentive: Sponsor one bike-to-work program annually. Provide funds for a bicycle maintenance station and for air pump.
- Access to Zipcars: Provide at least 2 ride-sharing parking spaces either on-site or nearby, (more if there is demand) subject to further agreement with a ride-sharing company.
- Alternative Work Hours and Telecommuting: tenants will be encouraged to allow Employees to use flexible and staggered work hours.
- Marketing and Promotion Materials: incentivize building users toward reducing Single Occupancy Vehicle (SOV) trips. Provide information to access to transit schedules, ridesharing, and orientation for new building users, as well as notification of transportation related programs and an interactive website, printed materials, and bulletin boards and kiosks.
- Charge market-rate parking fees to employees who drive alone to park at 40 Thorndike Street or the First Street Garage.
- Will provide Parking Program for car-pools and van-pools to receive a discounted parking rate to parking on-site at 40 Thorndike Street.
- Will provide job listings to the Office of Workforce Development from commercial and retail tenants. This is intended to encourage hiring of local Cambridge residents for jobs located in the project area.

⁶ The Proposal expands this benefit to provide 100% subsidy for Silver Level BlueBikes BLUE-Bike membership for three months for (1-2) adults per Resident household. This applies each time a new Resident moves in.

⁷ The Proposal expands this benefit to provide that as part of the First Garage lease, LMP will contribute funds toward the installation of 20 charging stations at the Garage, serving 40 spaces. Also, LMP would increase the number of 40 Thorndike charging stations to 4 charging stations, at 40 Thorndike Street, to serve 8 parking spaces.

Exhibit-8: Disposition Ordinance, c. 2.110

2.110.010 - Disposition of city property.

This chapter shall apply to the sale, transfer, lease or rental, or exchange of any city-owned property or property rights or interest such as a public easement on private property, collectively called "Disposition of City Property." This chapter shall not apply to the transfer of real estate, or any interest therein, to the Affordable Housing Trust for the purposes of construction of low- and moderate-income housing pursuant to M.G.L. c. 40, s. 15A.

The purpose of this chapter is to protect the citizens of Cambridge and to achieve land uses that best serve the City's public purpose.

In addition, when the public purpose is found to be best served by a disposition of City property for a private purpose, 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.

No disposition of City property shall be completed unless the above criteria have been satisfied, all requirements of applicable State law have been met, and the following process has taken place:

- A. The City Manager shall be responsible for engaging in a process that will result in a fair analysis of how the greatest public benefit can be obtained from the City property in question.
- B. The City Manager shall prepare a report. The report shall be based on careful consideration of the issues enumerated below. In the course of preparing the report, at least one community meeting shall be held to discuss the issues and community concerns and they shall be addressed in the report. Advance notice of such meetings shall be given to potentially affected persons describing the proposals under consideration. The report shall include the following information:
 1. A description and analysis of the alternative uses for the City property, including an analysis of public benefits and drawbacks and the financial impact of each alternative;
 2. The use of the City property at the time of the recommended disposition and any actual or projected annual revenues or costs associated with such property;
 3. The existing zoning status of the property and other City, State, and federal laws, codes, ordinances and regulations that apply to it at the time of the recommended disposition and that would apply to the various alternative uses analyzed;
 4. Any attempts to rezone the property or to change existing laws, codes, ordinances or regulations or uses with regard to the property that have taken place within the previous five years;
 5. The development potential of the property;
 6. A full description of development plans proposed for the site, including traffic and parking studies and other appropriate analyses of the impact on the neighboring area and the City as a whole;
 7. A review of the financial arrangements being recommended, including two independently prepared impartial appraisals of such property's worth that contain an independent, good faith estimate of such property's worth to the prospective buyer, transferee, or lessee.
- C. The City Manager shall submit the report to the Planning Board and to the City Council and City Clerk for public dissemination. The Planning Board shall hold a public hearing not sooner than two weeks after receipt of the report, and after study, shall submit its recommendation to the City Manager for submission to the City Council.
- D. The City Council shall hold a public hearing within six weeks of receipt of the City Manager's recommendation and the Planning Board report.
- E. At least fourteen days prior to the public hearings by the Planning Board and the City Council, the City Clerk shall post notice of the hearings at various conspicuous locations upon the City

Exhibit-8: Disposition Ordinance, c. 2.110, continued

property, giving the purpose of the hearing in detail, and shall send this written notice to the owners of property and renters, listed on the annual street list or on the assessor's records, within three hundred feet of the City property.

The City Clerk shall notify civic groups and neighborhood associations who may be affected by or interested in such disposition of City property and shall publish notice of said hearings in newspapers of general circulation within Cambridge at least fourteen days prior to the date of each said hearing.

- F. The disposition of City property shall require a 2/3 vote of the City Council.
- G. For the disposition of city property that is of such little significance that the above described process would be unduly burdensome, the City Manager may request of the City Council a diminution of this process. Approval of such a request shall require a 2/3 vote of the City Council.

(Ord. 1105, 1990)



CITY OF CAMBRIDGE

TRAFFIC, PARKING, + TRANSPORTATION

MEMORANDUM

To: Louis A. Pasquale, City Manager

From: Joseph E. Barr, Director

Date: June 14, 2019

Subject: First Street Area Parking Planning Study – Final Report

I am pleased to submit the final report for the First Street Area Parking Planning Study, which was completed by the consulting team of Kleinfelder and McMahon Associates. This study assesses the impacts of the potential lease of 420 unassigned parking spaces in the First Street Parking Garage, out of a total 1,110 parking spaces. Attached are both the final technical report and a summary document that provides a shorter and more user-friendly overview of the study process and results.

The most important conclusions of the consultant's study are as follows:

- There is ample parking within the study area to accommodate the anticipated 336 new daily parkers (based on 80% utilization of the 420 parking passes) at all times of the day.
- The potential lease will not inhibit our ability to provide monthly parking passes to Cambridge residents, or to make space available within the Garage during declared snow emergencies.
- Parking supply within the study area is significantly higher than parking demand, even if parking capacity at the CambridgeSide mall is reduced in the future,
- The City will be able to continue to meet its obligations under the Urban Development Action Grant (UDAG) that helped finance construction of the Garage. This includes monthly parking that must be available to specified local buildings, as well as space for daily parkers.
- The proposed parking lease should not impact the availability of residential parking within the neighborhood, since non-resident customers parking within the garage will not be able to access on-street resident permit parking.
- There are significant management and financial benefits associated with leasing parking to a single large customer, as opposed to large group of individual customers.

Considering the results of this study, and our ongoing management plan for the First Street Garage, my conclusion and recommendation is that the Garage can successfully accommodate the lease of 420 unassigned parking spaces, and you should therefore feel confident in moving forward with the disposition process based on the anticipated parking impacts.



Summary of First Street Area Parking Planning Study Report

The City of Cambridge retained the services of Kleinfelder, lead engineering and public outreach consultants, and McMahon Associates (McMahon), transportation planning and engineering consultants, to prepare an evaluation of the current parking supply in the vicinity of the First Street Garage located in the East Cambridge neighborhood of Cambridge, Massachusetts.

Study Purpose

The City of Cambridge seeks to study the parking utilization patterns of existing on-street and off-street parking in the area around the First Street parking garage, located at 55 First Street. The study was initiated based on a request received by the City to lease 420 unassigned parking spaces, out of a total

1,110 parking spaces, and approximately 9,000 square feet of ground floor area intended for a retail use, in the City-owned First Street Garage for a period of 30 years. Based on a public meeting held on October 30, 2018, City Councillors and residents of the East Cambridge neighborhood have expressed a desire to better understand parking availability in the area and the impact that leasing 420 unassigned parking spaces in the First Street Garage could have on parking supply and demand in the future, both at the garage specifically and more generally in the adjacent neighborhood.

The results of the parking utilization study will inform discussions and decision-making associated with the potential disposition of the 420 unassigned parking spaces and 9,000 square feet of ground floor retail area.

Study Purpose

The City has received a proposal requesting to lease 420 unassigned parking spaces and approximately 9,000 square feet of ground floor area intended for retail use in the City-owned First Street Garage, located at 55 First Street.

This study evaluates the potential effects that leasing 420 additional unassigned parking spaces in the garage could have on parking demand in the area, now and in the future. Based on this analysis, there is ample parking available within the immediate vicinity to accommodate this request, without impacting the availability of parking for local residents.

Study Area & Parking Inventory

Parking supply in the First Street Garage neighborhood was analyzed for weekday and Saturday utilization. The study area includes all on-street parking on both sides of the street within the study area as well as a representative sample of off-street parking lots and garages. Off-street parking was both inventoried in the field and analyzed based on available data and reports. The study area, depicted in **Figure 1**, includes the following parking:

- 1,001 on-street parking spaces (curbside)
- 5,707 off-street parking spaces (privately owned garages and lots)
- 1,110 parking spaces in the First Street Garage (City of Cambridge)

On-Street Parking

For the most part, on-street parking is signed, but not delineated with striping, with the exception of metered parking spaces. For un-striped areas, an estimate of the number of parking spaces was determined by block face, taking into account driveway locations and setbacks from intersecting streets, assuming 18-foot per parking space.

On-Street Parking

Types of on-street parking in the study area include:

- *Two-hour meter parking, effective:*
 - 9:00 A.M. to 5:00 P.M., or*
 - 8:00 A.M. to 6:00 P.M.*
- *Two-hour meter/permit parking:*
 - Meter from 8:00 A.M. to 6:00 P.M.*
 - Residential permit parking from 6:00 P.M. to 8:00 A.M. except on Sundays*
- *Two-hour non-metered parking:*
 - 8:00 A.M. to 6:00 P.M.*
- *Residential permit parking*
- *Unregulated parking*
- *Accessible parking*
- *Traffic/municipal vehicle parking (Thorndike Street)*
- *Best Buy in-store pick-up (Cambridgeside Place east of First Street. Note that Cambridgeside Place is a private way not under the jurisdiction of the City).*
- *Loading zone regulations are typically in place from 8:00 A.M. to 6:00 P.M.*

FIGURE 1: STUDY AREA MAP



Off-Street Parking

Off-street parking locations in the study area were selected based on a review of the off-street parking data provided by the City, a field inventory, and on their proximity to the First Street Garage.¹ Parking use information for each facility was provided by the City,² and are defined as:

- **Employee:** Parking for employees of a specific employer
- **Commercial:** Parking available to the public, but may be owned by a private entity
- **Residential:** Parking available for residents of a specific location

Off-street parking utilization data was collected in the field or extracted from reports and data provided by the City of Cambridge.³ The total parking inventoried by land use type is provided in the **Table 1** below.

TABLE 1: OFF-STREET PARKING BY LAND USE TYPE

Land Use	Number of Spaces
Employee	2,677
Commercial	2,200
Residential	830
Total	5,707

Data Collection Methodology

Parking utilization data was collected both weekdays and Saturdays to understand residential, employee, and commercial parking demand in the study. This provides insight on the availability of resident parking, and employees and visitors of local businesses at different times of day. Residential and retail parking demand is likely to be captured over the course of a "typical weekday" whereas restaurant parking may be higher on a Friday or Saturday evening.

Dates were selected to best represent typical parking patterns, avoiding school vacation week and President's Day, Valentine's Day, the Patriot's Super Bowl Parade, snow fall, and street sweeping in the study area. To obtain a representative sample of parking demand, the dates and time periods listed in **Table 3** were selected for on-street and off-street parking counts.

Occupancy for each parking space was recorded in increments of 1-hour for on-street parking and every 2-hours for off-street parking throughout the observation periods.

The First Street Garage has a total of 1,110 spaces currently available. Ten of these spaces are reserved for users including ZipCar, Cambridge Health Alliance (CHA) carpool/vanpool, golf carts, and operational

uses.⁴ The garage has multiple users, including City of Cambridge residents via monthly passes or during snow emergencies, local building tenants via monthly passes are required by the HUD Urban Development Action Grant (UDAG), and the general public via short-term parking by the hour or day. **Table 2** lists monthly passes for the garage by pass type for January 2019.⁵ Certain user groups, such as the CHA are required to occupy less than 200 spaces at any given time.⁶

TABLE 2: MONTHLY PASSES BY USER TYPE

Cambridge Residents	236
Regular office/non-resident users (includes UDAG required passes)	617
Cambridge Health Alliance	358
Commonwealth of Massachusetts	57
Gore Street Project	23
Complimentary*	211
TOTAL	1,502

*Complimentary passes provided for City vehicles garage staff, a limited number of CHA and state employees, and others per temporary agreements.

TABLE 3: FIELD COLLECTION DATES AND TIMES

On-Street Data Collection		Off-Street Data Collection	
Date	Times	Date	Times
Tuesday February 26	6 AM – 12 AM every hour	Wednesday February 13	8 AM – 8 PM every two hours
Saturday March 9	6 AM – 12 AM every hour	Saturday February 9	8 AM – 8 PM every two hours
Tuesday April 9*	9 AM – 11PM every hour	N/A	N/A

* Supplemental data collection day in response to public comments received at the March 26, 2019 community open house. Includes the expanded area bounded by First Street to the east, Otis Street to the north, Hurley Street to the south, and Fifth Street to the west.

1. List of off-street parking facilities provided by the City of Cambridge via email on January 11, 2019. The off-street inventory contains the majority of off-street parking facilities in the area. Some smaller, privately owned surface parking lots were excluded.
2. City of Cambridge email January 24, 2019. For facilities with multiple land uses the following assumptions were made: 2 Canal Park (47 commercial spaces, 80 employee spaces) 75-125 Binney Street (328 employee spaces, 69 residential spaces).
3. Utilization for 4 Canal Park and 170 First Street was provided by property owners to the City and assumed to be the same for weekdays and Saturdays.
4. Data provided by City of Cambridge First Street Garage Manager via email April 1, 2019.
5. Accounts by Rate, provided by City of Cambridge
6. Data provided by City of Cambridge First Street Garage Manager via email April 1, 2019

Parking Utilization Trends

OFF-STREET PARKING UTILIZATION:

- Parking is underutilized on both a weekday and a Saturday. Even when off-street parking is most in demand, approximately half of the overall supply remains available.
- The highest use of parking is midday from 12:00 PM-2:00 PM on both a weekday and a Saturday, with just under 50% of parking spaces used.

ON-STREET PARKING UTILIZATION:

- The highest use of parking on a weekday is at 11:00 AM with 81% of spaces used.
- The highest use of parking on a Saturday is at 8:00 PM with 68% of spaces used.
- This is within the recommended 85% "effective capacity" for business district commercial parking systems.

Peak parking demand in the study area at occurred at 12:00 PM on a weekday in February

FIRST STREET GARAGE UTILIZATION:⁷

Parking utilization in the First Street Garage was analyzed hourly in February 2019:

- Lowest on weekdays at 11:00 PM with only 15% of spaces used.
- Highest on weekdays at 10:00 AM with 83% of spaces used. Parking is most used from 9:00 AM to 2:00 PM.
- Highest on Saturday at 12:00 PM with 17% of spaces used.
- Existing demand is comfortably accommodated throughout the day.
- The garage is a good example of shared parking, by balancing parking needs between different users, at different times of day, and on different days of the week.

Use of the garage on weekdays has increased between 2011 and 2018 with the average utilization growing from approximately 45% in 2011 to approximately 71% in 2018. Potential causes of the up and down changes in utilization over this time include the following:

- Closure of the Sullivan Courthouse in 2014;
- Growth in the economy, which led to an increase in development bringing more residents and employees to the area;
- Variation in parking fees within East Cambridge;
- Increased hourly parking rates at the CambridgeSide mall;
- Leasing of spaces to Cambridge Health Alliance employees during renovations to one of their garage facilities;
- Issuance of approximately 125 parking passes to non-residents who are on a waiting list to enhance revenue and better serve local businesses. These passes have been issued with a clear understanding that they can be cancelled with limited notice.

To better understand trends overtime when the garage is highly utilized, the days when the garage was at least 80% utilized were evaluated from 2011-2018 and are referred to as "high utilization days." This data indicates the months with the most high utilization days are February, January, and December. The days of the week when the most high utilization days occur are Wednesdays and Thursdays.

Examining high utilization days over time helps illustrate that there is no true "typical" day for parking utilization, as it is constantly in flux between hours of the day, days of the week, and months of the year.

Data used in this analysis for off-street parking and the First Street Garage was taken on Wednesday, February 13, 2019. Based on the historical utilization trends, this provides a conservative approach to the analysis, as utilization on this day is likely higher than average compared to other days of the week and months of the year.

Between 2011 and 2018 the First Street Garage was most heavily used:

- During winter months, December to February
- Mid-week on Wednesdays and Thursdays
- Seasonal with weekly fluctuations

7. Based on a representative day in February 2019

FIRST STREET GARAGE CURRENT UTILIZATION

While 1,502 passes were issued in January 2019, data from the garage shows that only approximately 60% of pass holders use the garage on a daily basis.⁸ Approximately 80% of the office building employees with parking access passes use the garage on any given day.⁹ The number of monthly passes allocated does not reflect the daily utilization of each user group. The practice of “overselling” parking permits is common in the parking industry in order to optimize garage operations. The number of permits issued for the First Street Garage is within industry standards. As not all parkers use the garage on the same dates and times, this practice helps ensure that the First Street Garage is used efficiently, but not overcapacity.

The current utilization of the First Street Garage illustrates it as a successful example of shared parking, as peak utilization was not found to exceed 83% on a representative day in February 2019 (see Figure 2), even with 1,502 monthly passes issued.

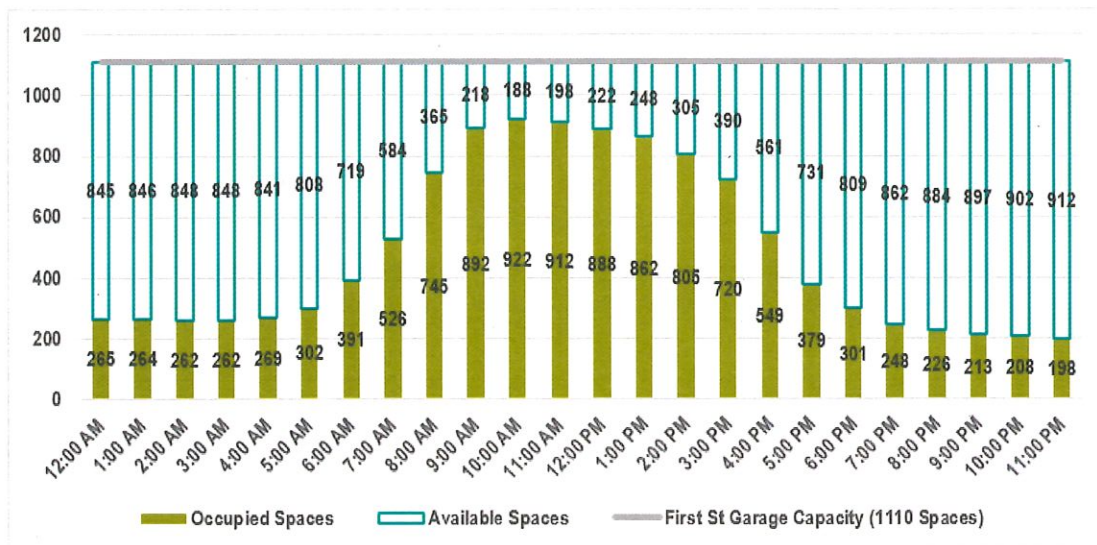
Shared parking is a common model used to balance parking needs between different users, different times of day, and different days of the week.

The current utilization of the First Street Garage illustrates that it is a successful example of shared parking, as peak utilization was not found to exceed 83% on a representative day in February, even with 1,502 monthly passes issued.

Based on the utilization trends observed in the garage, existing demand is well managed and there is room to increase the number of monthly passes issued by continuing to employ shared parking principles.

Data was analyzed on an above average day of the week and above average month of the year, and there are still at least 188 parking spaces available during peak periods in the First Street Garage.

FIGURE 2 : FIRST STREET GARAGE PARKING UTILIZATION FOR A REPRESENTATIVE DAY IN FEBRUARY 2019



8. Data provided by the City of Cambridge
9. Data provided by the City of Cambridge

Parking Analysis Conclusions

This study evaluated parking supply and demand in the First Street Garage and in the surrounding neighborhood to inform a potential Disposition by the City that would include the lease of 420 unassigned parking spaces via monthly parking passes in the Garage, as well as 9,000 square feet of ground floor retail space.

The key conclusions from this evaluation are as follows:

- a. **Overall Parking Availability.** The study indicates that there is ample parking within the study area to accommodate not only the anticipated 336 new daily parkers (based on 80% utilization of the 420 parking passes), but also all 420 new parking pass holders, at all times of the day. Analysis of the existing off-street commercial parking supply in the study area shows that supply is significantly higher than demand, even if parking capacity at the CambridgeSide mall is reduced in the future due to any redevelopment of portions of that site.

The data used for the future scenarios provides a conservative analysis as it was based on collection dates in February of 2019, when parking utilization was higher than on the average day of the week and the average month of the year. On a typical day, demand would not be as high as shown in this analysis, and the availability of parking would therefore be higher.

- b. **Availability of Parking for Cambridge Residents.** The City will continue to be able to make parking passes in the First Street Garage available to residents, as is currently the practice.

Since the data collection was done during the winter, that data represents the higher end of resident parking demand, given that more residents obtain parking permits during the winter months, and the analysis of the data confirms that it will be possible to preserve that access in the future.

- c. **Availability of Parking During Snow Emergencies.** The City will continue to be able to make parking available at the Garage for residents during snow emergencies. During snow emergencies, the usage by office workers, retail visitors, and daily parkers is significantly lower than on a typical day, so there will still be several hundred parking spaces available in the Garage for residents who need to move their car off the street due to a declared snow emergency.
- d. **On-Street Parking.** The study shows that leasing 420 unassigned parking spaces in the First Street Garage should not directly impact residential parking in the neighborhood, since the on-street residential parking spaces are generally not available to non-residents who may not be able to use the Garage. Should the City wish to make metered on-street parking available to non-residents who are displaced from the Garage, this could be done through changes to on-street parking regulations. These changes could include longer time limits and altered pricing structure by time of day, for example, to allow parking beyond the current two-hour limit, but potentially at a higher hourly cost that is more comparable to the cost of off-street parking.
- e. **Urban Development Action Grant Commitments.** As a result of this study, the City has confirmed that it will be able to continue to meet its obligations under the Urban Development Action Grant (UDAG) that helped finance construction of the Garage. This includes monthly parking that must be available to specified local buildings, as well as space for daily parkers.

f. **Parking for Existing Customers.** The study shows that on a day when demand is higher than average, there may be a few hours of the day when the Garage will not be able to accommodate all existing customers. As noted above, the Garage will continue to be able to accommodate Cambridge resident parkers and meet the requirements of the UDAG, so this will only impact some “at-will” non-resident monthly pass holders, as well as some non-resident daily parkers. These non-resident parkers will therefore need to find parking elsewhere in the study area (either permanently or on a day-by-day basis) or use a sustainable transportation option instead. As noted above, there is expected to be ample off-street parking available in the surrounding area to accommodate those who are not able to use the Garage

In recent years, the City has issued approximately 125 parking passes to non-residents who are on a waiting list (there is no waiting list for residents who request a parking pass), to enhance revenue and better serve local businesses. These passes have been issued with a clear understanding that they can be cancelled with limited notice, so these customers will not be surprised if they are not able to park at the First Street Garage at some point in the future.

g. **Customer Stability.** From a best practices fiscal and management perspective, it is to a parking garage owner’s benefit to have a single, customer leasing a large number of parking spaces in a parking facility as compared to dozens—or even

hundreds—of individual customers. This improves the predictability of revenue and the ability to project daily occupancy based on past trends, as well as improving collection of accounts receivable.

h. **Larger Transportation Trends.** As sustainable transportation options expand in the future as encouraged by City policies, and additional mixed-use development occurs nearby, additional mode shift is likely to occur to offset future parking demand. Larger trends in transportation and demographics are expected to reduce the demand for parking, such that the number of high demand days could decrease, and the resulting availability of parking in the First Street Garage will increase.