

October 14, 2015

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

Re: Council Order No. 27

Dear City Manager Rossi:

I write in response to your letter dated September 24, 2015. In that letter, you indicated that you had been asked by the Cambridge City Council to confer with the CRA “regarding the past and future relationship between the Cambridge Redevelopment Authority and Boston Properties and if Boston Properties will be the party to develop and lease any new square footage as a result of the [MXD] zoning petition’s passage and if the City Council can require a process for new developers to bid on CRA projects.” This is in reference to the enclosed September 21, 2015 Order of the Cambridge City Council.

Boston Properties (BP) is the master developer of Parcels 2, 3 and 4 making up a portion of the Kendall Square Urban Renewal Area (the Area) as shown on the enclosed plan. In 1979, the CRA selected BP to redevelop Parcels 3 and 4 by a thorough, competitive process. In 1982, following a failed redevelopment under a prior redeveloper, the CRA selected BP as redeveloper of Parcel 2. The CRA has executed two Development Agreements with BP – one for Parcels 3 and 4 and one for Parcel 2.

Under the Development Agreements, Boston Properties purchased land that had been owned by the CRA. Those Development Agreements placed substantial controls on development and made the redevelopment subject to the provisions of the Kendall Square Urban Renewal Area. Some of the land sold to BP has been sold to third parties, although most remains owned by BP. One unique aspect of those transactions was that the amount of development that was permitted was capped and an agreement was reached that additional development would be paid for under a formula in the agreements. Those obligations run with the land. Therefore, while the CRA will not be disposing of land within the Area as it has in the past, it must negotiate agreements with the developers of additional square footage, including BP. Those agreements will provide, at a minimum, an understanding of the design review process, coordination with the Planning Board, provisions for mitigation, and an agreement on the price to be paid to the CRA.

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Regarding the future of development referred to in the Council Order, I would say the following:

(1) To the extent that the CRA owns land in the Area, that land would be the subject of a competitive procurement similar to the procurement process by which the CRA entered into a Development Agreement with BP in 1979. However nearly all of the land owned by the CRA in the Area is designated as open space.

(2) To the extent that the CRA no longer owns land in the development area, the CRA cannot seek new or additional developers for land it does not own. Further, to the extent that BP has conveyed land originally owned by the CRA, the CRA likewise cannot seek new or additional developers for that land.

(3) The use of additional development rights available under the proposed MXD Zoning Petition will be decided on a first-come, first-serve basis.

(4) The proposed Kendall Square Urban Renewal Plan Amendment #10 (the Amendment), coupled with the MXD district-zoning petition, creates a strong mechanism for both CRA and Planning Board oversight in the phasing of projects and design review of project elements. Additionally, the State's Environmental Impact Report process related to the Amendment will include review of project impacts and set out related mitigation.

We would be happy to answer any additional, specific questions that the City may have regarding BP's role in development going forward.

Sincerely,



Thomas Evans
Executive Director
Cambridge Redevelopment Authority

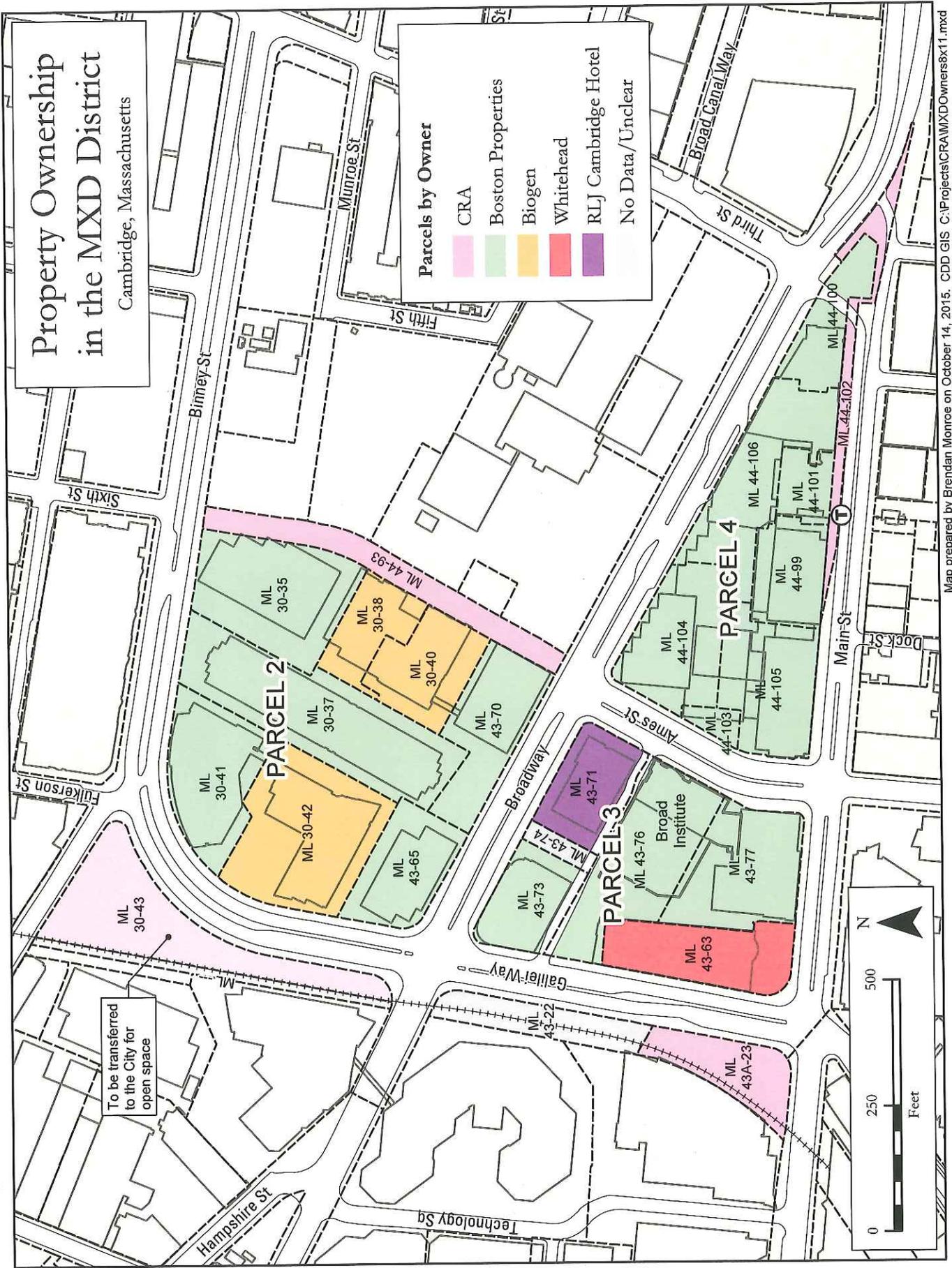
Attachment: Map of Property Ownership in the MXD District

Property Ownership in the MXD District

Cambridge, Massachusetts

Parcels by Owner

- CRA
- Boston Properties
- Biogen
- Whitehead
- RLJ Cambridge Hotel
- No Data/Unclear



To be transferred
to the City for
open space