



Cambridge Redevelopment Authority

336 Main Street
Cambridge, Massachusetts 02142
617 492 6800

April 13, 1987

Charles C. Nowiszewski
Chairman

Thomas J. Murphy
Vice Chairman

Frank S. Maragioglio
Treasurer

Gustave M. Solomons
Assistant Treasurer

Jacqueline S. Sullivan
Member

Joseph F. Tulumieri
Executive Director
and Secretary

Mr. Robert W. Healy
City Manager
City Hall
Cambridge, Massachusetts 02139

Re: Report to City Council on Housing/Parcels 3 and 4
Kendall Square Urban Renewal Area

Dear Mr. Healy:

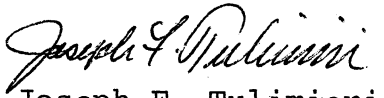
We have been advised by the City Clerk that the City Council has requested a status report regarding progress being made on housing in the Kendall Square Urban Renewal Area. To that end, a public hearing is scheduled for April 13, 1987. A report for transmittal to City Council is enclosed.

While we understand that the specific subject matter of the hearing regards plans for housing, we think it important to recognize that housing is one of a considerably longer list of original objectives established by the Kendall Square Urban Renewal Plan as adopted by the Council and as subsequently articulated in the Master Plan Framework and Concept Design Plan as well as provided for in both the Development Agreements with the developer, Boston Properties. Those objectives which in many respects are already being fulfilled by a carefully planned and managed development process and which are setting the stage for housing development, are, in part, as follows:

- (1) To encourage the development of office uses that generate taxes and create potential employment opportunities for Cambridge residents;
- (2) To promote hotel development, to establish hotel facilities as a principal attractor of other desired development, and to give preference to Cambridge residents in hiring for that facility; and,
- (3) To promote the development of retail enterprises as an integral part of development in furtherance of the mixed use concept.

As described in the enclosed report, the preconditions for the housing development component of the Kendall Square project are likely to be satisfied within the next nine to eighteen months, and the Authority and the Developer, Boston Properties, will be preparing specific housing plans during that time.

Very truly yours,


Joseph F. Tulumieri
Executive Director

cc: Michael Rosenberg (e)
Joseph E. Connarton (e)

JFT:jh

April 13, 1987

Development Program
Cambridge Redevelopment Authority

SUMMARY OF HOUSING PLANS AT CAMBRIDGE CENTER

The Cambridge Center development within the Kendall Square Urban Renewal Area has been planned as, and is being implemented as, a mixed-use project. The program calls for office and research and development buildings, retail space, a hotel with meeting facilities and restaurants, multi-family housing, supporting parking, and new public open spaces. The plans for the housing component have been developed as part of the overall Master Plan Framework and Concept Design Plan for the project and can best be presented in that context. (See attached description and maps).

Original Development Priorities

Since the start of construction in 1980, development efforts have been concentrated on the triangular-shaped block facing on the old Kendall Square rotary and bordered by Broadway, Main Street and former Sixth Street ("Parcel 4" of the Kendall Square Urban Renewal Area). This is the gateway to the project from the Longfellow Bridge and the MBTA Kendall Square Station and was programmed to be the location for over 1.1-million square feet including the key central office, hotel, retail and public facilities uses. To make the overall area one that would support such a center it was first necessary to establish a supporting physical fabric and market support through the development of major new office and research and development buildings, which were, and remain, the primary economic foundation for the entire project.

Current Status

In 1987, less than six years after completion of the first building in the project, many of the original goals and objectives of the urban renewal plan have already been achieved. On Parcel 4, two multi-tenant office buildings, an 863-car garage and the 431-room Cambridge Center Marriott Hotel have been completed, construction is nearly completed on a 100,000 SF office/retail building that will bring much needed retail space to the area, and construction is scheduled for completion in September of this year on the last office building on the Parcel. Three R&D buildings have also been completed on Parcels 2 and 3 and planning is underway on a fourth building and a second garage. As of Fiscal Year 1986, this made Cambridge Center the fifth largest taxpayer in the City, and the completion of the development now underway should make it the largest. (See attached copy of letter from Boston Properties to City Manager Robert W. Healy.)

Projected Parcel 4 Completion

By the fall of this year all of the exterior private and public construction on Parcel 4 is scheduled to be complete. A major new plaza, ringed with active uses including a wide range of food services and adjacent to a new entrance to the modernized MBTA Kendall Station, will provide a true public focus for the Kendall Square area for the first time in decades and add an important urban place for the City as a whole. The key parcel in the project will be physically complete, and together with the three R&D buildings on other parcels a total of over 1.4-million square feet of space plus supporting structured parking

will have been completed since construction started in 1980. In these respects these activities go a long way in fulfilling, and in many respects far exceeding, the program and schedule objectives that were originally set for this project -- goals that, both at the time they were set and in retrospect, appear to be best suited for the opportunities the development area offered, and which have in fact been a key reason for the economic and physical rebirth of the entire East Cambridge area. And, as hoped, the necessary preconditions for housing development will be well on their way to completion.

Housing Plans

The housing components of the Cambridge Center plan has been designed to reflect specific constraints and opportunities provided by the site and the overall development program. The essential aspects of the plan can be summarized as follows:

Objectives:

- (a) There should be a minimum of at least 100 units;
- (b) Housing and hotel uses are preferred to be located in Parcels 3 and 4 and strongly discouraged from Parcel 2;
- (c) Housing is discouraged as an initial development within the project and is encouraged in later phases of development when support facilities are available;
- (d) Market rate housing is encouraged; as a primary residential component;
- (e) Housing should offer occupants the opportunity for ownership;
- (f) Housing in a mixed-use building is particularly desirable when it is located within or above office development;

- (g) Where housing is built on top of office buildings, large family units are discouraged;
- (h) Convenience shopping, located in the base of residential buildings and adjacent to principal pedestrian paths, is particularly desirable; and
- (i) The provision of views to the majority of residential units is encouraged.

Target Amount: Between 100 and 300 housing units.

Type: Multi-family, market-rate housing in mid-to-high-rise structures. This reflects the overall high density of the development program for the project area and is most compatible with the type and scale of buildings already constructed.

Location: On Parcel 3 (bordered by Main Street, the former Sixth Street, Broadway and the railroad), and more specifically on the upper floors of mixed-use buildings on that parcel. The objective is to have residential uses located high enough in the buildings to compensate for the lack of any immediately surrounding residential neighborhood and to enhance marketability by buffering the units from the heavily trafficked adjacent streets and providing views of the Charles River over the buildings lying south of Main Street.

Timing: The lower levels of the proposed mixed-use structures are planned to be leased as office space while the ground floors would provide space for retail uses. The time of the feasibility of construction of these buildings will therefore be directly related to the rate of absorption of the office space now being placed on the market in the buildings on Parcel 4. The building at Three Cambridge Center has approximately 216,000 square feet of office

space of which 62,000 square feet is leased to date with construction completion targeted for September of 1987. Specific design and construction schedules for the mixed-use residential/office buildings on Parcel 3 will be prepared by Boston Properties for Authority review and approval once leasing of the 209,000 square feet of unleased office space now under construction is sufficiently advanced. Under present market conditions, this is expected to occur sometime within the next 9 to 18 months.

Competitive Housing Development

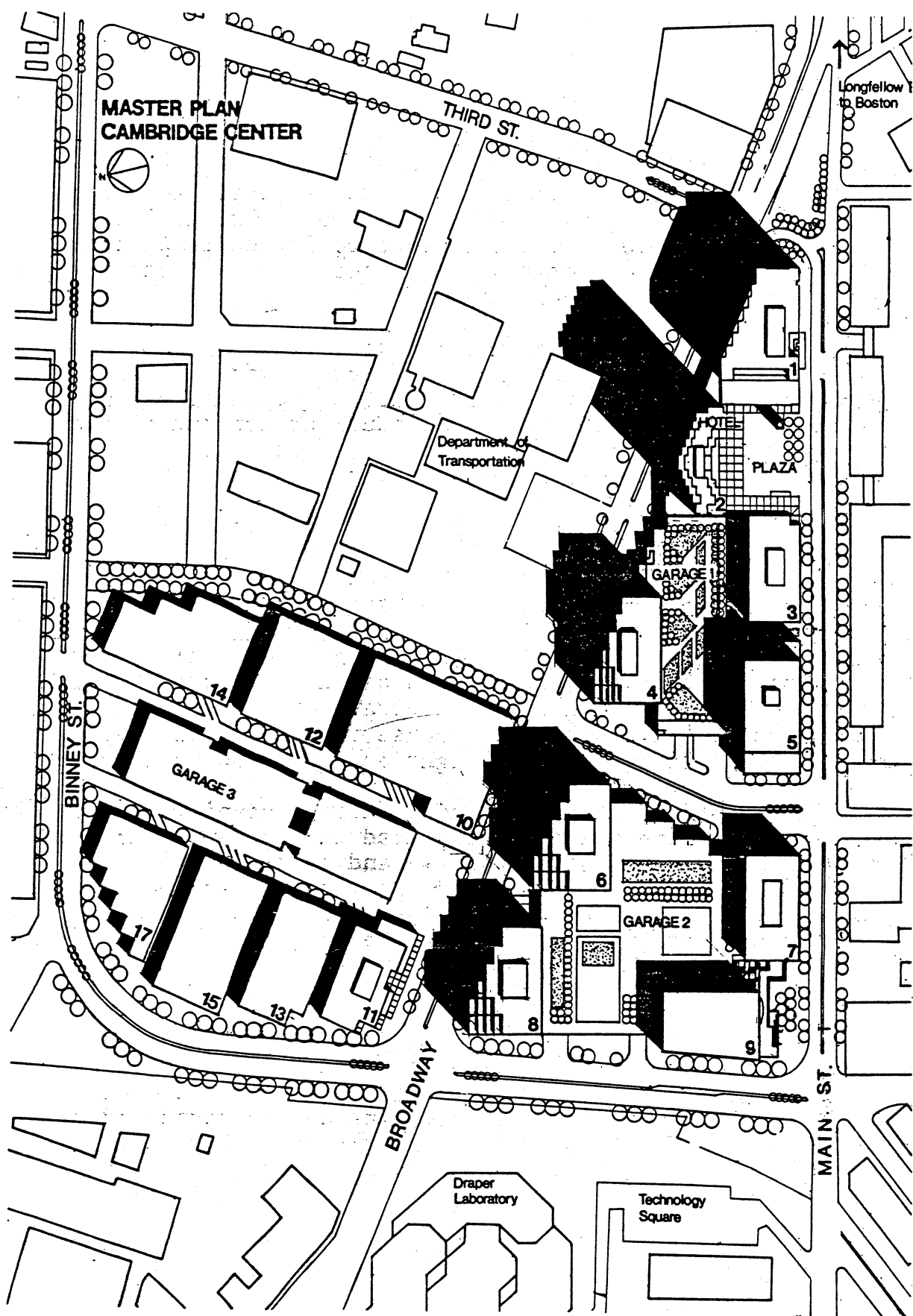
As illustrated on the attached schedule, nearly 900 units of housing are under construction or scheduled to go into construction in the East Cambridge area over the next six (6) months. Many of these sites are superior to Cambridge Center in terms of waterfront locations and immediate water, park, and skyline views. These projects include Cohen Properties' 260-unit project on Cambridge Parkway, Unihab's 180-unit project on the renovated Lechmere Canal, and H.J. Davis' 166-unit project on Commercial Avenue facing the new park on Cambridge Parkway. In addition, there are 275 more market rate units under construction or in the design state in the East Cambridge area.

While the addition of nearly 900 units to the East Cambridge market may present a short-term problem of oversupply, it appears reasonably likely that much of this new supply will be absorbed by the market by the time housing development is possible on Parcel 3 at Cambridge Center. The result is likely to be an enhanced perception of the eastern section of Cambridge as a location for new multi-family housing and therefore a greater feasibility for proceeding with the housing program at Cambridge Center.

Conclusion

Housing has been a planned component of the Kendall Square Urban Renewal plan and the Cambridge Center master plan since the inception of development. It appears that the site and market preconditions for proceeding with housing will be satisfied sometime in the next 9-18 months, and specific design options and construction schedules can then be prepared by the developer and submitted to the Redevelopment Authority for approval.

Attachments (4)



CAMBRIDGE CENTER

PROJECT DESCRIPTION AND PHASING

1. The Cambridge Center Master Plan

Cambridge Center is a major urban mixed-use project being developed by Boston Properties on a strategically located 24-acre site in Cambridge, Massachusetts, directly across the Charles River from downtown Boston. The Cambridge Redevelopment Authority assembled the site, selected Boston Properties through a public competition, and continues to supervise the progress of development.

The Master Plan prepared by the internationally acclaimed architectural and planning firm of Moshe Safdie & Associates provides for 2.5 million square feet of new development in 16 buildings of distinctive individual design and character, tied together by their siting, massing, and materials to create a sense of harmony and identity for the project as a whole.

The project has been designed to accommodate a wide range of complementary uses. First-class office space, in high-rise and mid-rise buildings, are concentrated in the triangular portion of the site between Main Street and Broadway, with housing on the western side with striking views of the Charles River, Boston and Cambridge. Low-rise, two to five-story buildings on the ten-acre section north of Broadway provide space for such uses as research and development and laboratory functions, clearinghouse facilities of financial institutions, and high-tech light assembly and manufacturing.

These primary uses are being further complemented by the many services and amenities included in the development: a 431-room Marriott Hotel with business and conference facilities; over 75,000 SF of retail space offering restaurants, shops, and business services; extensive parking; direct service by the M.B.T.A. Red Line; and major urban open spaces, parks, and plazas.

2. Completed Development

Five Cambridge Center, the first 250,000 square foot multi-tenant office building, was completed in the summer of 1981 and is fully leased. Approximately one-half of the building is occupied by the corporate headquarters and related facilities of The Stride Rite Corporation, one of the nation's most prominent and successful diversified footwear concerns. Other tenants include the corporate headquarters of Index Systems, Inc., and the executive sales division of Massachusetts Blue Cross-Blue Shield. Legal Sea Foods has its major Cambridge restaurant on the ground floor of the building, occupying 9,100 square feet and providing over 300 seats as well as banquet facilities and take-out and catering services.

Four Cambridge Center, the second 225,000-square foot building, was

completed in January, 1983. Tenants include the corporate headquarters facilities of Computer Corporation of America, Palladian Software and Bachman Information Systems, as well as offices of McKinsey & Company and Symbolics, Inc. BayBank Harvard Trust has a 3,500 square foot banking office on the lobby level.

Two Cambridge Center, a 431-room, 25-story Marriott Hotel, was completed in September, 1986. It includes a 10,000 square foot ballroom and additional shops, lounges, restaurants, banquet facilities, and meeting rooms facing the main public plaza.

A new garage directly behind Four Cambridge Center opened for parking in April, 1983. It is completely decked over by a fully landscaped one-acre park approximately 50 feet above grade, easily accessible to tenants and visitors.

Fourteen Cambridge Center, the first building on the low-rise section of the project north of Broadway is a 67,000 square foot corporate headquarters and laboratory facility for Biogen, Inc., was finished in June, 1983. Eleven Cambridge, a second 80,000 square foot, four-story building was completed in June, 1984, and is the headquarters and main research and development center of Symbolics, Inc.

Nine Cambridge Center, the 130,000 square foot Whitehead Institute for Biomedical Research was completed in the summer of 1984.

3. Current Development Phase

Three Cambridge Center, a four-story building at the heart of the complex, is under construction with initial occupancy targeted for Spring 1987. It will provide 62,000 square feet of office space on floors two through four, with an elegant office lobby set symmetrically across a landscaped forecourt from the entrance to Five Cambridge Center. A major new retail facility of The Harvard Cooperative Society will occupy 45,000 square feet on the ground floor and lower level, with a main entrance at the eastern end of the building facing the M.B.T.A. Kendall Station and the new public plaza. In addition to the wide range of goods normally carried by The Coop, this facility will also include a separate food court with enclosed seating under a glass shed facing the plaza.

One Cambridge Center, at the apex of the project facing Boston, is expected to be initially with first occupancy by Applied Expert Systems, Inc. in September, 1987. This 12-story, 216,000 square foot building is built in part over the M.B.T.A. traction power substation and a portion of the low-rise function wing of the hotel.

A major new plaza, framed by the hotel and One and Three Cambridge Center, is under construction by the Cambridge Redevelopment Authority, with completion scheduled for the Summer of 1987. A special paving

pattern emulating a Persian carpet has been designed for the plaza as well as special seating and sculpture. The plaza will provide an important new urban place and setting for outdoor dining and scheduled activities.

4. Balance of Development Program

The program for the balance of the site includes:

Three additional mixed-use buildings (buildings 7, 8, and 10) providing up to 700,000 square feet of office space and residential condominiums during the period 1988-1995.

Five additional low-rise buildings on the ten-acre section north of Broadway providing up to 600,000 square feet of additional space with one or two buildings to begin by May of 1988.

New public improvements throughout the project area including new streets, planted median strips, brick sidewalks, trees, and landscaping. Basic infrastructure improvements and the construction of all new streets, tree planting, median strips and traffic improvements was completed in late 1983. The balance of surface improvements around each building will be constructed as each building is completed.

5. Parking

Parking is being provided in three structured garages with interim on-grade parking. The first garage opened in April, 1983, between the Four and Five Cambridge Center office buildings. A second garage will be built in two phases to the west of the first garage, in the interior area formed by the buildings 6, 7, 8, & 9. A third garage will be constructed in the center of the low-rise section of the project located on parcel 2.

Each of the garages will be operated on a pooled basis, serving tenants in a number of different buildings in the project. In addition to providing parking to tenants under long-term leases, the garages will also offer visitor parking and daily and monthly leased parking to tenant's employees who do not obtain parking privileges from their employers.

6. Mass Transit

The Kendall Station of the M.B.T.A. Red Line is currently being reconstructed to extend the platform capacity and totally modernize the station. The new station entrances, which will connect directly into Cambridge Center, are expected to open in the Spring of 1987. Connecting bus lines will operate to a stop directly adjacent to the new entrance.

DAVID BARRETT
SENIOR VICE PRESIDENT

April 7, 1987

Mr. Robert Healy
City Manager
Cambridge City Hall
Cambridge, MA 02139

Re: Cambridge Center

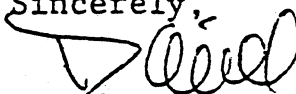
Dear Bob:

Thank you for the copy of the City of Cambridge's financial report for the Fiscal Year ending June 30, 1986, in which I see that Boston Properties is again listed as the fifth largest real estate taxpayer in the City as a result of our development at Cambridge Center.

As this assessment was as of January 1, 1985, these taxes do not reflect the Cambridge Center Marriott Hotel, which opened in September 1986, or the office and retail buildings now under construction at One and Three Cambridge Center. I suspect that when these properties are on the tax rolls, and account is taken of the City's portion of the hotel tax from the Marriott and of the payments in lieu of taxes being made by the Whitehead Institute, Cambridge Center will be by far the single largest source of such revenues for the City of Cambridge -- with more than a million square feet of development still to go.

Given that we signed our first Development Agreement with the Cambridge Redevelopment Authority less than eight years ago, this is another indication of the speed with which, working together, Boston Properties and the Authority are achieving the City's objectives for development at Cambridge Center.

Sincerely,



David Barrett

DB/pgf

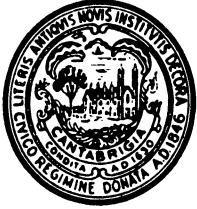
cc: Joseph F. Tulumieri

BOSTON PROPERTIES • 8 ARLINGTON STREET • BOSTON, MASSACHUSETTS 02116 • TEL. (617) 262-6500
BOSTON, MA • NEW YORK, NY • SPRINGFIELD, VA • WASHINGTON, DC

March 24, 1987

RESIDENTIAL DEVELOPMENT / EAST CAMBRIDGE

Developer	Location	#Units	Start	Complete	#Assisted	Est. Sales Price
AWEH Corp.	Camb. & Sixth	98	underway	late 87	\$ to City	\$160,000+
FAR Group	117-119 Fulkerson	59	underway	6/87	5 Assisted	\$160,000 & up
FAR Group	71 Fulkerson	38	Spring/88	1/89	2-3 Assisted	\$175,000 & up
H.J. Davis	170 First	166	underway	Early '88	None	\$200,000 & up
Cohen Properties	Cambridge Parkway	260	Summer/87	Summer '88	None	\$300,000 & up
Unihab	First & Canal	90	underway	Early '88	None	\$250,000 & up
Unihab	First & Canal	90	Late '88	Late '89	None	\$350,000 & up
N.E. Development and Management	First, Commercial, Thorndike, Rogers	80	(discussion stages)			(Luxury)



CITY OF CAMBRIDGE

CAMBRIDGE, MASSACHUSETTS 02139
TEL. 498-9011

EXECUTIVE DEPARTMENT
ROBERT W. HEALY
City Manager

RICHARD C. ROSSI
Deputy City Manager

April 13, 1987

To the Honorable, the City Council:

I transmit herewith report received from the Cambridge Redevelopment Authority in answer to request of the City Council for a status report regarding progress being made on housing in the Kendall Square Urban Renewal Area, Parcels 3 and 4.

Very truly yours,

A handwritten signature in dark ink, appearing to read "Robert W. Healy", is written over a horizontal line.

Robert W. Healy
City Manager

RWH/b

Re: enclosed report from the Redevelopment Authority in answer to the Council's request on progress being made on housing in the Kendall Sq. Urban Renewal Area, Parcels 3 & 4.

In City Council,

April 13, 1987

*Referred to the Hearing
4/13/87*

*Placed on File
See Order Adopted*