

City of Cambridge

The Economic Development, Training and Employment Committee held a public meeting on Friday, June 13, 1997 at eight o'clock and twenty-five minutes a.m. in the Sullivan Chamber, City Hall for the purpose of discussing the Economic Development Policy as it relates to real estate in the City of Cambridge.

Present at the meeting were Councillor Galluccio, Chair of the Committee, Councillor Davis, Vice Mayor Born, and Councillor Sullivan; Donna Lopez, Deputy City Clerk, Robert W. Healy, City Manager, Richard Rossi, Deputy City Manager and Jeanne Strain, Director of Economic Development, Community Development Department.

Councillor Galluccio opened the meeting and explained that the purpose of the meeting was to consider the proposed Economic Development Policy as it relates to real estate issues in Cambridge. He stated that the object of the meeting was to critique the text as it relates to real estate.

The committee heard from Jeanne Strain, Economic Director, who gave an overview of the real estate trends. She stated that Cambridge has a strong real estate market. The commercial real estate development has been cyclical, she stated. She informed the committee that from 1964 - 1984 two million square feet of real estate development has come on line and eight million square feet has been added from 1985-1989. She stated that the commercial vacancy rate is at 4%, an all time low and there is demand for space. Rents have risen, she stated because of the decrease in space. She stated that the location of two universities in the city and being located on the border to Boston teaching hospitals is an important factor to the general economy in Cambridge. She stated that businesses tend to locate their business in Cambridge especially in cost sensitive industries, but may choose to locate their "back office" operation in communities where there are lower costs. Finally, she stated that the pattern of geographic dispersion has an impact on the job base.

The committee heard from City Manager, Robert W. Healy, who stated that Cambridge has issued \$9.9 million dollars in bonds and has maintained its A+ bond rating. He outlined some of the new development in the city, such as a 55,000 square foot building for the East Cambridge Bank; 180 Sidney Street has a building permit; a 121 room hotel on Monsignor O'Brien Highway; 2 Canal Park is moving forward which will be a 197,000 square foot building; Modern Continental will relocate to Memorial Drive - 72,000 square foot building; East Cambridge Savings Bank Project, 27,000 square foot building; Gilmore Street, 159,000 square foot building; and Porter Square Shopping Center underway.

He stated that it is a strong time for economic development for the city.

Councillor Galluccio asked the City Manager about how much effect the development factor has on the bond rating. Mr. Healy responded that it is significant. The factors that are looked at are continued growth in the tax base; continued excess levy limit capacity; and strong fund balances.

Councillor Galluccio asked what is the city doing to retain manufacturing in the city, if the city has a plan and should the administration take an active role in the area of zoning as it relates to job and revenue impacts. City Manager Healy responded that usable space is lost in research and development buildings. He stated that there are benefits for large companies to stay close to universities. He further stated that from the administrative point of view, zoning is a public policy matter. The administration is responsible to provide information on such matters as impact, professional and technical analyses, he said. He stated that the growth management petition is being analyzed by the administration. He informed the committee that the administration intends to provide technical information to assist the City Council to reach its conclusions. The administration can anticipate some of the questions, but some questions arise during the deliberation process.

Councillor Galluccio suggested that biotech firms and computer firms should be brought together and asked what is preventing them from staying in the city. Ms. Strain responded that the City has worked with a number of firms to do this. She stated that the administration has entertained tax abatements for companies. There is land left in North Point, she said, but it is not a large enough tract of land for development, which is a disadvantage.

Councillor Davis asked if there was an analysis done on regional job availability, how do we do at this level. Ms. Strain responded that many manufacturing firms have spilled over to the Route 128 belt area. Councillor Davis asked about a radius of two, four or five miles. Ms. Strain stated that Watertown has manufacturing jobs. She informed the committee that residents who live in Washington Elms work in the Malden area. Councillor Davis stated that the city needed a clearinghouse for jobs and transportation to these jobs. She stated that the transportation management approach is important. The obstacles to development in Cambridge, she stated are the traffic and parking issues which they face in the neighborhoods. She stated that she supported a transportation issue approach in conjunction with development and that zoning was not the only way to deal with this problem. She stated that taxi service has not been included as part of the transportation system in the policy. She stated that she would like taxis, pedestrians, bikes and shuttle services included in how they effect the development of real estate. She stated that the city needs a system where we analyze traffic before development is planned.

Mr. Healy stated that an amendment to the Vehicle Trip Reduction Ordinance will be coming to the City Council.

Councillor Galluccio stated that the traffic issue can be looked at from both sides. He asked how much traffic was "pass through". Mr. Healy responded that there are five percent more cars registered in the city this year than last year. He further stated that an active plan or program is more effective than the parking freeze. He stated that parked cars do not cause problems, the cars driving around the city cause problems.

Vice Mayor Born asked about the status of the Vehicle Trip Reduction Ordinance. Mr. Healy responded that the city has a memo of understanding and that the City Council will shortly be considering an amendment to the Vehicle Trip Reduction Ordinance.

At this time Councillor Galluccio asked for public comment and the committee heard from Tracey Gallagher, 205 Broadway, former Chairman of the Chamber of Commerce, who stated that the city is to be congratulated for its leadership in discussing the Economic Development policy. He informed the committee that in 1986 he purchased a one story building and was hit with a down zoning petition. He stated that the business community wants stability, continuity and predictability and does not have this in the city. He stated that issues such as down zoning, tax base and parking are concerns of the business community. He stated that the city should be proactive to retain and recruit business in the city.

The committee heard from Rachel Solem, 14 Ellsworth Avenue, who stated that the business community would like some predictability. She stated that she was the victim of a down zoning petition on Harvard Street. She informed the committee that the property was researched and all available information indicated that the use was appropriate. After she purchased the property and pulled a permit her property was spot zoned. She told the committee that her purpose was to renovate and restore a historically significant building. She requested that zoning, real estate value and tax revenue be more supportive and aligned with information given.

The committee heard from Jeffrey Barron, Barron Harmon, Architects, who informed the committee that his company does zoning analysis for their customers and these clients leave the city because of the instability with zoning. He stated that the process is unduly critical. He stated that he was involved with the growth management document which was prepared a few years ago and further stated that there were a lot of people involved with this document.

Vice Mayor Born inquired if the growth policy document was unclear as to what action was to be taken. She stated that some of the changes needed were to be made through zoning. She inquired of Mr. Barron how this document fell apart. Mr. Barron stated that the document was a draft document which required the City Council to direct Community Development. There was no clear sequence of steps to follow in the document. The document called for yearly audits. It was a tool that was to bring both residents and business together, but

this did not happen. He stated that there is a perceived notion that there is animosity between business and residents, but this is not true. Vice Mayor Born stated that she intends to go back and renew consideration of this policy. She stated that the city needs a city plan which would set goals and visions for the city. She stated that Cambridge was "the place" for research and development. She stated that she has done a comparison of the permit process and although, it is not easy in Cambridge, it is not as cumbersome as other communities. Mr. Barron stated that in some communities it takes only two days to obtain a building permit.

Councillor Galluccio stated that the committee will schedule a hearing to discuss the issue of streamlining the permit process and it will be critiqued.

Councillor Sullivan stated that Cambridge could do better with the permit process. He further stated that the process that Polaroid has been through in Waltham has been laborious. Mr. Barron cited other problems such as parking permits, historical permits and curb cuts.

Councillor Davis stated that the mechanicals on top of buildings should be explored in the zoning.

The committee heard from John DiGiovanni, Trinity Property, 50 Church Street, who stated that the gap between residents and businesses needs to be bridged. Business, he stated, wants to be located in Cambridge and their employees want to live close to work, there is a connection between the two.

The committee heard from Paul Casey, ComEnergy, who stated that Cambridge is an incubator, but emphasis should be made to keep the businesses the city now has. The administration, he said, should take a look at the permit process from the view of the outside world.

At the conclusion of the meeting Councillor Galluccio stated that the committee will schedule another hearing to discuss the City's efforts to streamline the permit process. He added that the city encourages the involvement of the business community to critique the streamlining of the permit process.

The meeting adjourned at nine o'clock and fifty minutes a. m.

For the Committee,

Anthony Galluccio

Councillor Anthony D. Galluccio,
Chair

A report from Councillor Anthony D. Galluccio, Chair of the Economic S-742 Development, Training and Employment Committee, for a meeting held on June 13, 1997 for the purpose of discussing the Economic Development Policy as it relates to real estate in the City of Cambridge.

~~City of Cambridge~~ Council November 3, 1997

Charter Right
exercised by
Councillor Galluccio

November 17, 1997

Tabled on motion of
Councillor Sullivan

November 24, 1997

Report Accepted

Placed on file on
motion of Councillor
Galluccio