



CITY OF CAMBRIDGE

CITY HALL, CAMBRIDGE, MASSACHUSETTS 02139

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LAW DEPARTMENT

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LEGAL COUNSEL

June 13, 1986

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

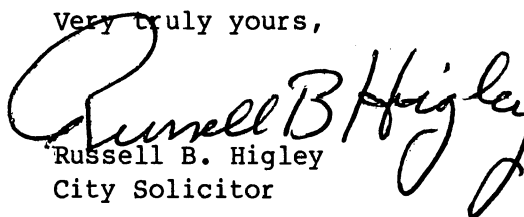
Dear Mr. Healy:

We have reviewed the Development Agreements by and between the Cambridge Redevelopment Authority and Boston Properties (Cambridge Center Associates) relating to the Kendall Square Urban Renewal Area. Cambridge Center Associates is a Massachusetts general partnership in which the two general partners are Mortimer B. Zuckerman and Edward H. Linde, the principals of Boston Properties, and was created by them to undertake and carry out the development of the Kendall Square Urban Renewal Area.

With respect to the City Council Order, dated March 29, 1986, that we "...determine what, if contract obligation exists with the City of Cambridge and to further determine if, in fact, said development agreements can be broken". This opinion is presented for your transmittal to the Council.

These Development Agreements are between the Authority and the Developer. We are not aware of any contractual obligations existing between the City and the Developer; nor are we aware of any breach by the Developer of either of the Development Agreements or any basis for the termination of either of these Agreements by the Authority on account of any conduct by the Developer as of the present time.

Very truly yours,


Russell B. Higley
City Solicitor

RBH/mbf



Cambridge Redevelopment Authority

336 Main Street
Cambridge, Massachusetts 02142
617 492 6800

June 13, 1986

Charles C. Nowiszewski
Chairman

Thomas J. Murphy
Vice Chairman

Frank S. Maragioglio
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Gustave M. Solomons
Assistant Treasurer

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Member

Joseph F. Tulimieri
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 are advised that the City Council has requested a report on our findings regarding the use of land in the Kendall Square Urban Renewal Area for housing purposes.

A joint report as reviewed and approved by the Authority for transmittal by you to the City Council is enclosed.

We think it important to emphasize the original objectives of the Kendall Square Urban Renewal Plan as adopted by the Council and as articulated in the Master Plan Framework and Concept Design Plan as well as the Development Agreements with the developer, Boston Properties. Those objectives 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;
- (3) To promote the development of retail enterprises as an integral part of development in furtherance of the mixed use concept;
- (4) To foster residential uses which help to create an active 24 hour environment in the Kendall Square Urban Renewal Area.

Respecting residential use, it should be noted that specific criteria were established which the developer is encouraged to meet. Those criteria include:

- (1) There should be a minimum of at least 100 units;
- (2) Housing and hotel uses are preferred to be located in Parcels 3 and 4 and strongly discouraged from Parcel 2;
- (3) Housing is discouraged as an initial development within the project and is encouraged in later phases of development when support facilities are available;
- (4) Market rate housing is encouraged; as a primary residential component;
- (5) Housing should offer occupants the opportunity for ownership;
- (6) Housing in a mixed-use building is particularly desirable when it is located within or above office development;
- (7) Where housing is built on top of office buildings, large family units are discouraged;
- (8) When housing is located within office buildings, separate elevators and secured entrance lobbies are required;
- (9) Convenience shopping, located in the base of residential buildings and adjacent to principal pedestrian paths, is particularly desirable.
- (10) The provision of views to the majority of residential units is encouraged.

It is strongly recommended that the Council view current discussions of potential housing within the framework of the above-cited, previously approved, objectives and criteria.

Very truly yours,


Joseph F. Tulumieri
Executive Director

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

June 13, 1986

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.

Original Development Priorities

The focus of development for the project was initially concentrated on the triangular-shaped Parcel 4 facing on the former Kendall Square rotary and bordered by Broadway, Main Street and the former Sixth Street. This is the gateway to the project from the Longfellow Bridge and was programmed to be the location for the key central office, hotel, retail and public facilities uses. To make the 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 1986, just six years after construction started on the first building in the project, the original goal of a cumulative 2,000,000+ SF is already within reach. On Parcel 4, two office buildings have been completed, the 431-room Cambridge Center Marriott Hotel is nearing completion, construction is underway on an office/retail building that will bring much needed retail space to the area, and construction is about to commence on the last office building on Parcel 4. Three R&D buildings have also been completed on Parcels 2 and 3.

Projected Parcel 4 Completion

In the spring of 1987, less than a year away, 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

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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 1.4-million square feet of space will have been completed since construction started in 1980, making Cambridge Center one of the largest taxpayers in the City.

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 it -- 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:

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 new Western Connector), 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 could provide space for supportive 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 will have approximately 62,000 square feet of office space available for lease, with construction completion targeted for March of 1986, and the building at One Cambridge Center will have approximately 154,000 square feet of office space available for lease, with construction completion targeted for September of 1987.

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Specific design and construction schedules for the mixed-use residential/office buildings will be considered once leasing of the office space now under construction is sufficiently advanced. Under present market conditions, this is expected to occur sometime within the next 18 to 24 months.

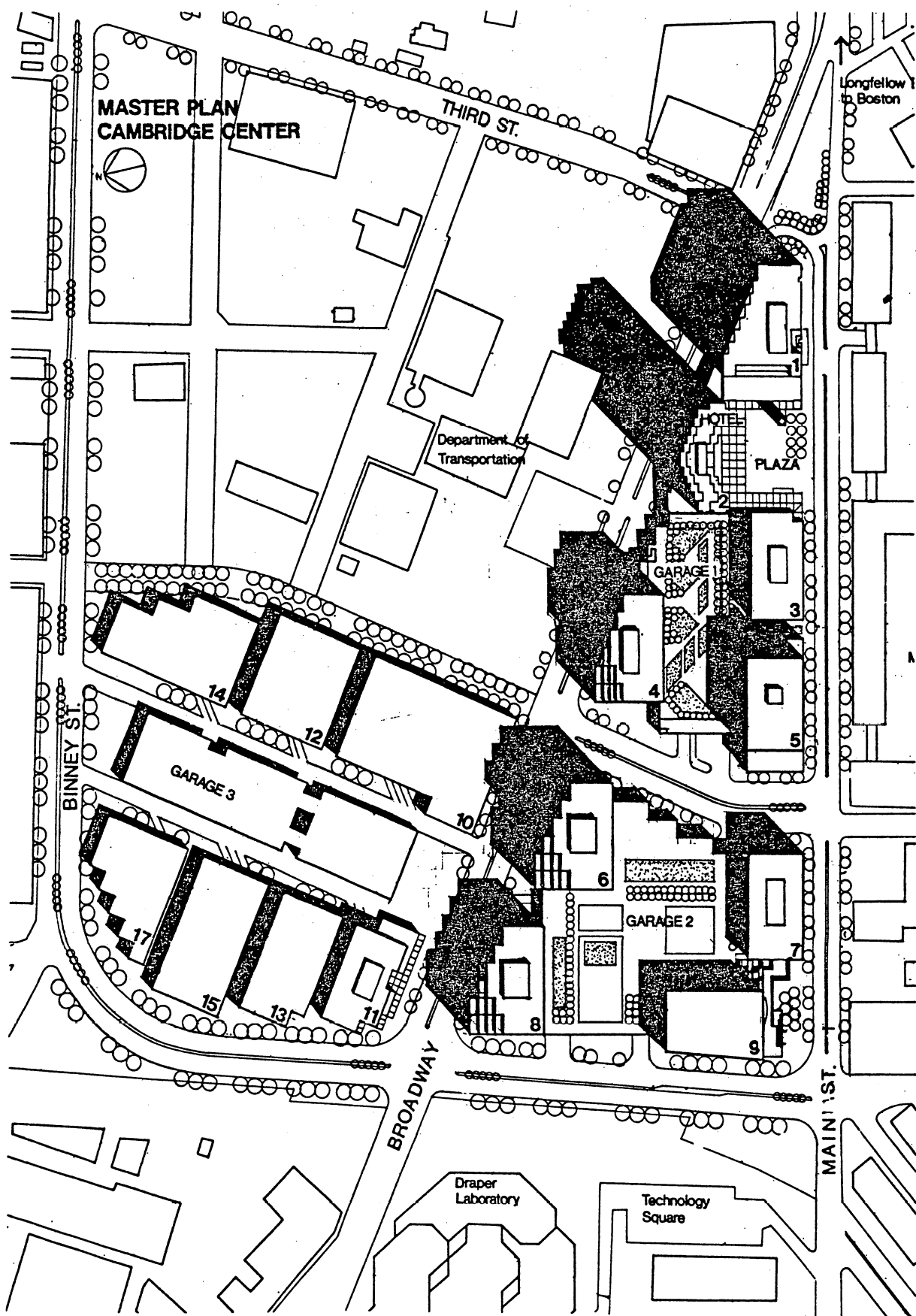
Competitive Housing Development

A significant amount of competitive housing is expected to go into construction in the East Cambridge area over the next 12 months on sites that are superior to Cambridge Center in terms of waterfront locations and immediate water, park and skyline views. These projects include Cohen Properties' 280-unit project on Cambridge Parkway, Unihab's 180-unit project on the renovated Lechmere Canal, and H.J. Davis' project on Commercial Avenue facing the new park on Cambridge Parkway (estimated at 200 units).

While the addition of some 750 units to the 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 component of the Cambridge Center 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 12 to 24 months, and specific design options and construction schedules can then be prepared by the developer and submitted to the Redevelopment Authority for approval.





CITY OF CAMBRIDGE

CAMBRIDGE, MASSACHUSETTS 02139

TEL. 498-9011

EXECUTIVE DEPARTMENT

ROBERT W. HEALY

City Manager

RICHARD C. ROSSI

Deputy City Manager

June 16, 1986

To the Honorable, the City Council:

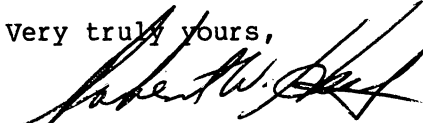
This is in response to City Council Order No. 33 of March 24, 1986 relative to Kendall Square Development Agreements.

Enclosed for your information is a copy of the opinion of the City Solicitor, Russell B. Higley.

I have determined that each Development Agreement contemplated the development of the specified Parcels of land in scheduled stages over periods of time, and entitled the Developer to construct and use buildings on the site in accordance with the variety of uses permitted under the approved zoning and urban renewal plan provisions (previously approved by the City Council, the Commonwealth of Massachusetts and the Department of Housing and Urban Development) applicable to the Area and in accordance with detailed designs, plans and specifications in each case approved in advance by the Authority pursuant to the general master plan originally made part of the respective Agreements. As of the present time, the Developer has completed construction of a total of 609,000 square feet of gross floor area on Parcels 3 and 4 and a total of 145,000 square feet of gross floor area on Parcel 2; has underway the construction of an additional 434,000 square feet of gross floor area on Parcel 4 and has submitted plans to the Authority for an additional 216,000 SF office building for Parcel 4. The amount of the developments on these Parcels (i.e., 1,434,000 SF) is significantly ahead of the amounts contemplated by the staging schedules contained in the Development Agreements (i.e., 632,000 SF). In addition, structured parking for approximately eight hundred sixty-three (863) automobiles has also been constructed by the Developer on Parcel 4 to accommodate needs for off-street parking in the area.

While parts of the Renewal Area and the immediately adjacent land are now disrupted by reason of on-going construction, we believe that the development to date has been consistent with the Development Agreements and has been effective as anticipated by the Authority, to stimulate the rehabilitation of other buildings and the construction of new buildings by others in the neighboring East Cambridge areas to the benefit of the City as a whole. Accordingly, it does not appear that there is a basis -- at the present time, or in the foreseeable future -- for the termination of either of these Agreements.

Very truly yours,


Robert W. Healy
City Manager

RWH/mbf

Encs

Re: Kendall Square Development agreements.

In City Council,

June 16, 1986

Referred to Hearing