

**JOINT MEETING OF THE NEIGHBORHOOD & LONG TERM
PLANNING, PUBLIC FACILITIES, ARTS & CELEBRATION
COMMITTEE AND THE ECONOMIC DEVELOPMENT
COMMITTEE**



COMMITTEE MEETING

~ MINUTES ~

Wednesday, December 7, 2022

1:00 PM

Sullivan Chamber
795 Massachusetts Avenue
Cambridge, MA 02139

There will be a joint meeting of the Economic Development and University Relations Committee and the Neighborhood & Long-Term Planning, Public Facilities, Arts & Celebrations Committee on December 7, 2022, at 1:00 p.m. This meeting is to review and discuss the attached zoning petition regarding lab use.

Attendee Name	Present	Absent	Late	Arrived
Dennis J. Carlone	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Patricia Nolan	<input type="checkbox"/> Remote	<input type="checkbox"/>	<input type="checkbox"/>	
Quinton Zondervan	<input type="checkbox"/> Remote	<input type="checkbox"/>	<input type="checkbox"/>	
Marc C. McGovern	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Alanna Mallon	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Paul F. Toner	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Burhan Azeem	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

A joint public meeting of the Cambridge City Council's Neighborhood & Long-Term Planning, Public Facilities, Arts & Celebration and Economic Development Committees was held on Wednesday, December 7, 2022. The meeting was Called to Order at 1:00 p.m. by the Chair, Councillor Carlone. Pursuant to Chapter 20 of the Acts of 2022 adopted by Massachusetts General Assembly and approved by the Governor, this public meeting was hybrid, allowing participation in person, in the Sullivan Chamber, 2nd Floor, City Hall, 795 Massachusetts Avenue, Cambridge, MA and by remote participation via Zoom.

Clerk of Committees Erwin called the roll.

Councillor Toner – Present

Councillor Azeem – Present

Councillor Carlone – Present

Vice Mayor Mallon – Present

Councillor McGovern – Present

Councillor Nolan – Present/Remote

Councillor Zondervan – Present/Remote

Present – 7 Absent – 0. Quorum established.

The Chair, Councillor Toner gave opening remarks and noted that the focus of the meeting today was to review and discuss the attached zoning petition regarding lab use.

Minutes Acceptance: Minutes of Dec 7, 2022 1:00 PM (Committee Reports)

Iram Farooq, Assistant City Manager for Community Development Department (CDD) introduced her team which consisted of Daniel Messplay, Director of Zoning, and Pardis Saffari, Director of Economic Opportunity and Development, who gave an overview of their presentation titled “Zoning for Labs” (ATTACHMENT A).

Daniel Messplay summarized where technical office and R&D are allowed and reviewed possible zoning concepts. They highlighted some key points that were heard at a March 17, 2022 hearing, which included market dynamics, land use, and use definitions. They also reviewed how other communities define and zone lab use.

Pardis Saffari reviewed lab uses and trends, both nationally and locally and what type of industries use lab space.

Councillor Azeem began his presentation titled “Joint NLTP and Economic Development Meeting 12/7/22” (ATTACHMENT B) by introducing Mariana Matus, CEO and Co-Founder of Biobot Analytics. Mariana gave an overview of their company and the type of work being done in their lab, which is to focus on wastewater epidemiology. She noted that Biobot Analytics is a global leader in wastewater intelligence and analyze sewage to monitor the health and wellness of people.

Councillor Azeem gave an overview of his presentation on the type of different labs located in Central Square, which included mechanical development labs, electrical/mechanical labs, and computer science labs. After the summary of different labs, Councillor Azeem introduced Billy Moses, a PhD student at MIT from a lab that studies computer sciences and AI and spoke on the positive working being done and the importance of lab space.

Jason Alves, Executive Director of East Cambridge Business Association, spoke on lab spaces and how business owners are bringing smaller labs to Cambridge to be a part of the local economy. He noted concerns regarding large developments and who would be occupying the first-floor commercial spaces.

Michael Grill from Fairlane Properties spoke on the tech and lab tenants at his property on 1035 Cambridge Street and noted that many tenants look to come to his property because of rent, and that 1035 Cambridge Street has played a big role in helping startup companies. He also had some clarifying questions regarding the future of his space and the proposed amendment.

Sharmil Modi from The East Cambridge Company spoke on Bio Safety and the work being conducted at his lab space at 271 Cambridge Street. He noted the importance of having lab space in Cambridge.

Councillor Toner recognized Councillor Zondervan who gave a presentation titled “Regulating New Lab Growth Through Zoning” (ATTACHMENT C). Councillor Zondervan gave an overview of the presentation which included balancing new lab development in Cambridge, noting that there should be a clear definition to separate labs from office. He offered proposed language to potentially be used in regard to lab growth.

Councillor Toner recognized David Kale, Assistant City Manager for Fiscal Affairs, who was joined by Gayle Willet, Assessing Director, and Andrew Johnson, Deputy Director for the Assessor’s Office, who would be giving a presentation titled “Lab Discussion” (ATTACHMENT D).

Gayle Willet gave an overview of the presentation which reviewed topics such as assessed values by class, FY23 taxes by property class, how to define commercial and industrial classes and their parcel counts and values, FY23 industrial new growth, and lab and office trends. She noted that

the area of most concern would be considered class B, smaller scale office buildings. She also noted that it is important for the City to take into consideration a post covid work space when thinking about lab space.

Iram Farooq noted that the City should think about the definition of technical office and the range of options for research and labs there is to offer and what should the City limit and allow when it comes to zoning and lab use.

Councillor Carlone suggested the Economic Development and Neighborhood and Long-Term Planning, Public Facilities, Arts and Celebrations Committees work together with the Assessing Department to get statistics on the percentage of labs in Cambridge and what is the balance of uses.

Councillor Zondervan had a clarifying question for Iram Farooq regarding residential areas, housing, and business districts, to which she responded.

The Chair, Councillor Toner opened Public Comment.

Public Comment

Ron Creamer, 501 Cambridge Street, Cambridge, MA, spoke against lab bans.

Brett Levy, 613 Cambridge Street, Cambridge, MA, spoke against the proposed lab ban.

Lee Farris, 269 Norfolk Street, Cambridge, MA, spoke on the lab regulation petition and the affects on housing.

Donald Grossman, 179 Sidney Street, Cambridge, MA, spoke in opposition of the zoning petition regarding lab use.

Suzanne Blier, 5 Fuller Place, Cambridge, MA, spoke against a full lab ban.

Ilan Levy, 148 Spring Street, Cambridge, MA, spoke on 1.

Sarah Gallop, 77 Massachusetts Avenue, Cambridge, MA, had questions regarding the proposed lab ban.

Beth O'Neil Maloney, 510 Kendall Street, Cambridge, MA, spoke about the negative affects of a lab ban.

Heather Hoffman, 213 Hurley Street, Cambridge, MA, spoke on labs and the affect they have on residents.

Patrick Barrett, 41 Pleasant Street, Cambridge, MA, spoke against lab ban.

Tim Fitzgerald, spoke on the proposed lab ban and to have it be defined further.

The Chair, Councillor Toner recognized Councillor Carlone who made a motion to extend the meeting by twenty minutes.

Clerk of Committees Erwin called the roll.

Councillor Toner – Yes

Councillor Azzem – Yes

Councillor Carlone – Yes

Vice Mayor Mallon – Yes

Councillor McGovern – Yes

Councillor Nolan – Yes

Councillor Zondervan – Yes

Yes – 7, No – 0. Motion passes.

Councillor Azeem spoke on the language in the petition about limiting lab bans.

Councillor Nolan had clarifying questions about information brought up in a presentation. Iram Farooq was able to provide answers. Councillor Nolan also noted concerns regarding height, noise, and different kind of hours.

Councillor Carlone commented on land use, housing, and development.

Vice Mayor Mallon noted that the Council has a responsibility to look at the whole picture, and to take in consideration what residents are saying. The Vice Mayor also had some clarifying questions about the language and if guests present at today's meeting would be affected. Michael Grill and Sharmil Modi both responded respectively.

Councillor McGovern suggested Chairs from different Committees come together to discuss the language. He spoke on labs, affordable housing, and the financial stability of the City, and noted how profit that comes from labs is beneficial to help Cambridge residents.

The Chair, Councillor Toner recognized Vice Mayor Mallon who made a motion to extend the meeting by ten minutes.

Clerk of Committees Erwin called the roll.

Councillor Toner – Yes

Councillor Azzem – Yes

Councillor Carlone – Yes

Vice Mayor Mallon – Yes

Councillor McGovern – Yes

Councillor Nolan – Yes

Councillor Zondervan – Yes

Yes – 7, No – 0. Motion passes.

Councillor Zondervan clarified some comments that were made during the meeting and noted that it is important to meet again to understand more of the technical zoning details involved. He also had a clarifying question for the Finance Department. Gayle Willet and David Kale were able to provide answers.

The Chair, Councillor Toner recognized Councillor Carlone who made a motion to extend the meeting by five minutes.

Clerk of Committees Erwin called the roll.

Councillor Toner – Yes

Councillor Azzem – Yes

Councillor Carlone – Yes

Vice Mayor Mallon – Yes

Councillor McGovern – Yes

Councillor Nolan – Yes

Councillor Zondervan – Yes

Yes – 7, No – 0. Motion passes.

Councillor Toner gave closing remarks by noting the ordinance should be discussed further to give more time to have conversations about issues being brought forward today. He noted that if the Council is going forward with more conversations, it should be about regulating nuances and figuring out how the City can actually harness the innovation industry in Cambridge.

Councillor Carlone noted that it was a very productive meeting, and that members heard about many issues related to this subject.

The Chair, Councillor Toner recognized Councillor Azeem who made a motion to recess. Clerk of Committees Erwin called the roll.

Councillor Toner – Yes

Councillor Azzem – Yes

Councillor Carlone – Yes

Vice Mayor Mallon – Yes

Councillor McGovern – Yes

Councillor Nolan – Yes

Councillor Zondervan – No

Yes – 6, No – 1. Meeting recessed at 3:36p.m.

Attachment A: Zoning for Labs

Attachment B: Joint NLTP and Economic Development Meeting

Attachment C: Regulating New Lab Growth Through Zoning

Attachment D: Lab Discussion

The City Clerk's Office received six written Communications, Attachments E-J

Clerk's Note: The City of Cambridge/22 City View records every City Council meeting and every City Council Committee meeting. This is a permanent record. The video for this meeting can be viewed at:

[Dec 7, 2022 1:00 PM - Neighborhood & Long Term Planning, Public Facilities, Arts & Celebration Committee - Committee Meeting \(granicus.com\)](https://www.granicus.com/ViewDocument.do?document_id=104444)

All meetings are "closed captioned". After each meeting the "closed captioned transcripts" are available online at: <https://app.box.com/s/9qormcahynjt4pzpt1n5opixogl3q7k5>

Please note that there is no editing of these "closed captioned transcripts" and they do not constitute a verbatim transcript prepared by a certified transcriber.

A communication was received from Assistant City Manager / Community Development City of Cambridge Iram Farooq, transmitting a presentation regarding Zoning for Labs.

A communication was received from Assessors Director Gayle Willet, transmitting a presentation regarding Lab Discussion.

Attachment A



Zoning for Labs

Presentation for the
Economic Development
and Neighborhood and
Long-term Planning
Committees

December 7, 2022

**Community
Development
Department**



December 7, 2022

City of Cambridge - Community Development Department

1

“Lab Use” in Zoning: Recap

December 7, 2022

City of Cambridge - Community Development Department

2

Article 4.000 – Table of Land Uses

4.34 Office and Laboratory Use

- a. Office of a physician, dentist or other medical practitioner not located in a clinic listed under Subsection 4.33(d)
- b. Office of an accountant, attorney, or other non-medical professional person (includes properly licensed massage therapists)
- c. Real Estate, insurance or other agency office
- d. General office use
- e. Bank, trust company or similar financial institution
- f. Technical office for research and development, laboratory and research facility** subject to the restrictions in Section 4.21m [limited manufacturing as an accessory use]

Note: 4.34f only includes commercial R&D; academic and non-commercial research is a separate land use category.

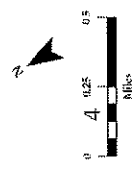
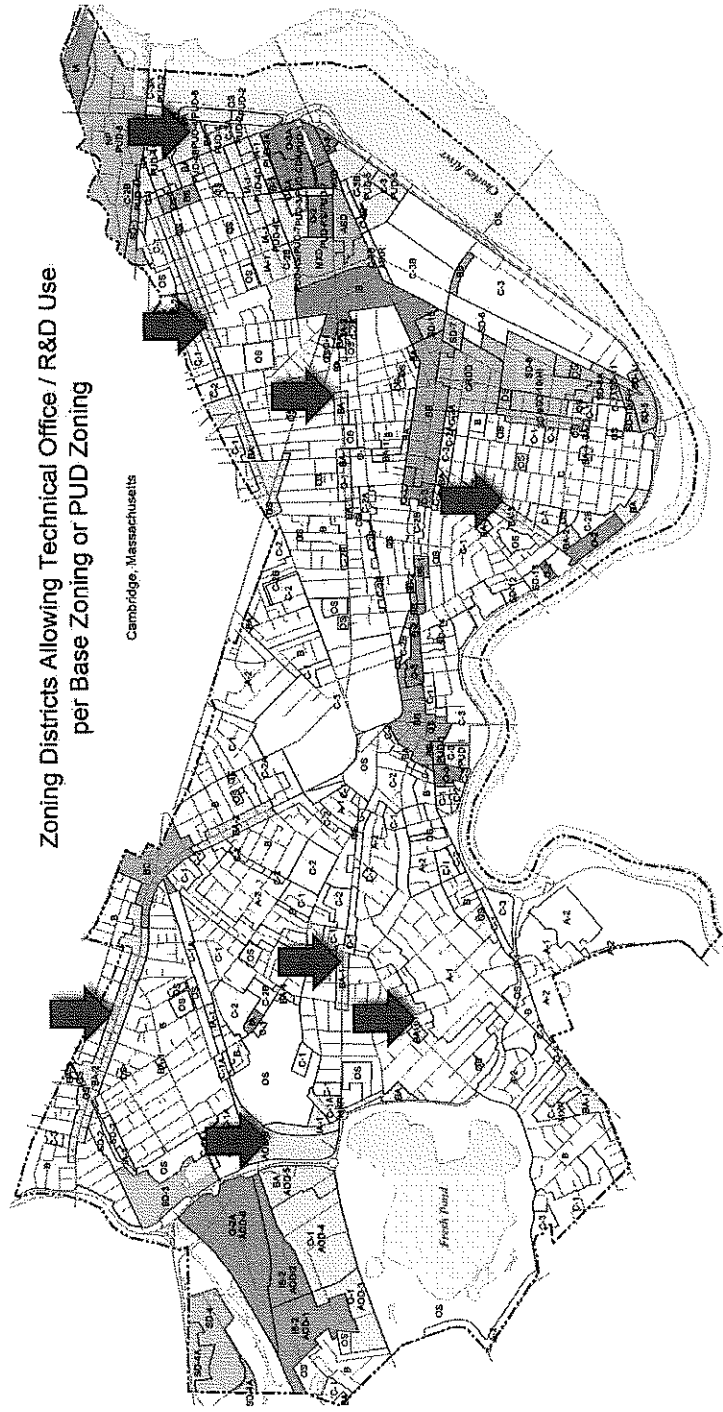
Where is Technical Office / R&D allowed?

PERMITTED:

- All Office, Business and Industrial base districts
- Some PUD overlay zoning districts

NOT PERMITTED:

- All Residence and Open Space Districts

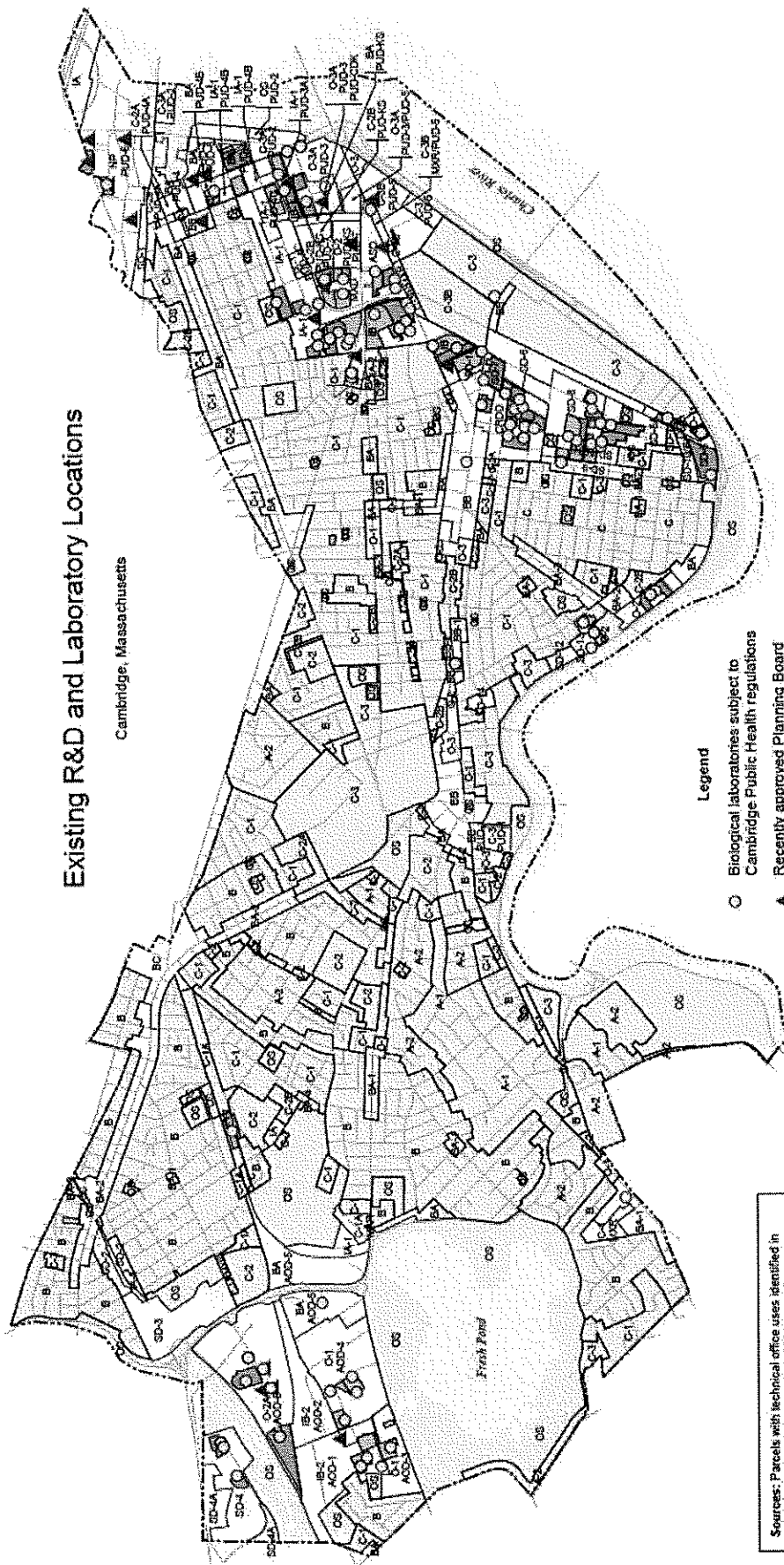


City of Cambridge - Community Development Department

December 7, 2022

Existing R&D and Laboratory Locations

Cambridge, Massachusetts



- Legend**
- Biological laboratories subject to Cambridge Public Health regulations
 - ▲ Recently approved Planning Board cases with "Technical Office" use
 - ▨ Land Use Code 404 -- R&D Facility
 - ▨ Land Use Code 485 -- High Tech
 - ▨ Residence and Open Space Districts



Sources: Parcels with technical office uses identified in Land Use data layer as of July 1, 2021, as well as current Assessing parcel information. Upcoming projects taken from CDD Development Log. Lab locations from Cambridge Public Health Department.

Limitations of the data: The selected data sources provide the locations of uses that would likely be categorized as "Technical Office, Laboratory for Research and Development". However, there is no comprehensive data source showing the locations of all such uses in the City. Many commercial buildings contain a mix of uses, some of which could be considered Technical Office.

Possible Zoning Concepts

Category	Concept	Issues/Considerations
Use	Change regulations for Technical Office / R&D in lower-scale districts	<ul style="list-style-type: none"> • Would capture all types of R&D (large/small, biological, other) • Impacts might be felt most by smaller businesses • If special permit, what are the criteria?
Use	Separate definition for “Life Science,” change where it is allowed	<ul style="list-style-type: none"> • Focus on uses with more impact from mechanicals • How best to make the distinction? Will it always be clear? • Still could impact smaller businesses • If special permit, what are the criteria?
Review	Special design standards for Technical Office or Life Science in lower-scale districts	<ul style="list-style-type: none"> • Could include: mechanical system placement and screening, loading dock enclosure/management, noise and light mitigation • Administrative review to certify standards are met
Review	Lower Project Review Special Permit threshold for Technical Office or Life Science	<ul style="list-style-type: none"> • More holistic review process • Special permit process allows more flexibility, but time and procedures can be burdensome • Criteria in addition to Article 19?

December 7, 2022

City of Cambridge - Community Development Department

7

What We Heard: March hearing

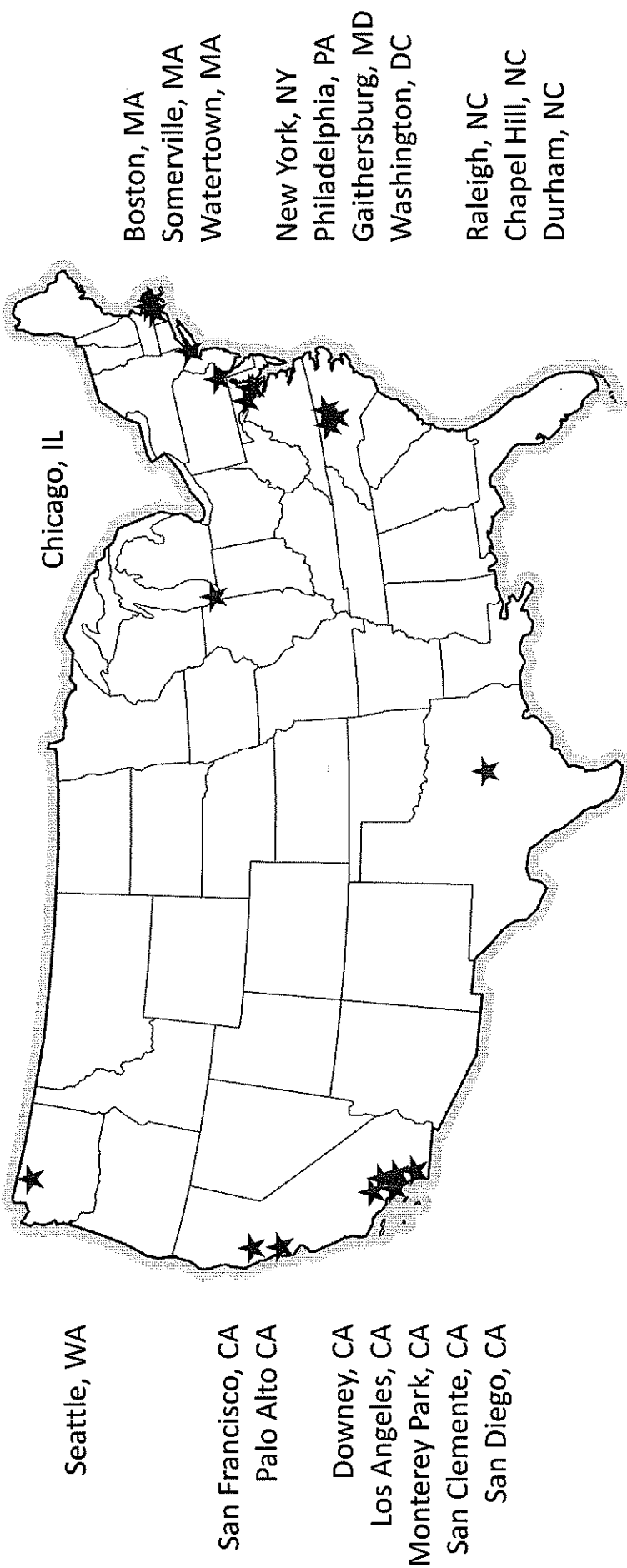
What we heard on 3/17/22:

- **Market Dynamics:** lab space crowding out other use types in certain districts (e.g., housing or retail)
- **Land Use:** compatibility concerns of some types of labs with other land uses in a mixed-use district
- **Use Definitions:** Importance of distinguishing between the more intensive lab uses and the less intensive lab uses



Other Communities

How do other communities define lab uses?



Seattle, WA

San Francisco, CA
Palo Alto CA

Downey, CA
Los Angeles, CA
Monterey Park, CA
San Clemente, CA
San Diego, CA

Chicago, IL

Boston, MA
Somerville, MA
Watertown, MA

New York, NY
Philadelphia, PA
Gaithersburg, MD
Washington, DC

Raleigh, NC
Chapel Hill, NC
Durham, NC

Austin TX

December 7, 2022

City of Cambridge - Community Development Department

10

Other Communities - Definitions

Single Definition

“A facility/establishment/laboratory/use/ ...
 ...engaged in the study, testing, research, engineering,
 product design, analysis, development...
 ...of products/services of a
 chemical/physical/biological/mechanical/electronic...
 ...nature.”

Less
Intensive

Split Definition

“Where dry materials, electronics
 and/or large instruments are tested and
 analyzed, with limited piped services.
 May require controlled
 temperature/humidity and dust
 control.”

VS

“Where chemicals, drugs or biological
 matter is tested and analyzed, and which
 typically requires water, direct ventilation,
 specialized piped utilities and protective
 measures.”

More
Intensive

Other Communities – Locations of Lab Restrictions

Single Definition

- Generally permitted in all office, research, manufacturing/industrial districts
- Some restrictions in transition areas – prohibitions in “neighborhood commercial”, “downtown commercial” or retail-focused areas
- Municipalities with form-based zoning approaches are more permissive of lab uses vs. traditional zoning

Split Definition

- Less intensive labs permitted in commercial areas, general office districts, and light industrial
- “Wet” labs permitted mostly in heavy industrial districts or require some additional review threshold (e.g., a special permit or design review)

Other Communities – Design restrictions in zoning

- Max height of rooftop mechanicals
- Max area of floorplates
- Location of loading/delivery/service entrances
 - Design of loading and delivery areas
- Commercial and industrial property noise limitations
- Commercial lighting standards

Biosafety Level Classifications

Biosafety Level	BSL-1	BSL-2	BSL-3	BSL-4
Description	<ul style="list-style-type: none"> No Containment Defined organisms Unlikely to cause disease 	<ul style="list-style-type: none"> Containment Moderate Risk Disease of varying severity 	<ul style="list-style-type: none"> High Containment Aerosol Transmission Serious/Potentially lethal disease 	<ul style="list-style-type: none"> Max Containment "Exotic," High-Risk Agents Life-threatening disease
Sample Organisms	E.Coli	Influenza, HIV, Lyme Disease	Tuberculosis	Ebola Virus
Pathogen Type	Agents that present minimal potential hazard to personnel & the environment	Agents associated with human disease & pose moderate hazards to personnel & the environment.	Indigenous or exotic agents, agents that present a potential for aerosol transmission, & agents causing serious or potentially lethal disease.	Dangerous & exotic agents that pose a high risk of aerosol-transmitted laboratory infections & life-threatening disease.
Autoclave Requirements	None	None	Pass-thru autoclave with Bioseal required in laboratory room.	Pass-thru autoclave with Bioseal required in laboratory room.

Lab Uses and Trends in Cambridge

December 7, 2022

City of Cambridge - Community Development Department

15

Commercial Industry Trends

National & Local Trends

- Major markets like San Francisco, New York, and Greater Boston are seeing an increasing rate of office space vacancy due to “work from home” and macroeconomic trends
- Companies are either not renewing leases, subleasing, back peddling on expansions, or breaking leases.
- Companies that are looking for office space are looking for quality over quantity

Locally

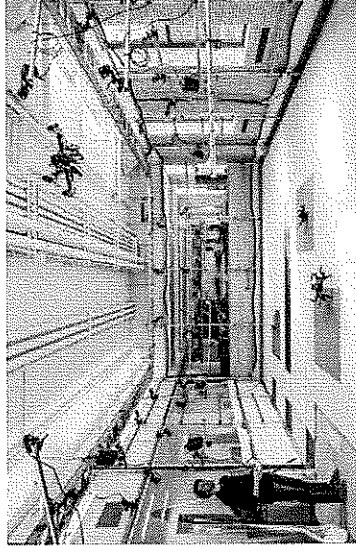
- According to CBRE, between Q2 and Q3 2022, Cambridge office vacancy rates increased from 5.9% to 8.7% - highest vacancy level since 2013
- East Cambridge/Kendall Square has the tightest office and lab market
- Small and mid-size companies are having hard time finding small lab/flex spaces to stay and grow in Cambridge

What Type of Industries Use Lab Space?

Life science and biotechnology firms are not the only companies looking for R&D space. Other industries that need wet and dry lab space include:

- Food incubators
- Medical Device
- Clean Energy
- Robotics/Automation
- Fabrication/Prototyping

Not all R&D need large mechanical arrays – mostly biological laboratories, due to requirements for air handling and exhaust



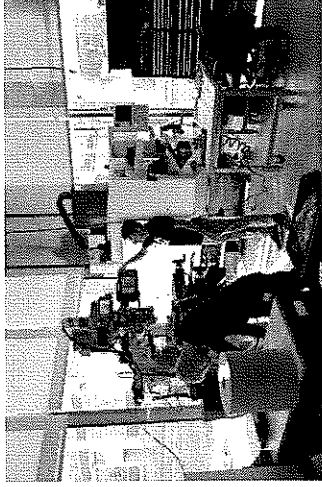
BU Robotics Lab. Photo courtesy of Boston University



Industry Lab -- Norfolk Street (Photo Credit -- Industry Lab)

R&D in Cambridge

- Long history of commercial R&D –both large and small companies
- R&D uses have a range of space and operational needs –flexible “core and shell” space often desirable
- Not all R&D needs large mechanical arrays – mostly biological laboratories, due to requirements for air handling, exhaust, &c.
- There is a market for smaller and other types of R&D businesses seeking space nearby Kendall Square and Alewife



The Engine, Cambridge (Photo Credit – The Engine)



Greentown Labs, Somerville (Photo Credit – Greentown Labs)

Questions & Discussion

Discussion

- Do we want to change the zoning definition of Technical Office to create a category for smaller sized and diverse research?
- How can research/lab be a good neighbor in mixed use districts?
 - Building design?
 - Operations e.g. noise, lighting, ventilation?
 - Use and character of ground floors

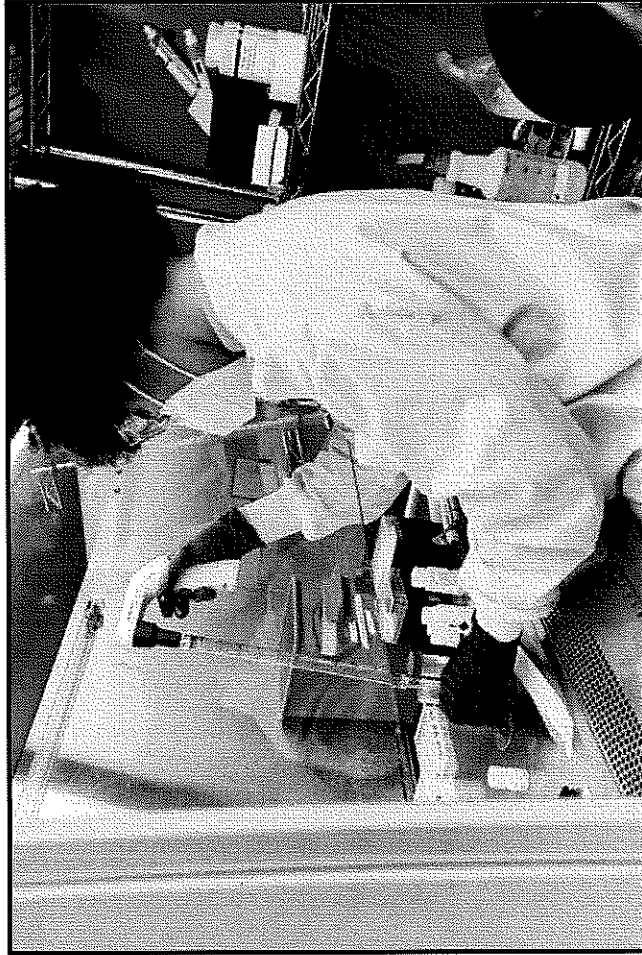
Joint NLTP and Economic Development Meeting

12/7/22

Office of Cllr. Burhan Azeem

BioBot Analytics - BL2 Bio Lab

(501 Massachusetts Ave.)



Biobot Analytics was featured in the TIME100 Most Influential Companies of 2022 list and the Biobot Analytics Wastewater Monitoring Platform was listed as one of Time Magazine's best inventions of 2022.



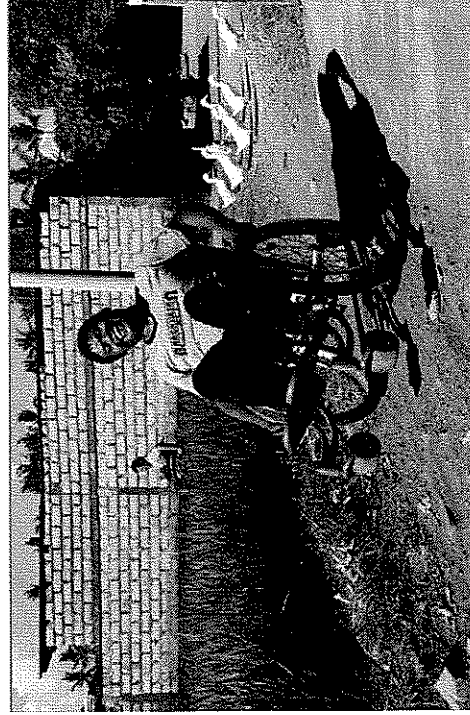
Biobot Analytics cofounders Mariana Matus and Newsha Ghaeli

D-Lab - Mechanical Development Lab

(265 Massachusetts Ave.)



D-Lab at the Faros Horizon Center in Athens, Greece, teaching the design process through hands-on learning to refugee youth from Afghanistan, Syria, Pakistan, and Bangladesh. Photo: Faros Horizon Center



DLab - Mechanical Development Lab

(265 Massachusetts Ave.)

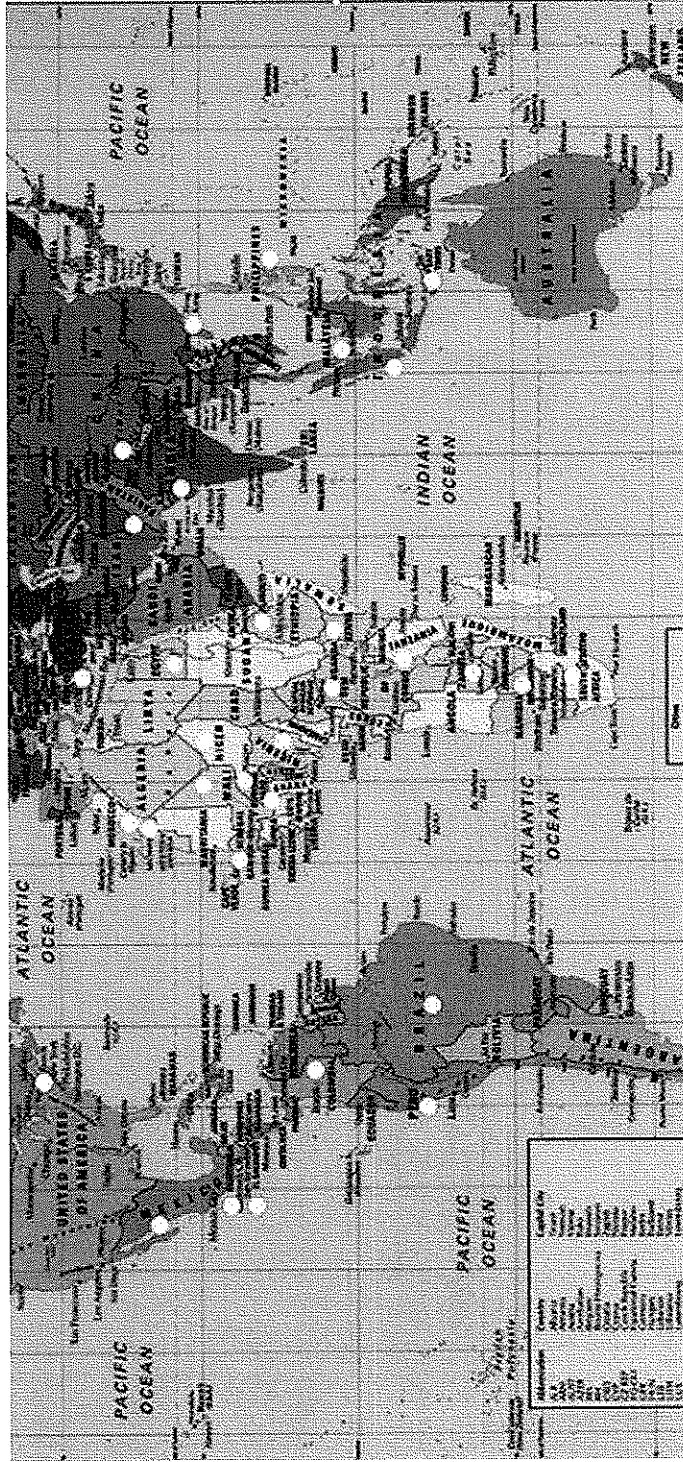
CHANGewater LABS



SENSEN

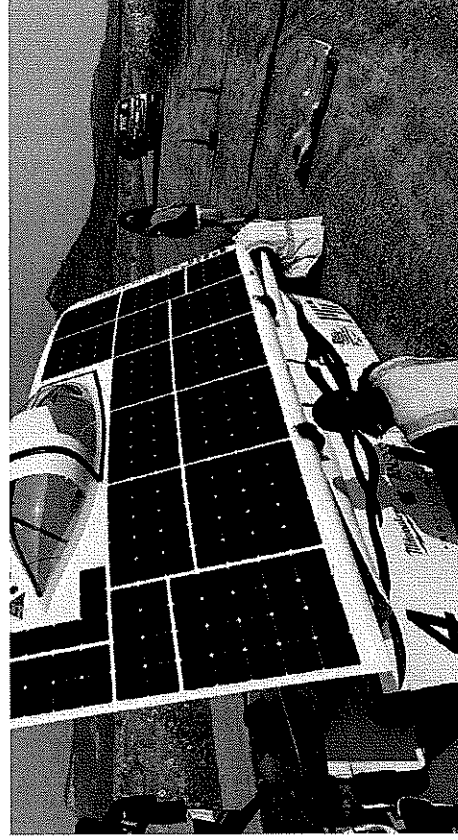
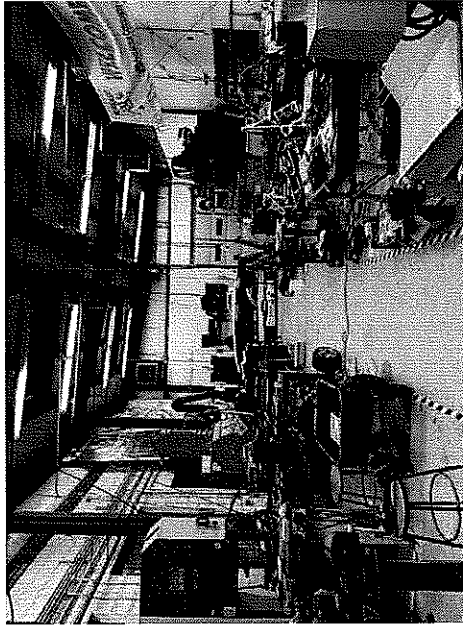


SURGIBOX



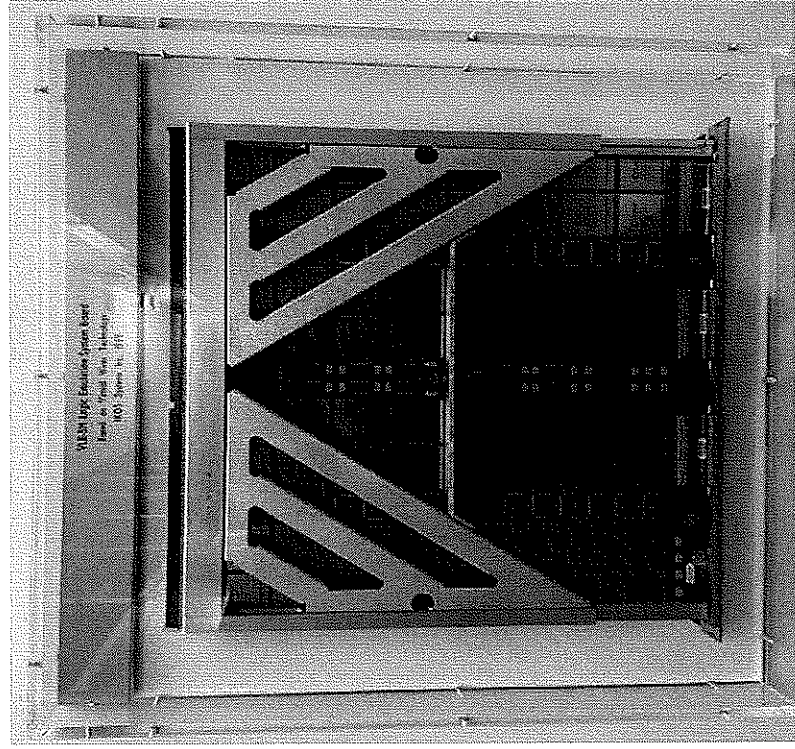
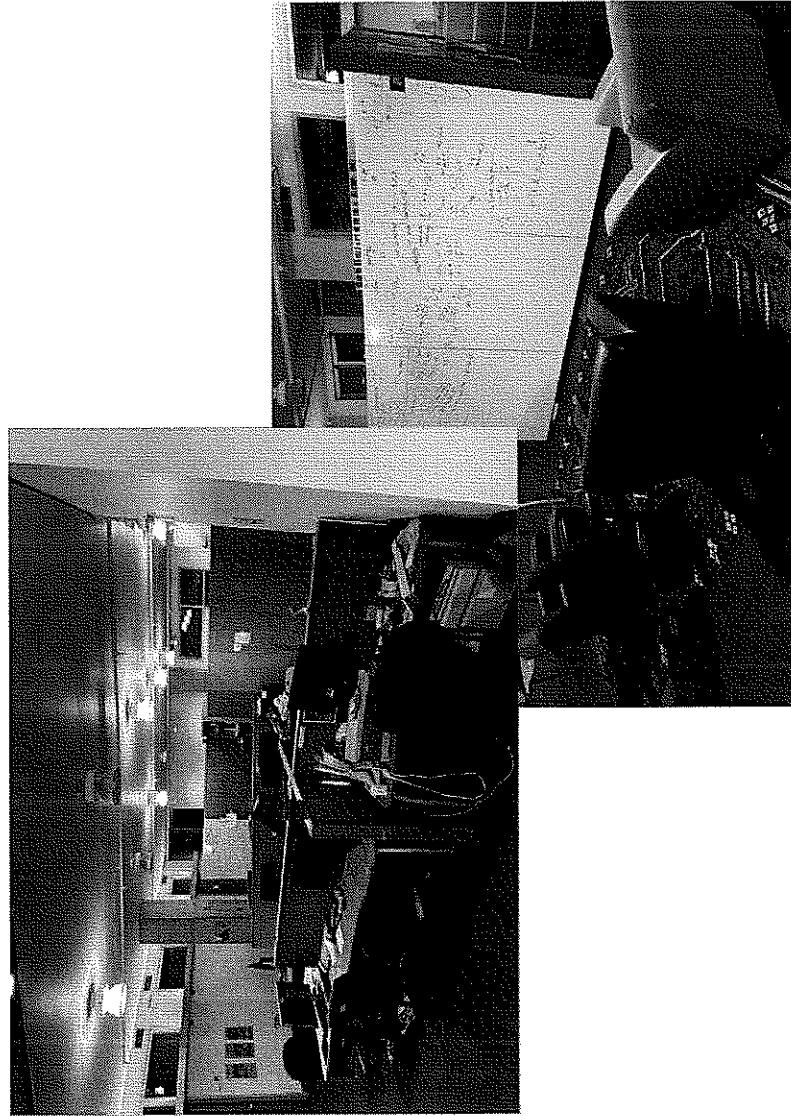
Solar Car - Electrical/Mechanical Lab

(275 Massachusetts Ave.)



This Solar Electric Car is the most advanced single-occupant vehicle yet, Nimbus was completed in 2020 and won its first race at the 2021 American Solar Challenge, covering over 1100 miles in 32 driving hours.

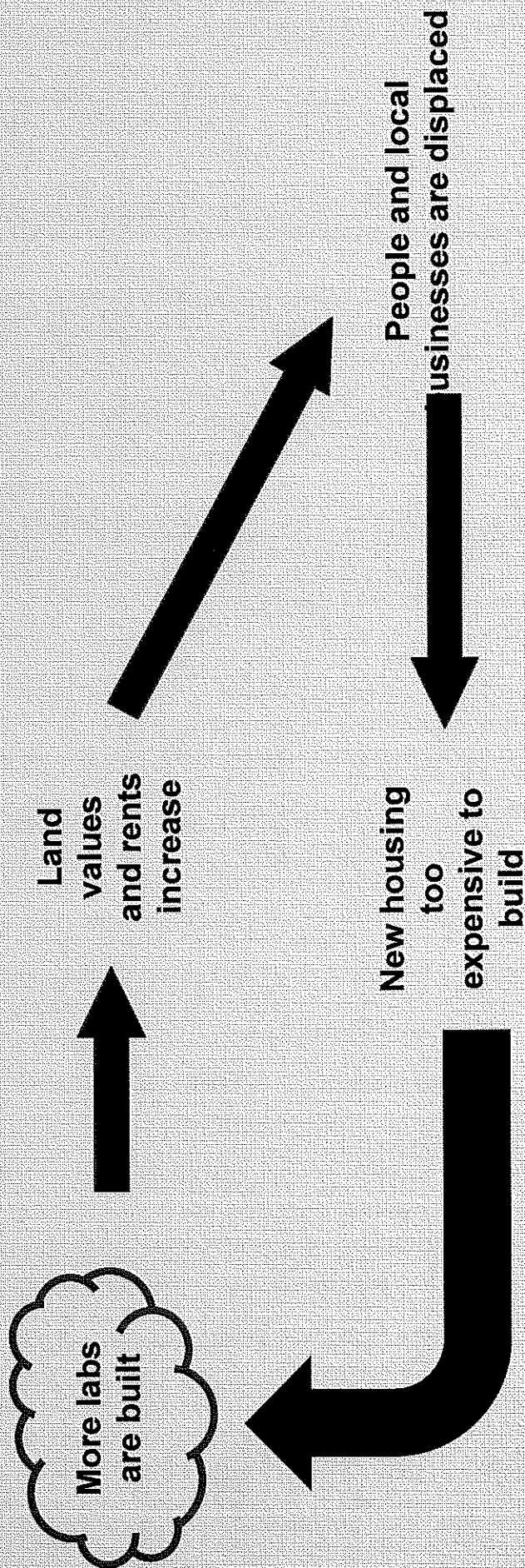
Computer Science Lab



ATTN

Regulating New Lab Growth Through Zoning

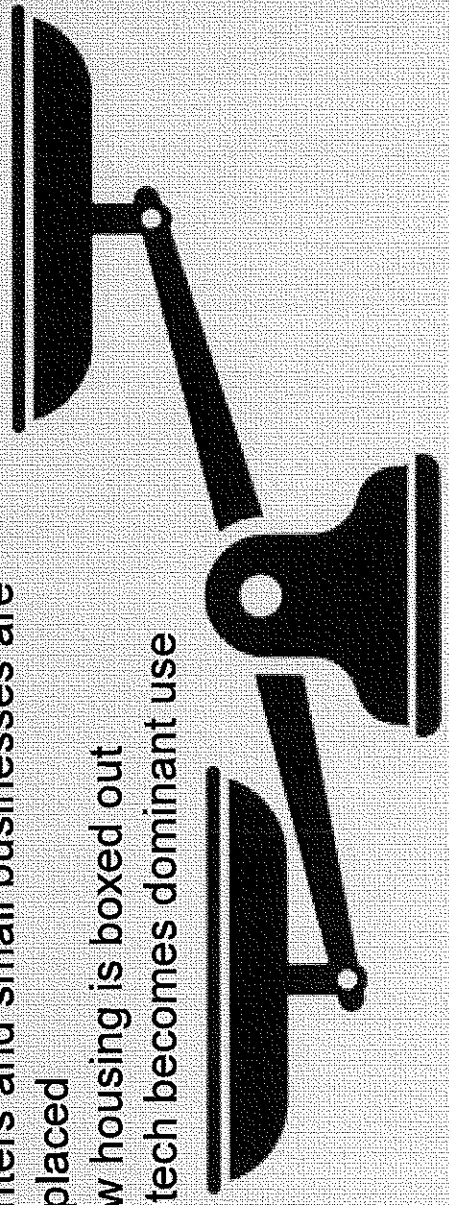
December 7, 2022



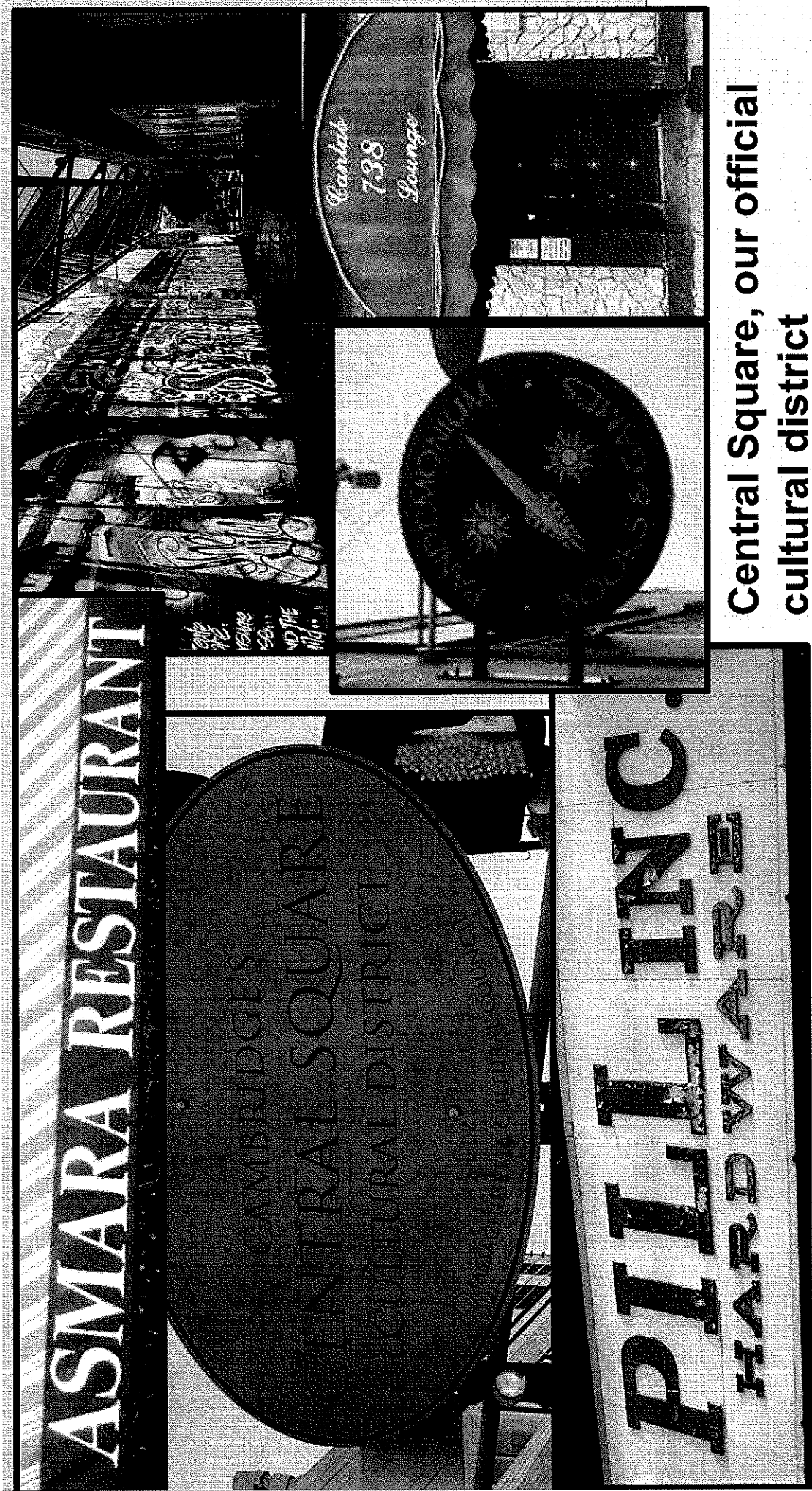
**Cambridge needs
a better balance
through
regulation**

- Renters and small businesses are displaced
- New housing is boxed out
- Biotech becomes dominant use

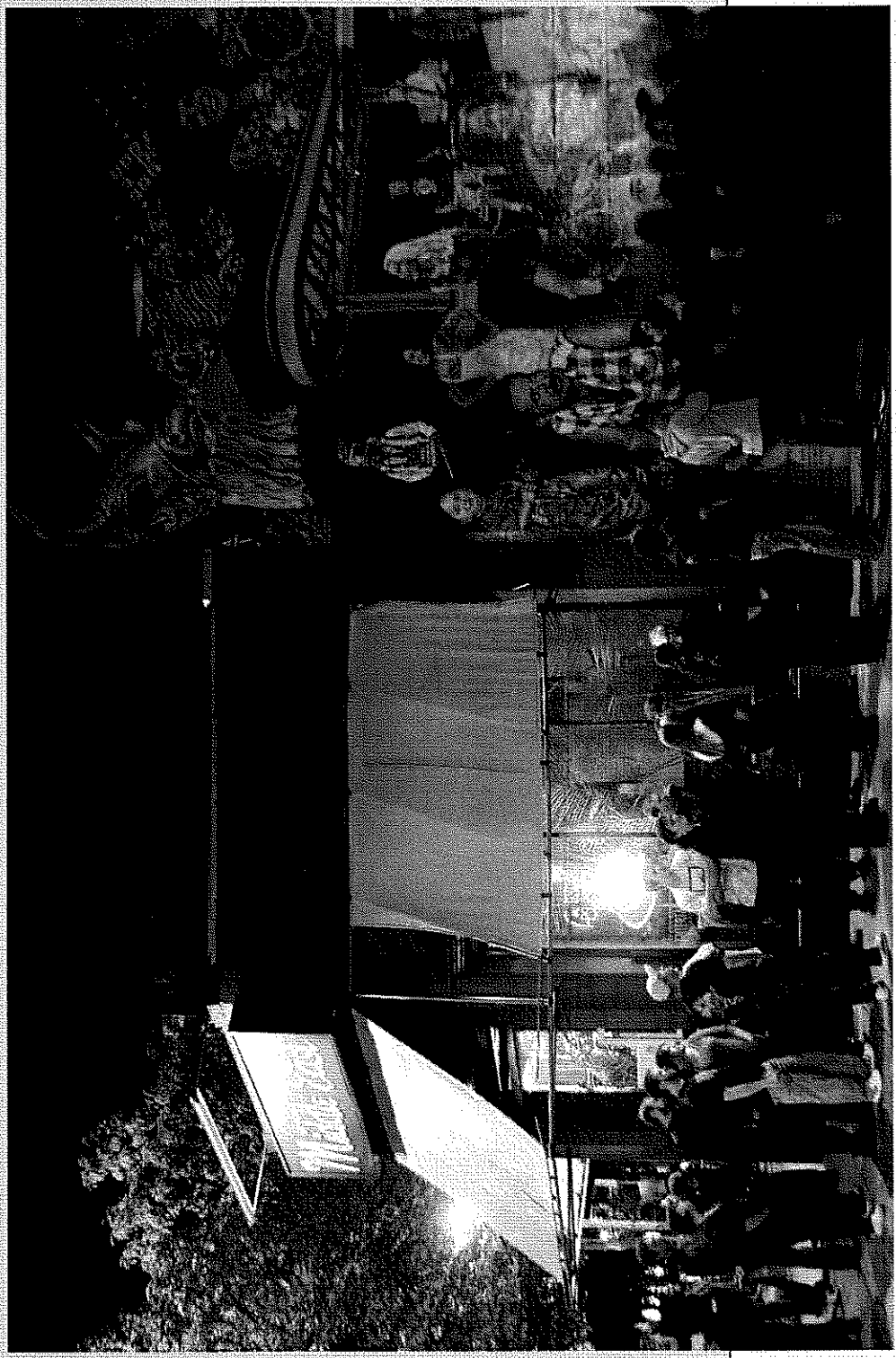
- Revenue
- Fiscal standing
- Global destination



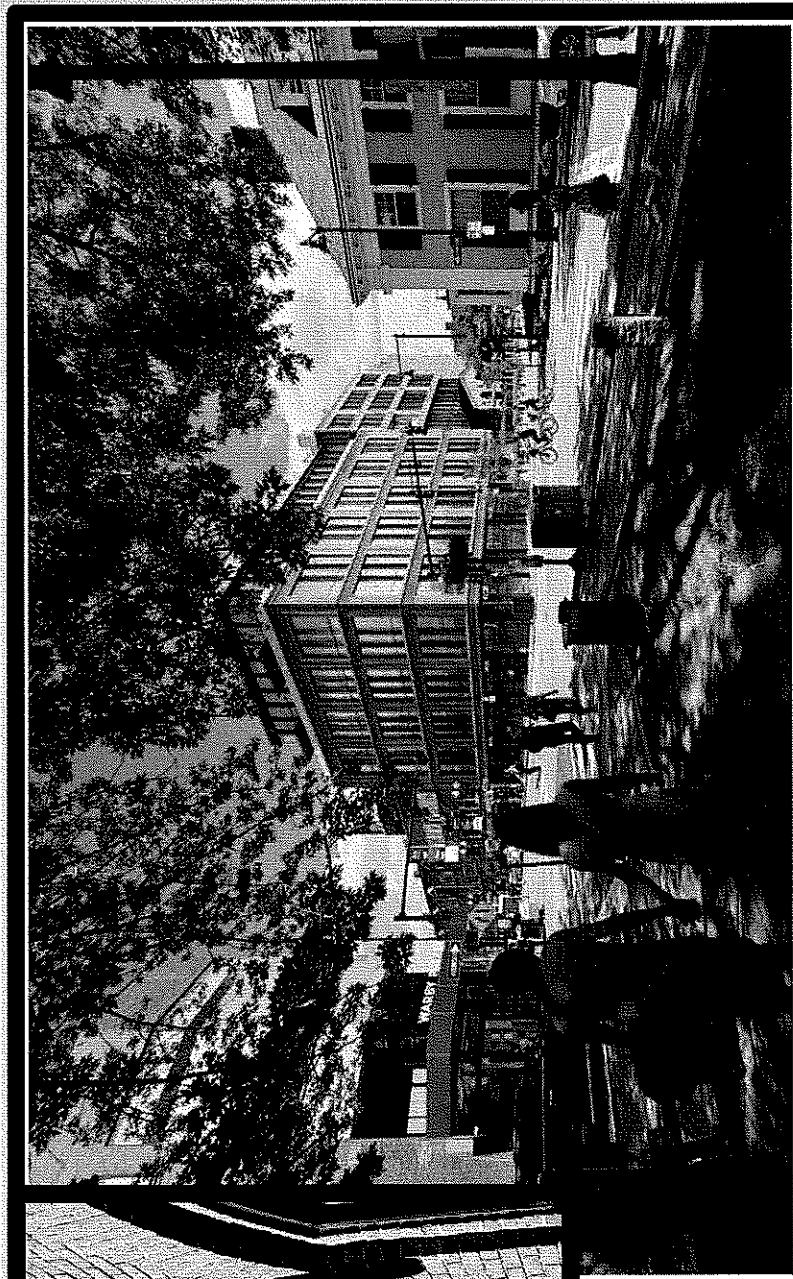
Balancing new lab development in Cambridge



Central Square, our official cultural district



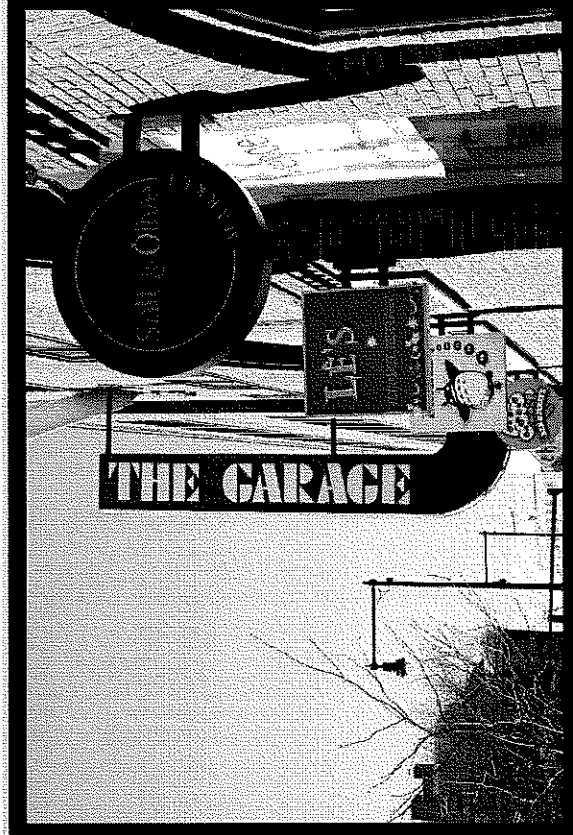
Minutes Acceptance: Minutes of Dec 7, 2022 1:00 PM (Committee Reports)



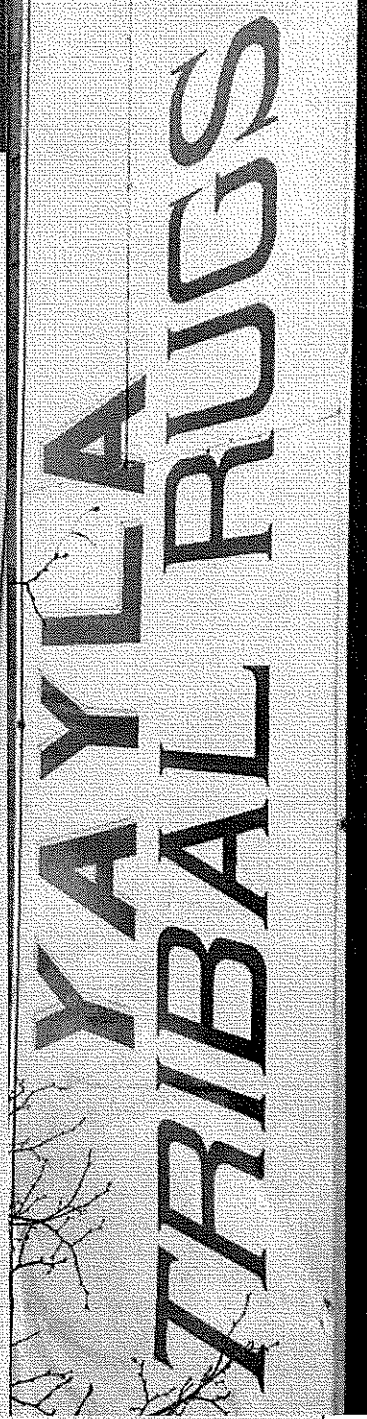
THE GARAGE

Volume 2

36 John F. Kennedy St. - 81 Mt. Auburn St. - 33 Dunster St.
Cambridge, MA



This should be housing, for example!



Broadway's diverse business district



The best way to regulate new lab growth in our city is through zoning

We need a clear definition to separate labs from office

The draft language proposes two things:

1. Defines the lab use
2. Regulates the use in certain areas of the city

ARTICLE 2.000 - DEFINITIONS

...

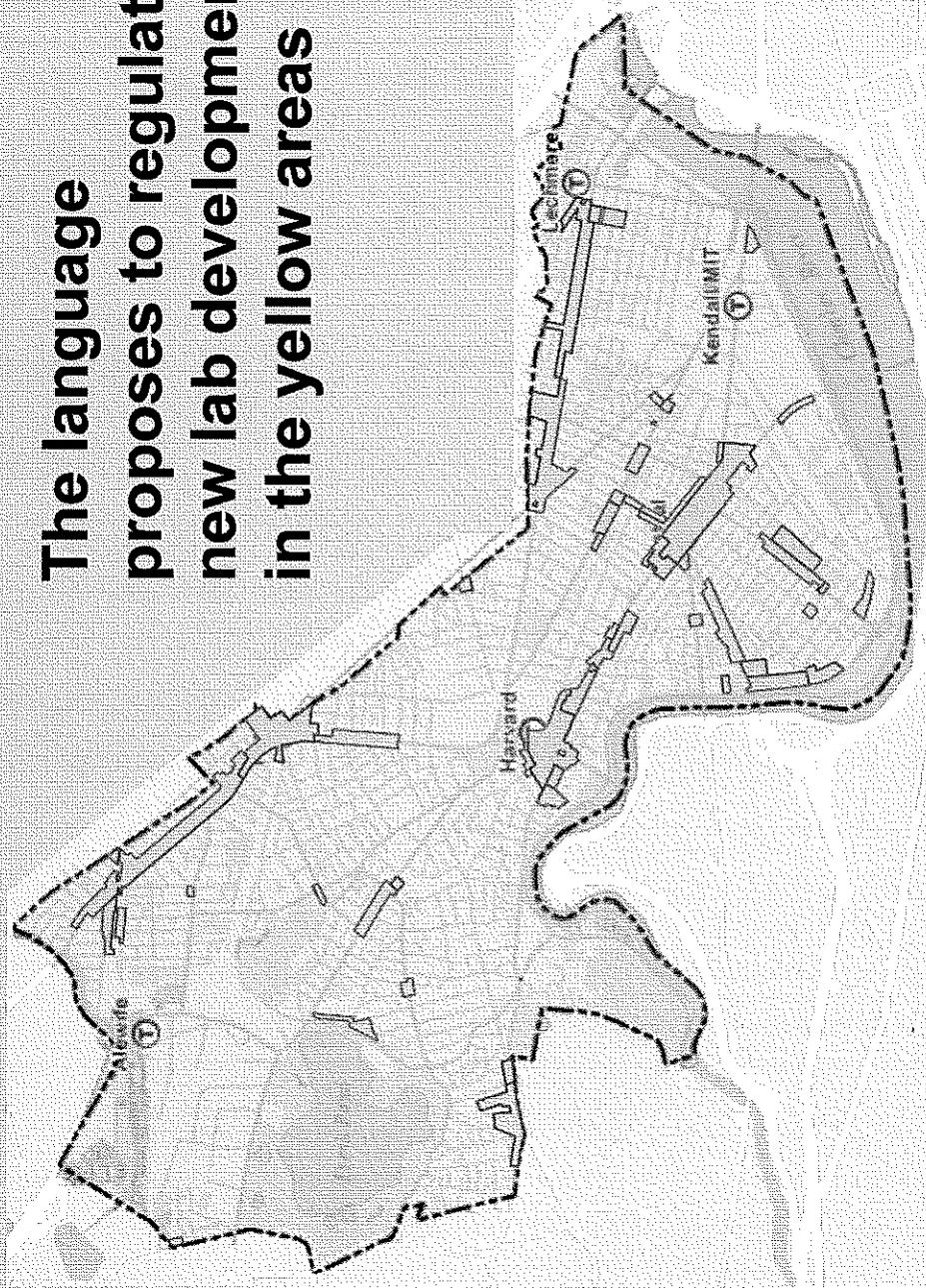
Technical office for research and development, laboratory & research facility. Any laboratory engaged in research, experimental and testing, including but not limited to the fields of biology, chemistry, electronics, engineering, geology, medicine, and physics, including activities that require additional air exchanges over and above a regular office use, or requires the use of chemical hoods, biosafety cabinets, regulated chemicals, or dangerous substances. This definition does not include innovation spaces, maker spaces, or other similar uses, or any purely software based activities.

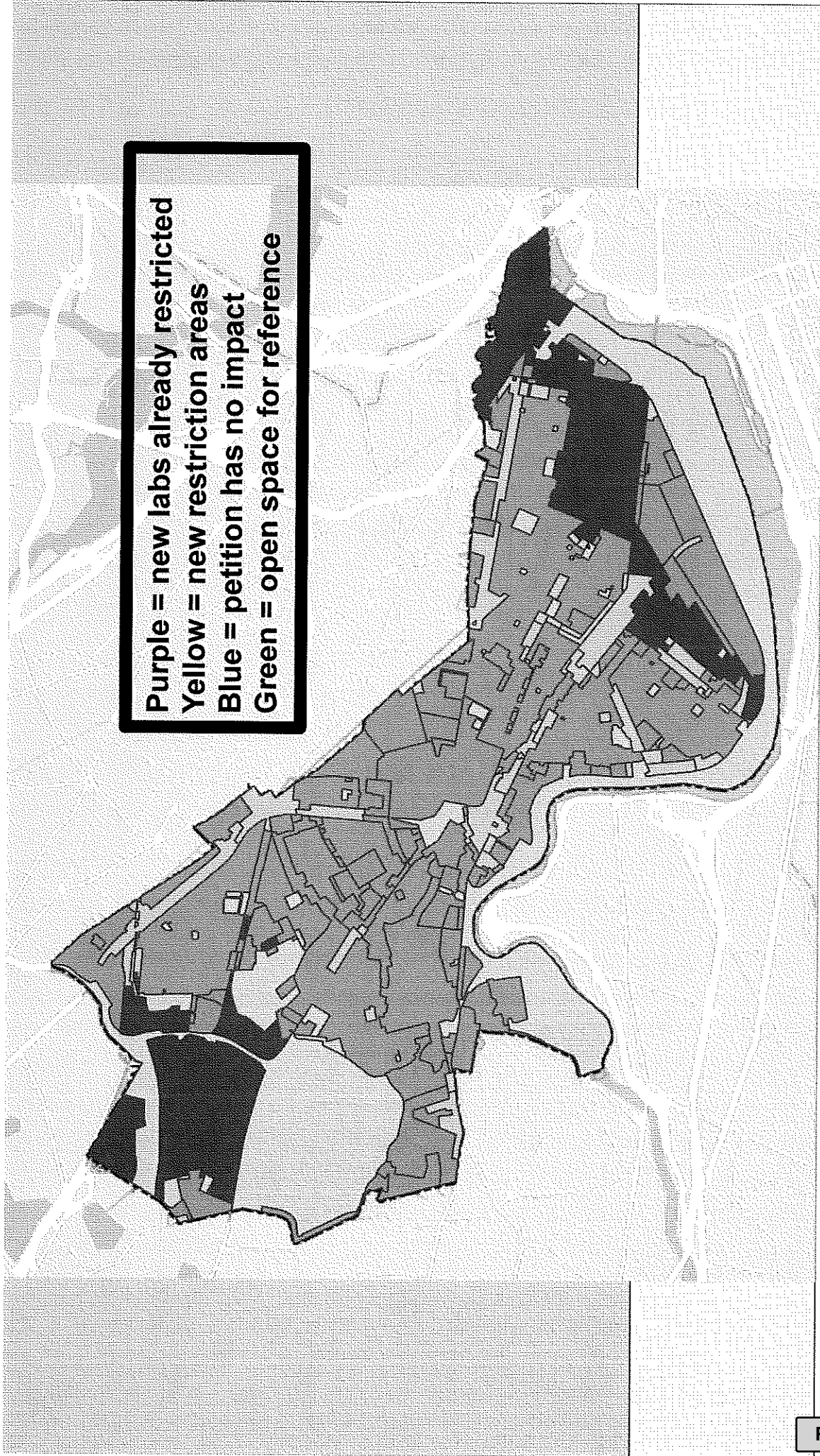
The proposed definition

- Not trying to regulate biosafety level
- Not trying to regulate medical/dental offices
- Not a “lab ban”

Proposed definition, continued

**The language
proposes to regulate
new lab development
in the yellow areas**





1. How to achieve a better balance between the pros and cons of additional lab development in our city
2. What mechanism to use for regulating where to allow new labs
3. How to define labs so that we can properly regulate them

Questions before us

AH D

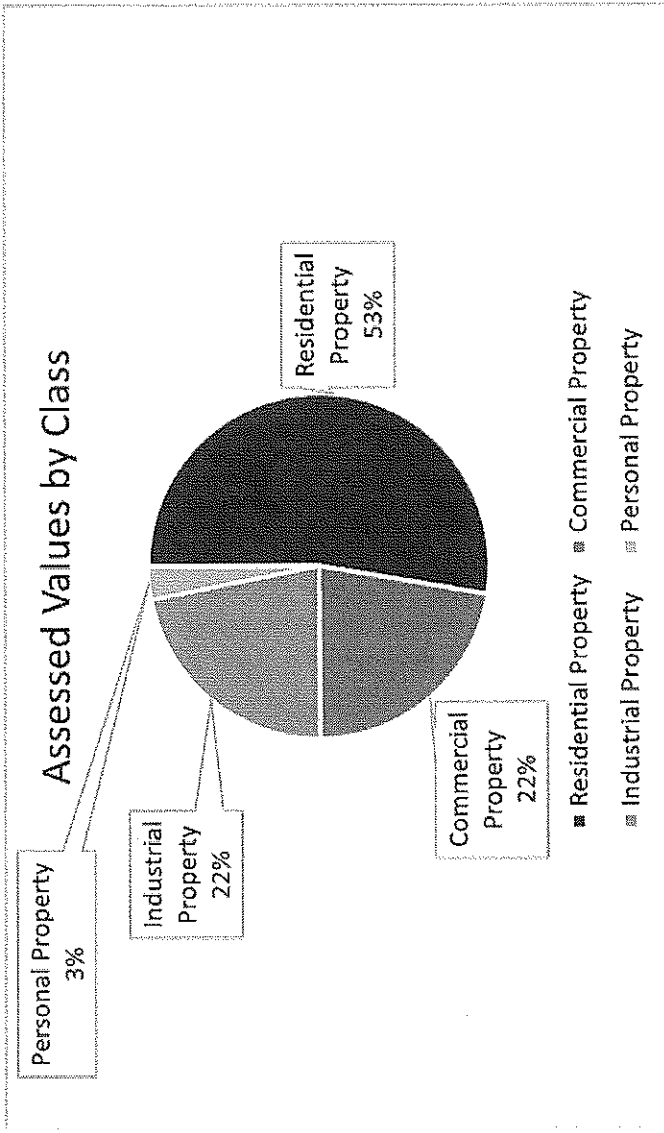
Lab Discussion

Finance & Assessing

December 7, 2022

Assessed Values by Class

- FY 23:
 - Total assessed value \$71.1 billion
 - \$7.2 billion increase over prior year
 - 11.2% increase over FY 22

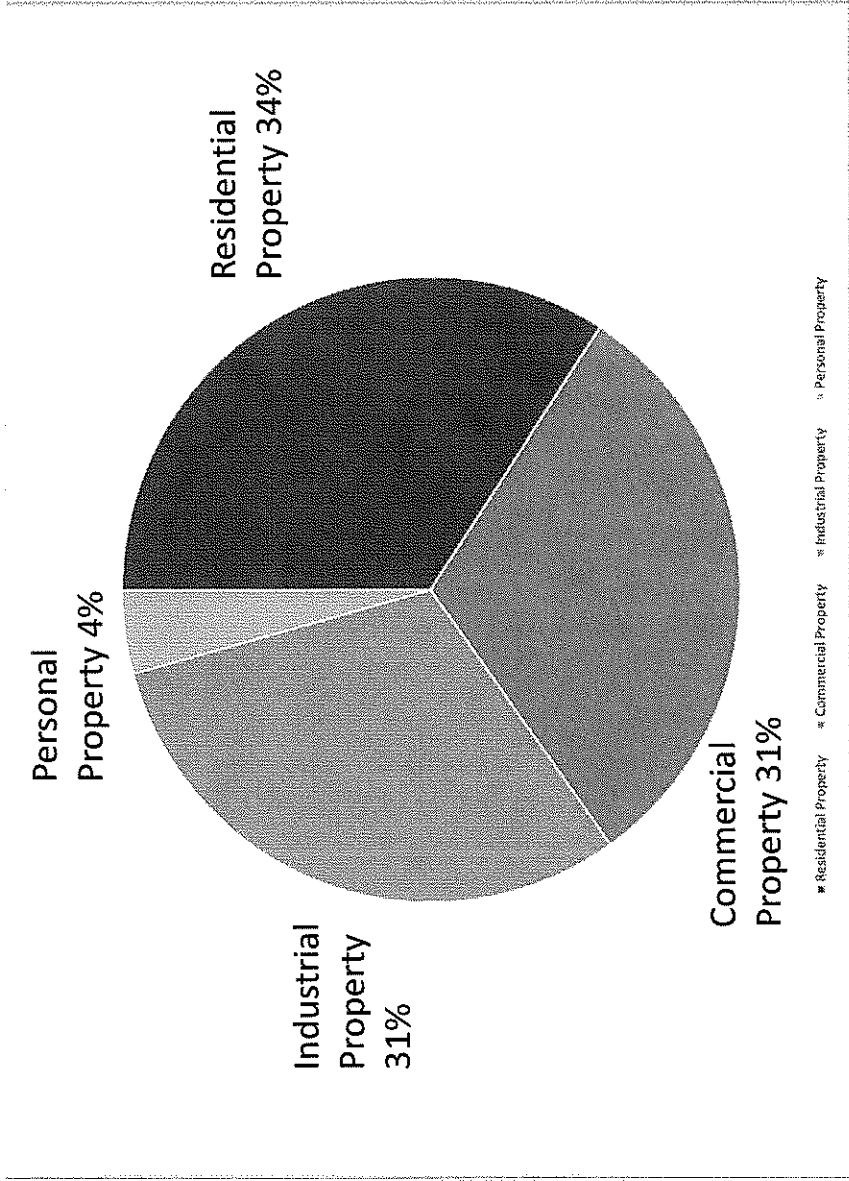


Assessed Values by Class	
Property Type	FY 23
Residential Property	\$ 37,466,551,809
Commercial Property	\$ 15,848,563,995
Industrial Property	\$ 15,615,981,117
Personal Property	\$ 2,208,815,600
Total	\$ 71,139,912,521

FY2023 Taxes by Property Class



- Residential Rate: \$5.86
- Commercial/Industrial Rate: \$10.38



What is in Commercial and Industrial classes?

Commercial Class

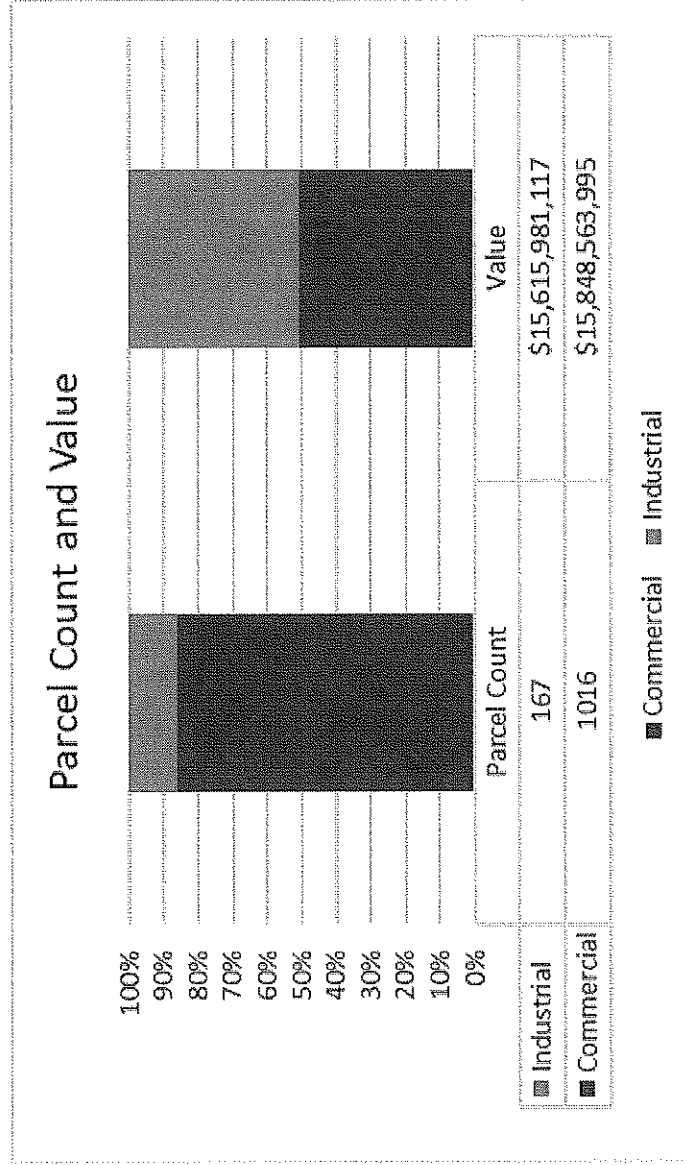
- Office
- Retail
- Hotels
- Restaurant
- Parking Garage

Industrial Class

- Research and Development Space
- Light Manufacturing
- Office-Industrial use
- Machine shop

**Fiscal Year 2023
Commercial and Industrial
parcel counts and value**

- **Industrial Parcel Count-167**
- **Industrial Value-\$15.6 billion**
- **Commercial parcel count- 1,016**
- **Commercial value-\$15.8 billion**



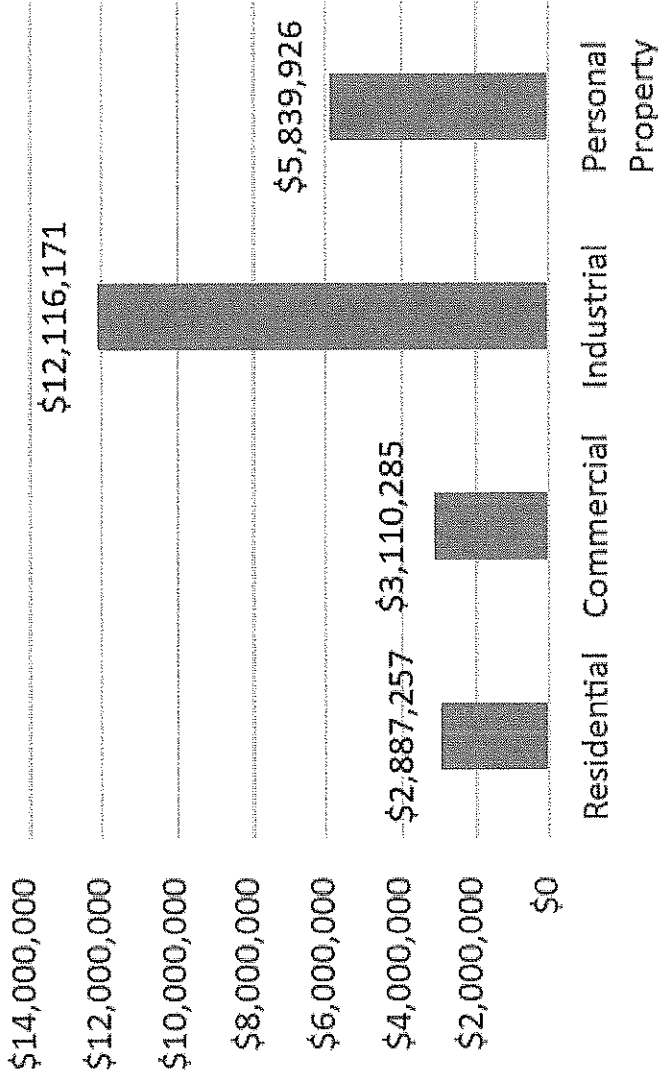
Commercial and Industrial Values

- Over the last 5 years both Commercial and Industrial values have increased
- 5 Year Commercial value increase-58%
- 5 Year Industrial Value increase-97%



FY23-Industrial New Growth

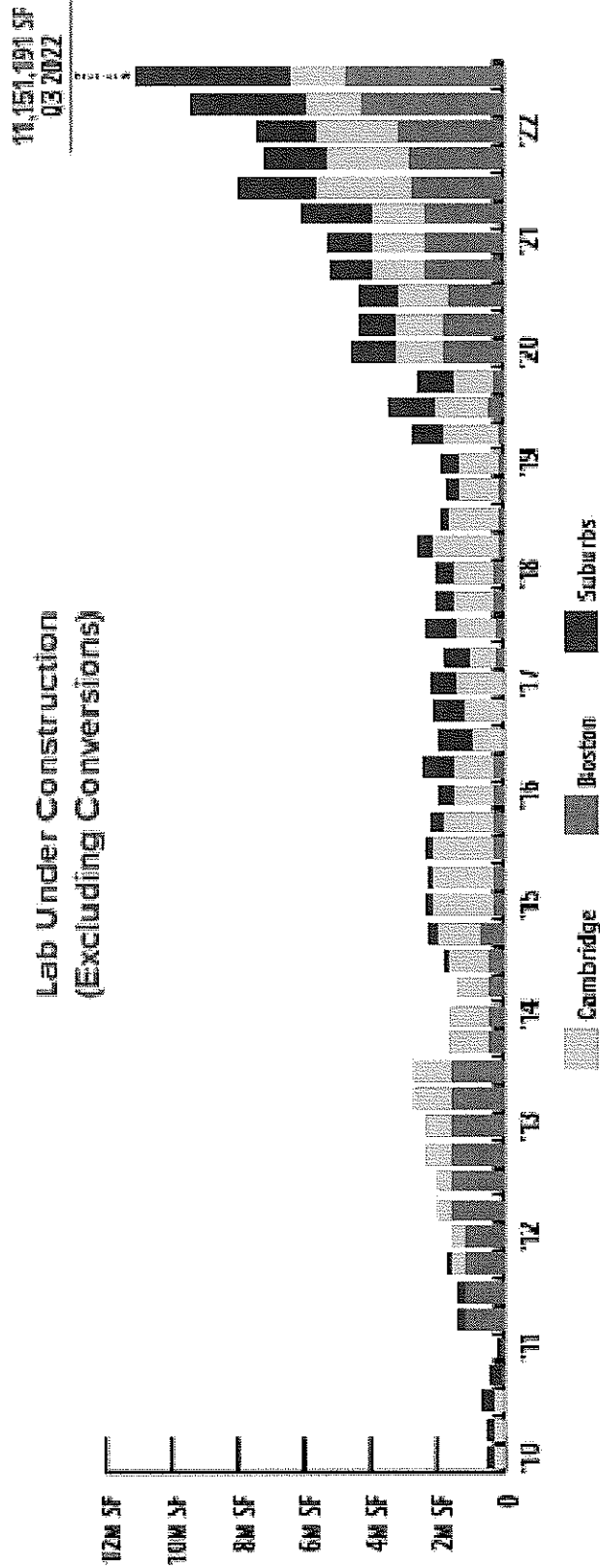
- over \$1 billion dollars in new growth value from the Industrial class
- Equals more than \$12 million dollars in tax levy growth
- Positive impact by lowering both residential (-1%) and commercial tax rates (-7.6%)



Lab Trends-Q3 2022

- “Occupancies in Cambridge have trended near full for several consecutive quarters
- Cambridge has little vacancy and remains the top choice for tenants
- Developers continue to build in Cambridge, but Boston and the suburbs are set for much larger percentage increases to their inventories
- The Seaport has emerged as Greater Boston’s top lab node, outside of East Cambridge”

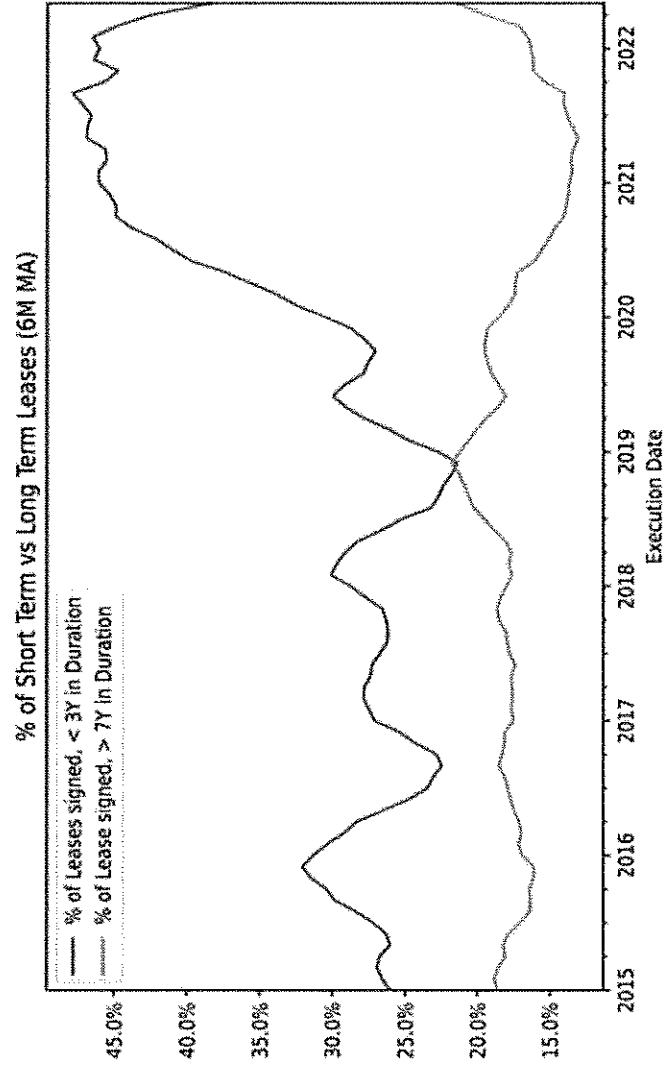
Lab Under Construction
(Excluding Conversions)



Office Trends

- **Much uncertainty in office markets coming out of Covid**
- Expected lease turnovers:
 - pre-scheduled expiration of long-term leases signed prior to Covid
 - the expiration of short-term leases signed during the pandemic
- **Flight to quality/amenity rich buildings**

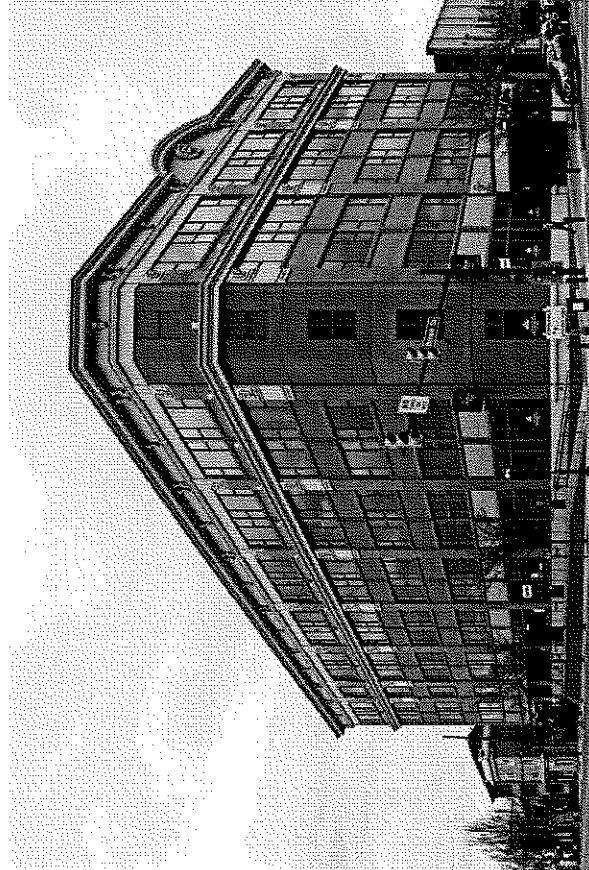
Figure 7: Lease Duration Changes



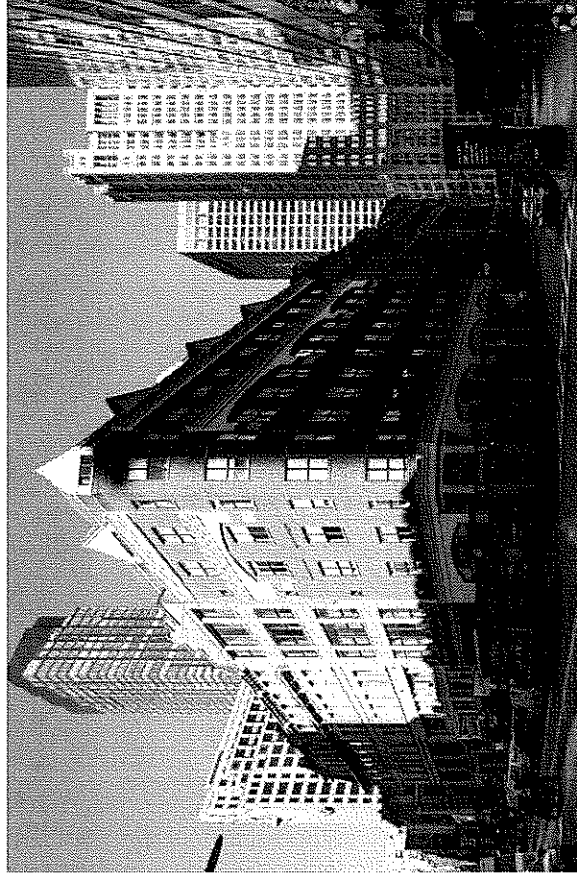
NBER WORKING PAPER SERIES

Class B-Smaller Scale Office Buildings

Typically, under 8 stories

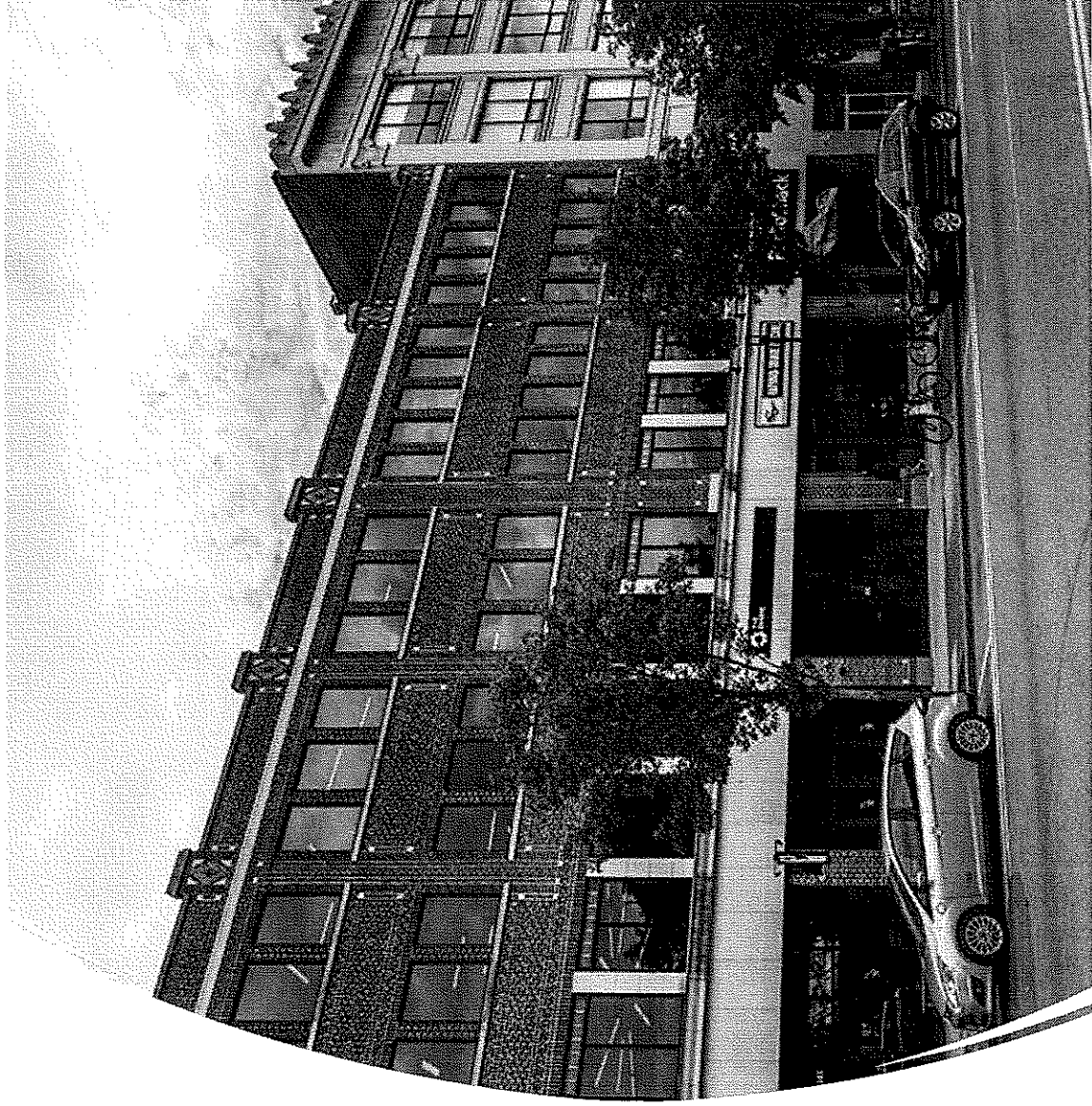


Supports retail on 1st floor



The Engine 501 Massachusetts Avenue

- 30,000 sq/ft of lab, office, and industrial space for Tough Tech companies
- Provides specialized labs, equipment, tools, space, and infrastructure necessary to build transformative technologies as economically and efficiently as possible



Concerns for the future of office

- Uncertainty in office market
- Impact of work from home/hybrid on office leases and sqft required
- Flight to quality A+ buildings with amenities
- Increase in Vacancy Rate with many leases coming up for renewal
- Lab work typically required to be in person, not from home

Overview

Mid-Cambridge/Harvard Sq Office

12 Mo Deliveries in SF

200K

12 Mo Net Absorption in SF

69.4K

Vacancy Rate

5.1%

12 Mo Rent Growth

0.9%



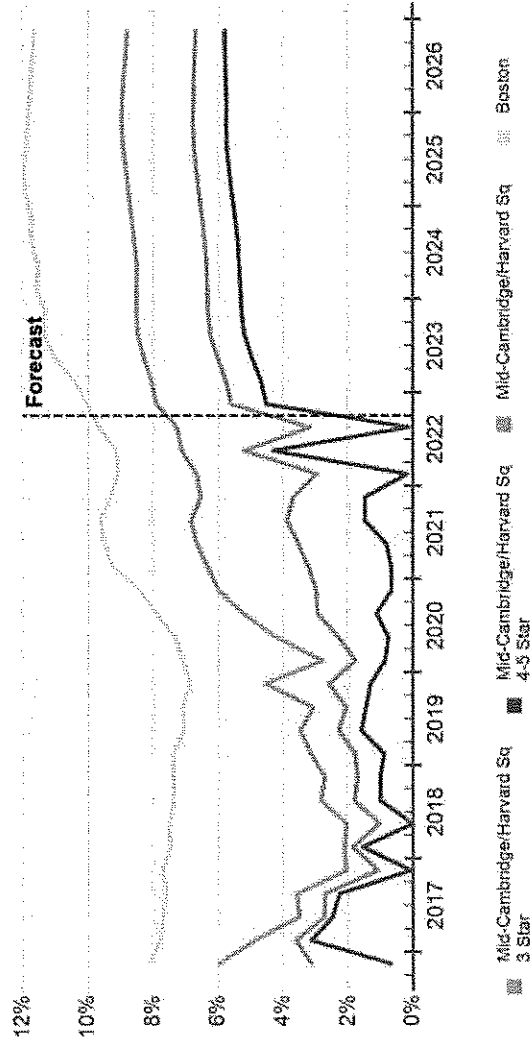
The goal of forecasting is not to predict the future but to tell you what you need to know to take meaningful action in the present-Paul Saffo

• Many different types of labs

- Food Incubators
- Medical Device
- Clean Energy
- Artificial Intelligence
- Robotics
- Fabrication/Production
- Tough Tech

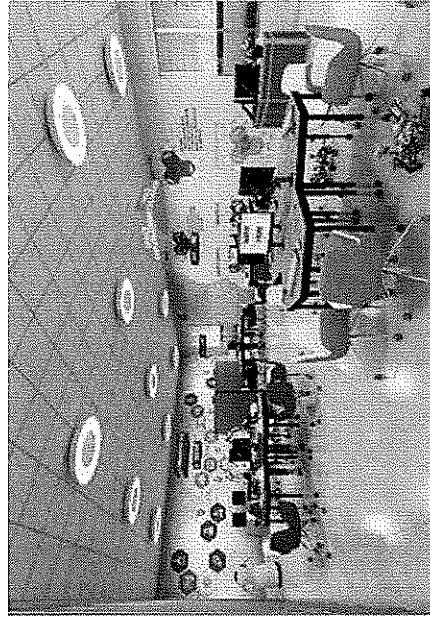
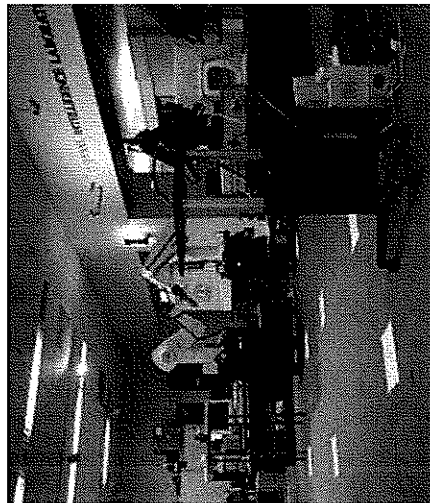
- Leaving avenues open for future uses of office space

Vacancy Rate-Harvard Square and Mid-Cambridge



Lab Summary- Finance Concerns

- Lab properties represent 22% of the total value and 31% of all taxes paid
- There are many types of lab space that are compatible with office conversions
- Lab construction increasing outside of Cambridge-Boston and suburbs; keep competitive edge
- In person work requirements of lab staff support local, small businesses
- Thoughtful, measured approach to lab zoning changes based on analysis and adaptability for a transforming future



Erwin, Nicole

From: City Clerk
Sent: Wednesday, December 7, 2022 8:34 AM
To: Erwin, Nicole
Subject: FW: On Labs, Squares, and Neighborhood Businesses
Attachments: Lab Vacancy Spikes.pdf

From: Blier, Suzanne <blier@fas.harvard.edu>
Sent: Wednesday, December 7, 2022 5:02 AM
To: Azeem, Burhan <bazeem@cambridgema.gov>; Carlone, Dennis <dcarlone@cambridgema.gov>; Mallon, Alanna <amallon@cambridgema.gov>; McGovern, Marc <mmcGovern@cambridgema.gov>; Nolan, Patricia <pnolan@cambridgema.gov>; Siddiqui, Sumbul <ssiddiqui@cambridgema.gov>; Simmons, Denise <dsimmons@cambridgema.gov>; Toner, Paul <ptoner@cambridgema.gov>; Zondervan, Quinton <qzondervan@cambridgema.gov>
Cc: City Clerk <cityclerk@Cambridgema.gov>; City Manager <CityManager@CambridgeMA.GOV>
Subject: On Labs, Squares, and Neighborhood Businesses

Honorable Mayor and City Council Members,

I write to you on the proposal before you today regarding lab use along our major squares and avenues urging you to vote against this lab regulation petition without major revisions to it.

Here is why I do not support this petition as written: In Harvard Square (and others squares) as well as along many of our mixed-use avenues and streets, we need to have ground floor businesses that meet the needs of local residents and others. In order to have such ground floor businesses (clothing stores, restaurants, food stores, services) viable, upper stories of commercial activity increasingly need to carry more financial weight. And, certain types of laboratories (among these dry labs for software design) make sense as a use. Stated another way, to keep ground floor lease prices low (for local and other needed businesses) we need the upper floors to do heavier financial lifting that helps keep the streetscape active and ground floor businesses from remaining vacant. Please also consider including language that stipulates specifically that in split level first ("ground") floors, those floors accessible from ground level via a few steps (up or down) should count as ground level.

I also bring to your attention a recent report in Boston Bisnow indicating that lab space vacancies are beginning to rise in the city, suggesting that there is less of a time crunch on this issue than appeared to be the case earlier.

Finally, since there already is lab use discussion underway by this body, any new proposal should be folded into that prior and ongoing Council lab discussion to have this work continue most efficiently.

Cordially,

Suzanne Blier
 5 Fuller Place

Minutes Acceptance: Minutes of Dec 7, 2022 1:00 PM (Committee Reports)

Lab Vacancy Spikes In Cambridge, Making Room For Smaller Firms

December 6, 2022 | Taylor Driscoll, Bisnow Boston (<https://www.bisnow.com/author/taylor-driscoll-574145>) (<mailto:taylor.driscoll@bisnow.com>)

Cambridge's life sciences cluster has historically had little to no lab vacancy, as big players have gobbled up space as soon as it hits the market.

But this year, companies have begun to give back space as the economy cools down, and lab availability in Cambridge has risen dramatically. From Q2 to Q3, Cambridge's lab vacancy rate rose from 1.4% to 5.2%, the highest level in years, according to Colliers (<https://www.bisnow.com/tags/colliers>)' latest market reports (<https://www.colliers.com/en/research/boston/2022-q3-lab-market-report-boston-colliers>).

While rising vacancy may be bad for landlords, it is also creating new opportunities for midsized companies that previously had a hard time expanding in the hottest life sciences cluster in the country, experts said last week at *Bisnow's* Cambridge State of the Market event, hosted at The Royal Sonesta Boston.



"It's providing our companies with more optionality, and for so long, they had none," MassBio (<https://www.bisnow.com/tags/massbio>) President Kendalle Burlin O'Connell said at the event. "If they were lucky enough to get space, it was take it or leave it, and [otherwise], you'll have nothing."

When the market had near-zero vacancies, tenants often signed leases for more space than they needed to allow for expansions.

"Tenants were concerned about securing space for their growth plans," said Rob Dickey, executive vice president at Leggat McCall (<https://www.bisnow.com/tags/leggat-mccall>). "All of these younger, early stage companies that were very ambitious and had big expectations of growth became concerned about if they were going to take 15K SF they needed today and secure another 15K SF for tomorrow."

But Dickey said some companies overcommitted and are giving back space, while others are consolidating multiple spaces into one. This has led to a sharp rise in the amount of sublease space on the market.

Sublease availability in Cambridge rose from roughly zero last year to 639K SF at the end of last quarter, according to Colliers. The Cambridge market also recorded a drop in demand in the third quarter, with 200K SF of negative net absorption.

"We're having a bit of a leasing hangover here in Cambridge as a result of some very frothy times," said Michael Wilcox, senior vice president of leasing at Bulfinch Cos (<https://www.bisnow.com/tags/bulfinch-cos>). "The market is changing."



In September, Biogen (<https://www.bisnow.com/tags/biogen>) consolidated its Cambridge footprint by selling its 125 Broadway St. building (<https://www.bisnow.com/boston/news/life-sciences/bxp-buys-kendall-square-life-sciences-property-for-592m-115505>) to BXP (<https://www.bisnow.com/tags/bxp>) in a sale-leaseback deal and terminating its lease with the REIT at 300 Binney St. The moves cut in half the amount of property Biogen owned.

The rise of sublease availability may be healthy for the Cambridge life sciences market, as it creates more opportunities for midsize companies, Wilcox said.

“The phenomenon in the marketplace is that it’s created move-in-ready space for many companies, and that’s a positive for them,” Wilcox said.

Midsize life sciences companies have struggled to find space as they have been priced out of hot areas like Kendall Square (<https://www.bisnow.com/tags/kendall-square>). Average asking rents in the third quarter for Cambridge were \$117.55 per SF, which was \$18 per SF above the Boston-area average, according to CBRE (<https://www.bisnow.com/tags/cbre>)’s Q3 U.S. Life Sciences

(https://www.cbre.com/insights/figures/q3-2022-us-life-sciences-figures?utm_source=Press+release&utm_medium=email&utm_campaign=Q3+2022+U.S.+report).

Unlike Big Pharma companies with deep pockets and new startups flush with venture capital money, many of these mid-sized companies don't have the cash to pay Cambridge's high rents, pushing them to other markets.

“What we have priced out of the market is the mid-tier company, and that’s not great to lose that,” said Iram Farooq

(<https://www.bisnow.com/tags/iram-farooq>), assistant city manager in Cambridge. “In this change of the nature of work and the subleasing opportunities, some of these mid-tier companies will be able to stay in Cambridge.”



Available space might not be the only factor helping keep these mid-sized companies in Cambridge. Farooq said some of the recent pushback on larger lab construction projects in the city could help to create an opening for smaller and mid-sized lab spaces that residents aren't as worried about.

In September, two city councilors proposed a limit on life sciences construction to just active areas like Kendall Square and Alewife (<https://www.bisnow.com/tags/alewife>), the Boston Business Journal

reported
(<https://www.bizjournals.com/boston/news/2022/09/22/cambridge-proposal-would-ban-new-labs-in-some-part.html>). The proposed restrictions have started conversations between businesses, life sciences trade groups like MassBio and the city about what this could mean for the industry.

Farooq said that these conversations could pave the way for midsized companies to get into markets outside of Kendall Square, where bigger companies might not be able to fit.

“We do have districts that can actually be home to these midsized companies that are not right in the heart of Kendall Square but adjacent or in Alewife, and those could become the place that people move to,” Farooq said.

Contact Taylor Driscoll at taylor.driscoll@bisnow.com
(<mailto:taylor.driscoll@bisnow.com>)

See Also: Trump Organization Found Guilty On All 7 Counts At Tax Fraud Trial
(</new-york/news/commercial-real-estate/trump-organization-guilty-on-all-counts-of-tax-fraud-in-ny-116699>)

Related Topics: CBRE (<https://www.bisnow.com/tags/cbre>), Colliers (<https://www.bisnow.com/tags/colliers>), Alewife (<https://www.bisnow.com/tags/alewife>), Biogen (<https://www.bisnow.com/tags/biogen>), Kendall Square (<https://www.bisnow.com/tags/kendall-square>), Leggat McCall (<https://www.bisnow.com/tags/leggat-mccall>), Bulfinch Cos (<https://www.bisnow.com/tags/bulfinch-cos>), Iram Farooq (<https://www.bisnow.com/tags/iram-farooq>), MassBio (<https://www.bisnow.com/tags/massbio>), BXP (<https://www.bisnow.com/tags/bxp>), Kendalle Burlin O’Connell (<https://www.bisnow.com/tags/kendalle-burlin-o'connell>)

From: City Clerk
Sent: Wednesday, December 7, 2022 9:47 AM
To: Erwin, Nicole
Subject: FW: lab restriction regulation

From: Shelley Rieman <shelleyrieman@gmail.com>
Sent: Wednesday, December 7, 2022 8:43 AM
To: City Council <CityCouncil@CambridgeMA.GOV>; City Clerk <cityclerk@Cambridgema.gov>
Cc: Lee Farris <Lee@leefarris.net>
Subject: lab restriction regulation

Dear Committee,

I am writing to support restricting new labs from the Squares in Cambridge. I live two blocks from Central Square and the LAST thing needed here are labs. We need temporary and permanent housing for the unhoused population that is growing every da in Central Sq.

We need housing in general; affordable housing for workers, families, students, seniors.

Our Squares are vibrant and active areas suited to enhance the quality of life of Cambridge residents, and others--people from nearby towns, tourists, people who work here. Residents should be able to walk to a nearby square and be able to shop for groceries, hardware items, and gifts. They should have access to public transportation, many types of restaurants, a local post office, and small businesses that serve their needs. Cambridge municipal offices and departments are conveniently located near Central and Inman squares.

Labs are most appropriate in the Kendall Square area, close to MIT and the many biotech and other science-related organizations there.

Thank you in advance for prioritizing people over labs!

Sincerely,

Shelley Rieman
 201 Franklin St.
 617-388-8712

Erwin, Nicole

From: City Clerk
Sent: Wednesday, December 7, 2022 12:24 PM
To: Erwin, Nicole
Subject: FW: Council's

From: Rachel Wyon <r.wyon2010@gmail.com>
Sent: Wednesday, December 7, 2022 11:58 AM
To: City Council <CityCouncil@CambridgeMA.GOV>
Cc: City Clerk <cityclerk@Cambridgema.gov>
Subject: Council's

To: Economic Development Committee and Neighborhood and Long Term Planning Committee.
 Re: Meeting on Dec. 7 with regard to the Lab Regulation Petition

I am writing to ask you to support the Lab Regulation Petition which would prohibit new biotech lab construction in Cambridge's neighborhoods and squares, including Central, Harvard, Porter, Inman, Cambridge Street, River Street, Concord Ave., Broadway.

As a resident of Cambridgeport and frequent pedestrian/cyclist in Central, Inman and Harvard Squares, I am in complete support of this petition because it will benefit both residents and small independent businesses in the Squares and other business districts. Lab development would drive up the cost of land, thus making affordable housing development and small businesses even more difficult and cause further displacement of current residents and small businesses. We are in a housing crisis now; we need to focus on affordable housing in the residential neighborhoods and the Squares. This petition is an important step to interrupt the housing affordability crisis that we all want to remedy.

This petition would not stop further lab development, rather keep it in the areas designated for labs - Kendall Sq, eastern part of Cambridgeport and some parts of Alewife. This would strike a better balance between housing production and excessive biotech/pharma growth.

I ask you to consider how important it is to keep our Squares the historic cultural, dining and shopping centers they are. Cambridge is a beautiful city for the people who live here, come to work and study here, and visit as tourists. With increased affordable and energy efficient housing and more opportunities for small businesses, we can make Cambridge a more affordable city for many more people.

Thank you for studying the zoning proposal in this position that makes Cambridge a livable vibrant city for people and also for science research and labs.

Sincerely,
 Rachel Wyon
 283 Sidney St.
r.wyon2010@gmail.com

Minutes Acceptance: Minutes of Dec 7, 2022 1:00 PM (Committee Reports)

Erwin, Nicole

From: City Clerk
Sent: Wednesday, December 7, 2022 3:48 PM
To: Erwin, Nicole
Subject: FW: Lab Regulation petition

From: john russe <john.russe@gmail.com>
Sent: Wednesday, December 7, 2022 2:05 PM
To: City Clerk <cityclerk@Cambridgema.gov>
Subject: Lab Regulation petition

I am writing in support of the new Lab Regulation petition. It is in the best interests of our community to avoid the commingling of residential and commercial space with potentially hazardous lab activities. I am hoping that our recent pandemic (and its unrelenting aftermath) has taught us something about the vulnerabilities we generate by assuming there is any limit to the capacity for human error to create unpredicted outcomes. John Russell

Erwin, Nicole

From: City Clerk
Sent: Wednesday, December 7, 2022 3:48 PM
To: Erwin, Nicole
Subject: FW: Lab Restriction Regulation

From: Susan Markowitz <susanlmarkowitz@gmail.com>
Sent: Wednesday, December 7, 2022 2:39 PM
To: City Council <CityCouncil@CambridgeMA.GOV>; City Clerk <cityclerk@Cambridgema.gov>
Subject: Lab Restriction Regulation

Dear Committee Members,

I am writing to support restricting new labs from the multiple Squares in Cambridge. I live in Inman Square and do not want labs nearby. I would rather preserve the neighborhood feel of Inman Square with more affordable housing and retail shops such as restaurants, bookstores, pharmacies, hardware stores, clothing stores, grocery stores, etc.

Because lab development is much more profitable than housing and retail, if labs are allowed in the squares, that will drive up the cost of land, making it harder to get additional housing and retail.

Labs are already located in Kendall Square and close to MIT. I would prefer that they remain in those locations where they will be close to biotech and other science-related organizations.

Sincerely,
 Susan Markowitz
 20 Oak Street
 Cambridge, MA 02139

Erwin, Nicole

From: City Clerk
Sent: Wednesday, December 7, 2022 3:52 PM
To: Erwin, Nicole
Subject: FW: MIT Testimony on Lab Ban
Attachments: Lab Ban Testimony 12722.docx

From: Sarah Eusden Gallop <seg@mit.edu>
Sent: Wednesday, December 7, 2022 3:16 PM
To: City Clerk <cityclerk@Cambridgema.gov>
Cc: City Council <CityCouncil@CambridgeMA.GOV>; Council Aide <CouncilAide@CambridgeMA.Gov>; Huang, Yi-An <yhuang@cambridgema.gov>; Farooq, Iram <ifarooq@cambridgema.gov>; O'Riordan, Owen <ooriordan@cambridgema.gov>
Subject: MIT Testimony on Lab Ban

Dear Madame City Clerk,

Please find, below and attached, MIT's testimony in regard to the proposed lab ban to be included in the record of the meeting.

Lab Ban Zoning Petition
 12/7/22

Thank you, Mr. Chair

My name is Sarah Gallop and I'm Co-Director of Government and Community Relations at MIT. I testified on this lab ban in September and shared the many questions that we have — and still have.

I'd like to reiterate two of our most fundamental questions about this proposal: what is trying to be achieved? What problems are trying to be solved?

We have an operating philosophy at MIT that it's important for us to work closely with the City on every topic that is of mutual concern. We share data, information, and expertise, and make sure that, together, we fully understand the intended and unintended consequences of any policy decisions. Sometimes we are in full agreement, and sometimes we're not, but we're always aware of the likely outcomes because, together, we've done our due diligence.

None of that has happened on this topic.

This proposal presents as knee-jerk, yet it's not clear what issues or dynamics it's trying to be responsive to. The restricted areas appear arbitrarily proposed without any analysis of the parcels

within. Has anyone drawn up a list of all the properties that will be affected? Even if that has happened — although I'm not aware of such a list — has anyone reached out to the property owners to talk with them about their current or future plans?

We're in Cambridge, Massachusetts — the world's premiere innovation ecosystem. Our City is home to Moderna and Pfizer that arguably saved millions of lives during Covid. It's home to hundreds of IT, biotech, and sustainability-related companies that are addressing poverty, food, water, energy, disease, pollution, and more — the most pressing challenges that are facing our society and planet. We should feel a tremendous sense of pride about how our City contributes to the world. I know I, and my MIT colleagues, do.

If there's a problem that this proposal is trying to address (although I haven't yet heard anything that seems real or compelling), let's focus on solutions that make sense. We have many tools at our disposal. This proposal attacking business districts is short-sighted, anti-innovation, and regressive. There also doesn't seem to be much support for it.

I actually feel embarrassed, and more seriously, concerned, for all of us that we're entertaining the idea of a lab ban. For our elected leaders' sakes, our City administration's sake, and all of the contributors to this pre-eminent innovation ecosystem, I genuinely hope that no media outlet covers this hearing.

Thank you,
Sarah Gallop
Co-Director, MIT Government and Community Relations

Learn about why we love our work!
[MIT in Cambridge: Impact Report](#)
[Website](#) | [Twitter](#) | [Instagram](#)

Lab Ban Zoning Petition
12/7/22

Thank you, Mr. Chair

My name is Sarah Gallop and I'm Co-Director of Government and Community Relations at MIT. I testified on this lab ban in September and shared the many questions that we have — and still have.

I'd like to reiterate two of our most fundamental questions about this proposal: what is trying to be achieved? What problems are trying to be solved?

We have an operating philosophy at MIT that it's important for us to work closely with the City on every topic that is of mutual concern. We share data, information, and expertise, and make sure that, together, we fully understand the intended and unintended consequences of any policy decisions. Sometimes we are in full agreement, and sometimes we're not, but we're always aware of the likely outcomes because, together, we've done our due diligence.

None of that has happened on this topic.

This proposal presents as knee-jerk, yet it's not clear what issues or dynamics it's trying to be responsive to. The restricted areas appear arbitrarily proposed without any analysis of the parcels within. Has anyone drawn up a list of all the properties that will be affected? Even if that has happened — although I'm not aware of such a list — has anyone reached out to the property owners to talk with them about their current or future plans?

We're in Cambridge, Massachusetts — the world's premiere innovation ecosystem. Our City is home to Moderna and Pfizer that arguably saved millions of lives during Covid. It's home to hundreds of IT, biotech, and sustainability-related companies that are addressing poverty, food, water, energy, disease, pollution, and more — the most pressing challenges that are facing our society and planet. We should feel a tremendous sense of pride about how our City contributes to the world. I know I, and my MIT colleagues, do.

If there's a problem that this proposal is trying to address (although I haven't yet heard anything that seems real or compelling), let's focus on solutions that make sense. We have many tools at our disposal. This proposal attacking business districts is short-

sighted, anti-innovation, and regressive. There also doesn't seem to be much support for it.

I actually feel embarrassed, and more seriously, concerned, for all of us that we're entertaining the idea of a lab ban. For our elected leaders' sakes, our City administration's sake, and all of the contributors to this pre-eminent innovation ecosystem, I genuinely hope that no media outlet covers this hearing.

Thank you.