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Cambridgeside Galleria Associates Trust
c/o New England Development
75 Park Plaza
Boston, MA 02116

_____December ____, 2019

VIA HAND DELIVERY

Mayor Marc C. McGovern
Vice Mayor Jan Devereux
Ordinance Committee Co-Chair Dennis J. Carlone
Ordinance Committee Co-Chair Craig A. Kelley
City Councilor Alanna M. Mallon
City Councilor Sumbul Siddiqui
City Councilor E. Denise Simmons
City Councilor Timothy J. Toomey, Jr.
City Councilor Quinton Y. Zondervan
Cambridge City Hall
795 Massachusetts Ave., 2nd Floor
Cambridge, MA 02139

Re: Commitments and conditions accompanying the amended zoning petition (the “PUD-8 Zoning”) for PUD-8 District (the “PUD-8 District”)

Dear Mayor McGovern, Vice Mayor Devereux, Ordinance Committee Co-Chairs Carlone and Kelley and Councilors Mallon, Siddiqui, Simmons, Toomey and Zondervan:

The purpose of this letter is to describe commitments and benefits which New England Development and Cambridgeside Galleria Associates Trust (“**NED**”) are prepared to offer the City of Cambridge to facilitate and enable NED to revitalize and redevelop CambridgeSide in light of changed circumstances in the retail market and neighborhood needs (the “**Project**”) through the construction of new mixed-use buildings, subject to the satisfaction of the Conditions set forth below.

Capitalized terms used, but not otherwise defined, herein shall have the meanings ascribed to them in Article 13.100 of the City of Cambridge Zoning Ordinance.

NED’s Commitments

- A. **Activation.** In light of the recent increased interest in creating a more vibrant streetscape, NED agrees that it shall incorporate Active Uses on the ground floor along First Street, Cambridgeside Place and Canal Park, as more particularly described in Section 13.107.1.

- B. **Setbacks and Steppbacks.** Pursuant to the provisions of Section 13.107.5(a)(i), any new buildings fronting on First Street will incorporate a ~~10-foot~~ setback of at least 10 feet. Pursuant to the provisions of Section 13.107.5(a)(ii), any new or renovated buildings within the PUD-8 District that exceed 85 feet in height will incorporate (i) a 10-foot stepback of the building façade at an elevation of approximately 65 feet in height and (ii) a 10-foot stepback of the building façade at an elevation of approximately 135 feet in height (if applicable). New or renovated buildings within the PUD-8 District that do not exceed 85 feet in height are encouraged to provide a distinct horizontal articulation at a datum height of approximately 65 feet.
- C. **Subsidy for Innovation/Start-Up or Non-Profit Office Space.** NED agrees that no later than issuance of the final certificate of occupancy for the first new building in the Project it shall provide (for a period of not more than 20 years) up to 2,500 square feet of office space (which may be demised in smaller segments) at reduced rates (equal to a reduction of 30% below the rent charged for comparable market rate space), and for shorter durations than a typical office lease at the Project, in order to serve as an incubator for small businesses or non-profits in East Cambridge. NED agrees that a lease agreement for such space shall not require a tenant to pay for any share of landlord's costs attributable to any of common area maintenance, insurance or real estate taxes.
- D. **Local Retail Subsidy.** In connection with the Open Space and Retail Advisory Committee (as defined herein), NED agrees that no later than issuance of the final certificate of occupancy for the first new building in the Project it shall provide (for a period of not more than 20 years) approximately 2,500 square feet of space within the PUD-8 District (which may be demised in smaller segments) at a reduced rate (equal to a reduction of 30% below the rent charged for comparable market rate space) to local retailers. NED agrees that a lease agreement for such space shall not require a tenant to pay any for share of landlord's costs attributable to any of common area maintenance, insurance or real estate taxes.
- E. **Minority- and Women-Owned Businesses.** To help remove barriers to participation of minority- and women-owned businesses at the Project and to ensure nondiscrimination in the award and administration of opportunities for tenancy at the Project, NED will ~~work with~~ submit to the City of Cambridge Economic Development Department ~~to determine a program to support local~~ a plan outlining how diligent efforts will be made to contact and recruit minority- and women-owned ~~businesses~~ business enterprises as tenants of the Project.
- F. **Delivery of Residential Component.** Construction of the Project's residential component shall commence in accordance with the time frame set forth in Section 13.104.1(d)(1).

- G. **Affordable Family-Sized Dwelling Units.** NED commits to making all Family-Sized Dwelling Units (as defined in the Zoning Ordinance) in the Project affordable pursuant to Section 13.104.1(d)(4), and the distribution of such units to Inclusionary or Middle Income Housing shall be as set forth in such Section. NED agrees that it will provide no less than ~~1020~~ affordable Family-Sized Dwelling Units.
- H. **Affordable and Middle Income Housing.** Pursuant to Section 13.104.1(d), at least thirty percent (30%) of the Net New GFA proposed under a Development Plan in the PUD-8 District must be devoted to residential use, i.e., at least 175,000 sf assuming a Development Plan that proposes the full 575,000 sf of allowed Net New GFA. This amount of required residential development, in concert with the required mix of affordable housing under the PUD-8 Zoning (described below), results in the production of an equivalent number of affordable units as would result from an approximately ~~400,000~~570,000 sf residential development under the existing Inclusionary Housing requirements of Section 11.200 the Zoning Ordinance, i.e., 20% of GFA devoted to residential use.

NED commits to making a total of ~~fifty~~sixty-five percent (~~50~~65%) of the Project's residential Net New Gross Floor Area affordable pursuant to Section 13.104.1(d)(2)-(3). ~~[NOTE: To adjust the mix of Inclusionary Housing and Middle-Income Units as requested by City Council.]~~

- I. **Noise and Light Mitigation Measures.** In light of comments received during the rezoning process, NED agrees that it shall implement noise and light mitigation strategies pursuant to Sections 13.107.2 and 13.107.3.
- J. ~~**Boathouse Pedestrian Connection and Rehabilitation.**[†]—Recognizing the City's interest in increasing connectivity between the East Cambridge neighborhood, the Canal and the existing boathouse owned by the Department of Conservation and Recreation (the "Boathouse"), NED agrees that it shall continue working with the City and other stakeholders and agencies to implement such a connection and improvements to the existing Boathouse. In furtherance of this commitment, NED will:~~ **East End House.** NED agrees that it will make a cash contribution to the [insert East End House legal entity name] in the amount of \$4,000,000 on the first day following the date upon which the appeal period related to adoption of PUD-8 Zoning has expired, with no challenge to the validity of the same having been made (or in the event of any challenge, the date that such challenge shall have been finally resolved in favor of such validity). NED agrees that it will make an additional cash contribution to the [insert East End House legal entity name] in the amount of \$5,000,000 upon issuance of the building permit for the third new building in the Project. For the purposes of this letter, a new building shall mean the

[†]Any references in this letter to proposed improvements and/or installations on land owned by the City of Cambridge or the Commonwealth of Massachusetts (including associated agencies and departments in each case) shall be subject to obtaining all necessary federal, state and local permits and approvals, including from the City or the Commonwealth as owner and/or as a permit-granting authority (as applicable).

ground-up construction of a structure that did not previously exist within the PUD-8 District.

- ~~a. Improve the existing pathway along Canal Park by providing additional plantings, replacing pavers and installing more lighting;~~
- ~~b. Construct pathways on either side of Canal Park that would extend the existing pathway to allow pedestrians and bicyclists to cross from Canal Park, under the Land Boulevard Bridge, and ultimately to access the Boathouse property; and~~
- ~~e. Rehabilitate the Boathouse, including the provision of a dock for use by the public, and related landscaping improvements that result in a type of pocket park on the existing Boathouse grounds.~~

~~All of the above described proposed improvements to the Boathouse and the pedestrian connection will be completed in substantial conformance with the attached materials, prepared by CRJA-IBI Group (IBI Placemaking) and Tetra Tech attached hereto as Attachment B. Upon issuance of the building permit for the first new building in the Project, NED shall seek necessary permits and approvals for the Boathouse pathway and rehabilitation work. Subject to receipt of all such permits and approvals, NED will commence construction of the approved improvements, no later than issuance of a final certificate of occupancy for more than 325,000 square feet of Net New Gross Floor Area for the Project.~~

~~Once rehabilitated, the Boathouse would be open for use by the residents of Cambridge and the public at large. The rehabilitated Boathouse would also provide the opportunity for community meeting space and training and educational programming regarding boating, all to be determined in coordination with the City of Cambridge, the Department of Public Works and the School Department (including representatives from the athletic departments).~~

K. **Improvements to Existing Open Space.**¹ In addition to the Boathouse work, NED agrees that prior to issuance of a final certificate of occupancy for more than 325,000 square feet of Net New Gross Floor Area for the Project it shall provide additional plantings, trees and landscaping at existing open spaces within the PUD-8 District, including Canal Park, all to be completed in substantial conformance with the attached materials prepared by CRJA-IBI Group (IBI Placemaking) attached hereto as Attachment CB.

L. **Tree Fund.** NED agrees that it will ~~contribute \$500,000~~ make a \$1,000,000 contribution to the City's Tree Replacement Fund, payable in accordance with the following schedule:
(i) \$500,000 upon issuance of the building permit for the first new building in the Project;
(ii) \$250,000 upon issuance of the building permit for the second new building in the

¹ Any references in this letter to proposed improvements and/or installations on land owned by the City of Cambridge or the Commonwealth of Massachusetts (including associated agencies and departments in each case) shall be subject to obtaining all necessary federal, state and local permits and approvals, including from the City or the Commonwealth as owner and/or as a permit-granting authority (as applicable).

Project; and (iii) \$250,000 upon issuance of the building permit for the third new building in the Project.

- M. **Scholarship Contribution.** NED agrees that it shall contribute ~~\$1,000,000~~approximately \$1,300,000 (payable in ~~equal~~annual installments over a 30-year period, as detailed below) to the East Cambridge Scholarship Fund, which Fund was initially established in connection with the original development at CambridgeSide in the 1990s. The first such installment shall be due within six months of the final approval of the PUD-8 Zoning with the remaining installments due annually thereafter. In years 1 through 10, the annual installment payments shall be \$33,333. In years 11 through 20, the annual installment payments shall be \$43,333. Finally, in years 21 through 30, the annual installment payments shall be \$53,333.
- N. **Community Space.** NED agrees that upon issuance of the final certificate of occupancy for the first new building in the Project it shall provide community meeting space within the PUD-8 District at no charge to local residents, community groups and small businesses (the “**Community Space**”), subject to reasonable rules and regulations. The Community Space shall be able to accommodate up to 40 people. It will also include an area for displays regarding the history of the City of Cambridge, which displays will be created in coordination with the Historical Commission and other community members and will begin with an exhibit on the history of indigenous people in Cambridge.
- O. **Arts Community Support.**¹ In furtherance of NED’s current commitment to the local Arts Community and inclusion of their work at CambridgeSide, NED agrees that no later than issuance of the final certificate of occupancy for the first new building in the Project it shall develop a more comprehensive system that simplifies coordination with the local Arts Community and gives local artists opportunities to perform, display and/or sell their work at or within the vicinity of the Project, including Canal Park. Such a commitment may entail funding the installation of art within the Park or CambridgeSide and/or the expansion of the electronic display space within CambridgeSide. In connection with the same, NED will also coordinate with a reputable community arts program, such as the Lemelson-MIT program, to promote and host STEM and arts events at or within the vicinity of the Project.
- P. **Contribution to ~~Cambridge~~the Arts Initiative.** NED agrees that it shall make a \$500,000 contribution to the Cambridge Arts Initiative, or such other local arts fund or program identified by the City Council, upon issuance of the building permit for the first new building in the Project.
- Q. **Community and Open Space Event Programming.**¹ In coordination with the Open Space and Retail Advisory Committee (as defined herein), NED agrees that it shall host community engagement events in or within the vicinity of the PUD-8 District on a regular basis, which events shall be held at such time(s) and location(s) as NED, in consultation

with the Open Space and Retail Advisory Committee, may determine and shall be open to members of the general public. Such events may include a seasonal farmer's market, installation of winter garden(s) or the provision of space (e.g., shipping containers or kiosks) for small pop-up retail incubators within Canal Park.

- R. **Open Space and Retail Advisory Committee.** In order to ensure that the East Cambridge neighborhood is involved in the programming of activities for the open spaces and the types of retailers for the local retail space within the PUD-8 District (as provided for in items D and Q above), NED agrees that no later than issuance of the final certificate of occupancy for the first new building in the Project it will establish an advisory committee to provide input on the programming of these spaces. The advisory committee shall meet bi-annually for a period of 10 years. The advisory committee shall include representatives from the Community Development Department, the East Cambridge neighborhood and three (3) representatives designated by NED.
- S. **Affordable Childcare Space.** Recognizing the need for affordable childcare to support the East Cambridge neighborhood and future employees at the Project, NED agrees that that no later than issuance of the final certificate of occupancy for the first new building in the Project it shall provide (for a period of not more than 20 years) up to 2,500 square feet of space within the PUD-8 District at a reduced rate (equal to a reduction of 30% below the rent charged for comparable market rate space) for a daycare facility to rent to the extent operating such a facility is permitted by all applicable federal, state and local laws and regulations. NED agrees that a lease agreement for such space shall not require a tenant to pay for any share of landlord's costs attributable to any of common area maintenance, insurance or real estate taxes. NED also agrees to include a requirement in the lease agreement with the daycare facility operator obligating the operator to offer its services at a reduced rate to its users. Finally, NED shall use good faith efforts to lease such space to a community-based daycare facility.
- T. **Snow Emergency Parking.** Recognizing the need for off-street parking during snow emergencies, NED agrees that it shall continue to make parking at the Project available to East Cambridge residents during such emergencies.
- U. **Cambridge Public Schools Charles River Project.** For the next 20 years NED agrees that it shall work with the City of Cambridge Public School Department to develop a curriculum-based program that includes the opportunity for each third grader to experience the Charles River. In connection with the same, NED will cover the cost of a boat ride to help the students understand the historical maritime significance and ecological value of the Charles River to the surrounding communities, as well as coordinate with the School Department to arrange transportation to get the students to and from the River. Such curriculum-based program shall commence in the first year following approval of the PUD-8 Zoning.

- V. **Boat Ride for Seniors.** For the next 20 years NED, in coordination with established senior services in the City, will develop evolving ways to connect Cambridge Seniors to the Charles River. In the first year following approval of the PUD-8 Zoning, from May through September, NED will sponsor, for Seniors, free weekly rides on the Charles River with lunches and activities.
- W. **Shelter During Extreme Weather Events.** Prior to issuance of a final certificate of occupancy for the first new building in the Project, and in coordination with City officials, NED will develop a plan to act as a “cooling oasis” and to provide shelter for the surrounding neighborhood during extreme weather events. CambridgeSide is uniquely situated to serve as a “cooling oasis” in the warming climate given that the core building is an interior public space connecting to a riverside/canalside green/blue exterior public space. By its implementation of the commitments set forth in this letter and to further the ability of CambridgeSide to serve as a “cooling oasis,” NED has agreed to improve (i) the water’s edge tree canopy (which contributes to temperature reduction), (ii) the area below the Land Boulevard Bridge (which provides deep shade shelter) and (iii) public access to the water where temperatures can be 20 degrees Fahrenheit below the urban ambient temperature.
- X. **Sustainability.** Pursuant to the provisions of Section 13.107.4, NED agrees that new buildings within the PUD-8 District will incorporate best practices for meeting sustainability goals in areas such as energy, emissions, water, materials, urban site reuse and landscaping. NED proposes a comprehensive design approach to meet such goals, including through implementation of the following measures:
- i. ~~a.~~ Adoption of energy conservation strategies. For example, core and shell of newly constructed office and lab buildings within the PUD-8 District will meet the LEED framework requirements at the Gold level or better ~~to the maximum extent practicable~~, with an emphasis on overall energy (including fossil fuels) and water reduction;
 - ii. ~~b.~~ Reduction of carbon emissions by eliminating fossil fuel fired equipment as is feasible and reducing total energy required, including through the incorporation of the following to the maximum extent practicable: high efficiency building systems for new or renovated commercial buildings; improved building envelopes with reduced air infiltration; and lighting reduction through usage of LED and smart lighting controls;
 - iii. ~~e.~~ Support of the City’s Net Zero Action Plan, to the extent feasible, and/or integration of features that facilitate CambridgeSide’s ability to transition to Net Zero in the future (Net Zero Ready) by installing renewables on-site as is feasible and purchasing off-sets as needed.
- Y. **Passive House for Residential Use.** NED agrees that there will be no access to fossil fuels (i.e. no gas or fuel oil lines) within the living area of the residential component of any building and, to the extent reasonably practicable, to incorporate additional passive

building standards, such as those promoted by the Passive House Institute US (PHIUS) or similar certifying entities, into the residential component of any building constructed within the PUD-8 District.

Z. ~~Y.~~ First Street Promenade.¹ Upon issuance of the final certificate of occupancy for the second new building fronting on First Street, NED agrees that it will coordinate with neighbors and City officials to establish a pedestrian-only area between Cambridgeside Place and Thorndike Way on Sunday afternoons between Memorial Day and Labor Day, as well as programming and activities to take place within such area.

AA. **Transportation.** It is anticipated that NED will expend, commit to expend or cause to be expended by tenants or others located within the Project a total of approximately \$6,900,000 (the “**Transportation Funds**”) on hard and soft costs related to transportation- and traffic-related measures (whether or not associated with the Project and the local/state approval process therefor) including, but not limited to, studies, construction, funding contributions or commitments, Transportation Demand Management measures and design and construction of roadway, intersection and equipment improvements in connection with the Project (the “**Transportation Measures**”). In the event that NED has not expended, committed to expend or caused to be expended by tenants or others located within the Project all of the Transportation Funds on Transportation Measures at the completion of construction of 575,000 sf of Net New Gross Floor Area within the PUD-8 District, then NED shall contribute the remaining Transportation Funds to the City of Cambridge to be utilized for transportation improvements that benefit the East Cambridge neighborhood.

Conditions to NED’s Commitments

Notwithstanding anything to the contrary in the foregoing, NED’s commitments set forth above are offered only if the following conditions (the “**Conditions**”) are met:

1. The amendments to the Cambridge Zoning Ordinance set forth in Attachment A are duly adopted in the form attached hereto as Attachment A, and no challenge to the validity of the same shall have been made (or in the event of any challenge, such challenge shall have been finally resolved in favor of such validity).
2. With regard to any commitments outstanding as of the date that NED applies for PUD and/or Article 19 Special Permits for the Project, NED shall have received such Special Permits, including, without limitation, PUD Special Permits and Article 19 Special Permits, from the City of Cambridge Planning Board, and such other permits and approvals as may be necessary to allow for the build-out of the Net New Gross Floor Area contemplated by and in accordance with the attached PUD-8 Zoning, and no challenge to the validity of any such permits or approvals shall have been made (or in the event of any challenge, such challenge shall have been finally resolved in favor of such validity) and a building permit for the portion of the development approved under such Special Permit(s) shall have been issued.

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In addition to meeting the requirements and conditions of any required permits or approvals for the Project (and the payment of any and all fees associated with the issuance of such permits or approvals), NED is making these commitments and providing the other mitigation referenced above to the City in order to provide the City with resources to mitigate impacts which might result from the Project as a result of the rezoning and any special permit issued pursuant thereto.

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As NED's duly authorized representative, I am authorized to make these commitments on NED's behalf.

Sincerely,

~~[Insert Signatory]~~

Stephen R. Karp
Chairman, Chief Executive Officer of NED

Attachment A: Zoning Petition

Attachment B: ~~Materials for Boathouse Pedestrian Connection and Rehabilitation~~

Attachment C: Materials for Improvements to Existing Open Space

Document comparison by Workshare 10.0 on Tuesday, December 3, 2019
5:04:11 PM

Input:	
Document 1 ID	netdocuments://4823-2125-3781/10
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Document 2 ID	netdocuments://4823-2125-3781/13
Description	PUD-8 Zoning Petition_Mitigation Commitment Letter
Rendering set	Standard

Legend:	
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