

June 11, 2013

Planning Board
City of Cambridge
344 Broadway
Cambridge, MA 02139
Attention: Liza Paden

RE: Review of Central Square DRAFT Zoning Language Submitted by CDD on May 7, 2013

Ladies and Gentlemen,

On behalf of Twining Properties and Normandy Real Estate Partners, as owners of portions of three city blocks located at the intersection of Massachusetts Avenue and Main Street in Central Square, Cambridge, we would like to provide some comments to the proposed DRAFT Zoning Language submitted to the Planning Board on May 7, 2013 and presented publicly on May 14, 2013. Twining Properties and its subsidiary CityRetail have been involved in both the Central Square and Kendall Square Rezoning process for the last several years.

Twining Properties

Twining Properties develops urban mixed use green buildings located at transit nodes. That's what attracted us to Kendall Square over a decade ago. At that time Kendall Square was more of an office park with very little housing and almost no restaurants or other lively retail. Many presumed that the status quo would and should remain for Kendall Square. We believed that people would want to live in Kendall if we could deliver high quality apartments with retail and open space. We developed a significant portion of the new housing in the area and through CityRetail have been responsible for the majority of the new local restaurants in Kendall Square in our buildings and for Alexandria Real Estate, BioMed Realty Trust, Principal and MIT.

Central Square Deserves to be Great Again

Central Square could and should once again become Cambridge's true Downtown and Cultural District with a vibrant mix of housing, retail and entertainment. We acquired the Quest Portfolio last year, because we believe this strategic intersection has the potential to transform Central Square, just as the Lyme Properties Kendall PUD helped transform Kendall Square. Any new zoning should enable a New Central Square, patterned on its glory years of the 1920's to 1950's when six department stores and two movie theaters made it truly the Center of Cambridge. Unfortunately, Central suffered from the 1950's suburban exodus and the threat of I-695 to destroy the area. This drove disinvestment, destruction of buildings and the decline of Central Square. Continued efforts by the City and businesses since the 1990's began the renaissance of Central, but much needs to be done for it to be truly great again.

Like our vision for Kendall Square, we believe Central Square can rise again and become the true heart of this great City. We are prepared to take the risk, to make the investment and to be the pioneers to realize the dream for Central Square. As we sat in the audience at the Planning Board Hearing of May 14th, 2013 we were encouraged to hear that the Board also believed that Central Square deserved to be great again and that this would take creating a bold new vision for the future. We believe that the silent

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majority of residents and businesses around Central Square agree with the Planning Board but unfortunately the vocal minority, who would like to leave Central as it is, often speaks louder which sends the wrong message to the City's leaders and planners.

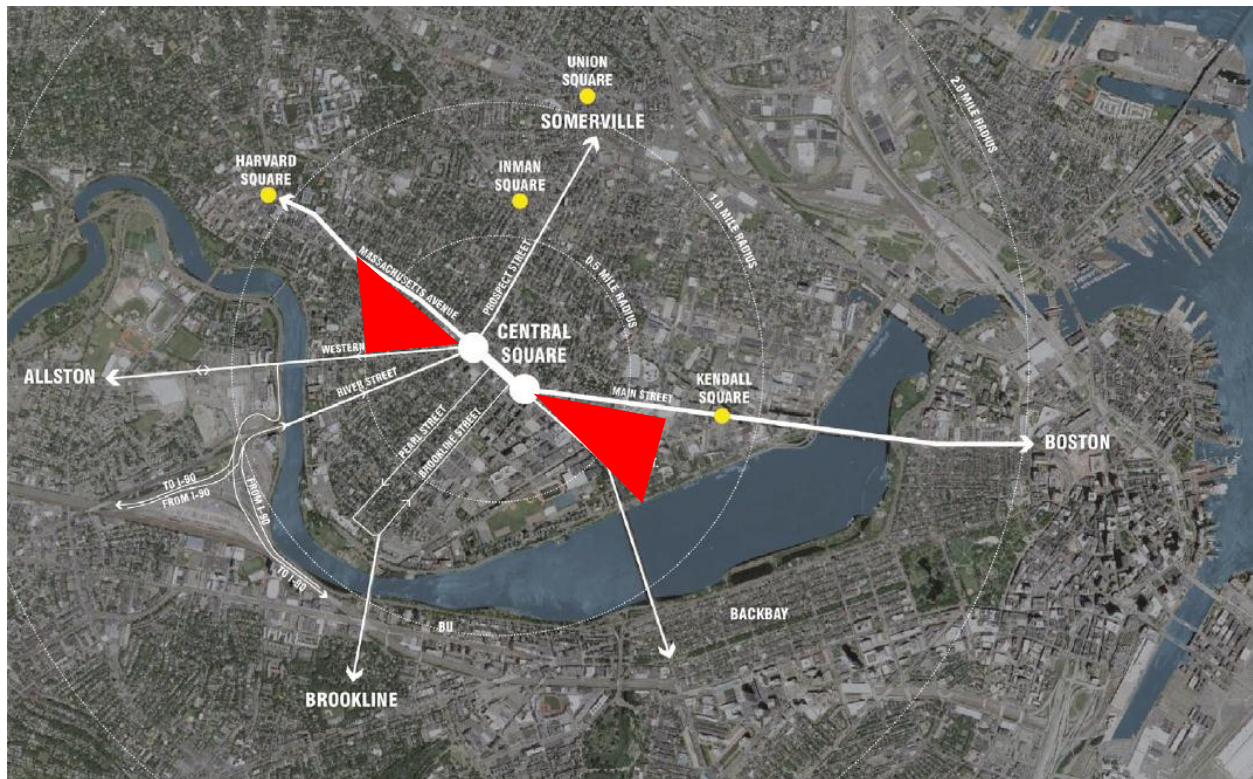
Create a Bold New Vision for Central Square

Many great ideas were generated over the several year planning process for Central Square. Many goals and objectives were defined and the proposed new zoning creates a mechanism for enabling them. However, there is a need and opportunity to go beyond the conventional zoning mechanisms deployed so far, to provide a bold vision for shaping a collection of buildings and open space into an overall urban design that will reinforce and define a new Central Square.

Central Square is at the physical cross roads leading to Boston, Back Bay, Kendall Square, Harvard Square, Inman Square, Brookline and Allston. Unfortunately, most people do not recognize how close and connected Central Square is to all of these destinations.

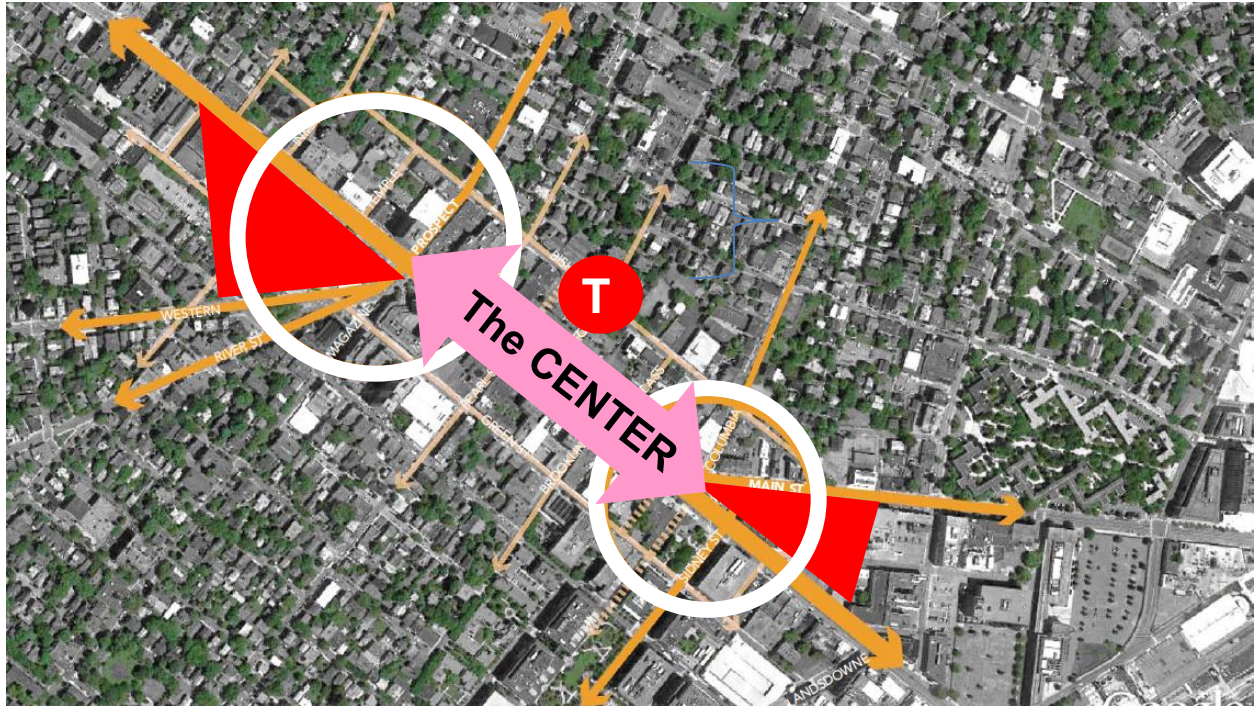
While all roads lead to Central Square, there is NO square once they get there, but there are two major intersections where TEN streets meet. Today, no one knows when they have entered or left Central Square or where they are headed. Nothing marks these critical crossroads. There is a tremendous opportunity to use the new zoning to define this location with a New Central Square.

All roads lead to Central Square



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Where is the CENTER of Central Square?



This bold vision for Central Square would use a combination of new open space, unique program elements and iconic buildings to anchor the two major intersections and identify the CENTER, the Place, that connects the two anchor intersections.

Open Space and Taller Iconic Buildings Mark the Intersections



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This new CENTER or place can be a reinvention and expansion of the historic Central Square Shopping District. By connecting the two anchors with continuous smaller shops in the historic buildings along Mass Ave and making room for larger regional or global retailers behind them, the blocks can be broken down in size to deliver more retail frontage driving increased energy and activity.

To enable a bold vision and create better urban design, the proposed new zoning needs to provide the Planning Board with the flexibility to shape certain sites at the two critical intersections with the following revisions:

Section 20.307.2 Provisions and Limitations. Revise item (3) in this section to allow “the Planning Board may grant projects within 150 feet of two key intersections (‘Anchor Intersections’ at Mass Ave and Prospect Street or Mass Ave and Main Street) height up to 285 feet for slender residential towers with floor plates of less than 10,000 square feet (like the Flat Iron Building), if such projects provide architectural excellence and some combination of new public open space, a majority of housing, street front retail, underground parking and other planning benefits such as public use facilities”.

True Mixed Use Development

Few major Cambridge PUD’s have been true mixed use projects providing significant amounts of housing, office and retail uses. Most are office complexes with a small amount of housing or retail. The huge pressure to use land for more office and lab space makes it difficult to find sites that are feasible for building apartments. In Kendall Square, Tech Square required no housing, Cambridge Center and the MIT Master Plan provide less than 10% and One Kendall and Alexandria Binney less than 13%. Only the Kendall PUD, originally developed by Lyme Properties, provided any significant amount of housing with 34%, which Twining Properties has developed with 465 apartments.

Urban Design Excellence

The Lyme Properties PUD provides one of the best examples of how new Central Square development could be shaped with a good balance of housing, retail and office and providing architectural excellence, public open space, recreation facilities, LEED certified buildings and underground parking. The Kendall PUD master plan by Greenberg elegantly shaped an overall urban design concept with a few tall slender residential buildings next to short fat floor plate office and lab buildings and surrounded by large amounts of open space. This should be a model for Central Square and especially larger sites encompassing several blocks such as the Quest site.

Promote Housing over Office Lab

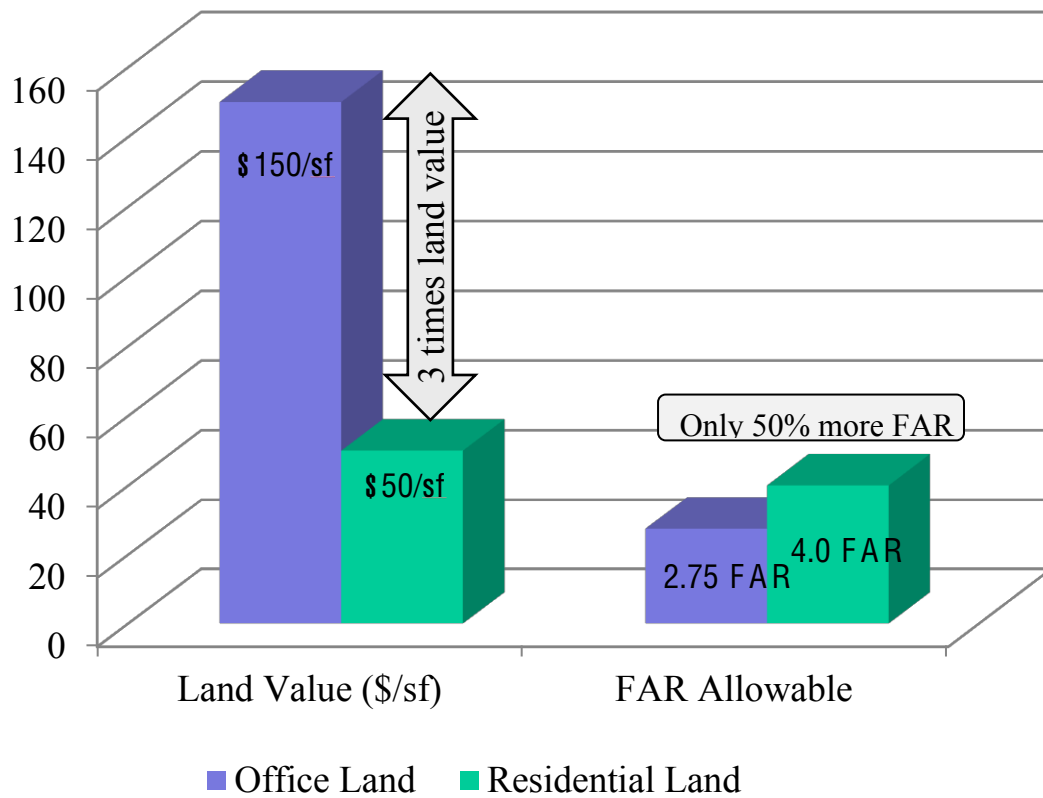
Developing housing in Central Square has many challenges:

1. Office land is worth much more than residential land creating huge pressure to develop land for offices instead of housing.
2. Increasing the residential FAR to 4.0 from 2.75 for office helps but only recovers some of the value.
3. Greater height is needed to drive better rents and increase the ability for housing development to compete with office.
4. Affordable housing is a greater burden in Central Square with lower height and lower rent apartment buildings than Kendall Square.
5. Adding Middle Income family housing compounds the burden with a much greater impact on Central than Kendall Square.

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6. Currently, office development does NOT contribute to Middle Income housing as it does to affordable housing.

The math is simple – owners make more money on developing office or lab than apartments. Land for office and lab is three times more than residential land (it ranges from two to four times). The proposed increase in residential FAR in Central Square from 4.0 to 2.75 helps make up some of this gap, but not enough.



Increased Height

Increased height is very important to incentivize housing creation. In office buildings the rent is not dramatically affected by height or views. In housing people will pay premiums for better views and greater height. The variance can be as much as 20% between the 2nd floor and the 22nd floor. Therefore, allowing height has a much greater financial impact on housing than office buildings. Furthermore, apartment building forms fit well in small floor plates creating slender towers while big fat office floor plates make big bulky towers when allowed to be tall.

In Kendall Square, where rents are already higher, the proposed zoning allows 300 foot heights. In Central Square the proposed zoning only allows 160 feet. Proposed changes to the zoning are as follows:

Section 20.304.2 Special Permit for Additional Height. Revise item (2b) "In the Heart of Central Square Subdistrict, the Planning Board may further permit the maximum height of one hundred and eighty (180) feet for residential uses only. Furthermore, as per Section 20.307.2 item (3) [proposed on page 4

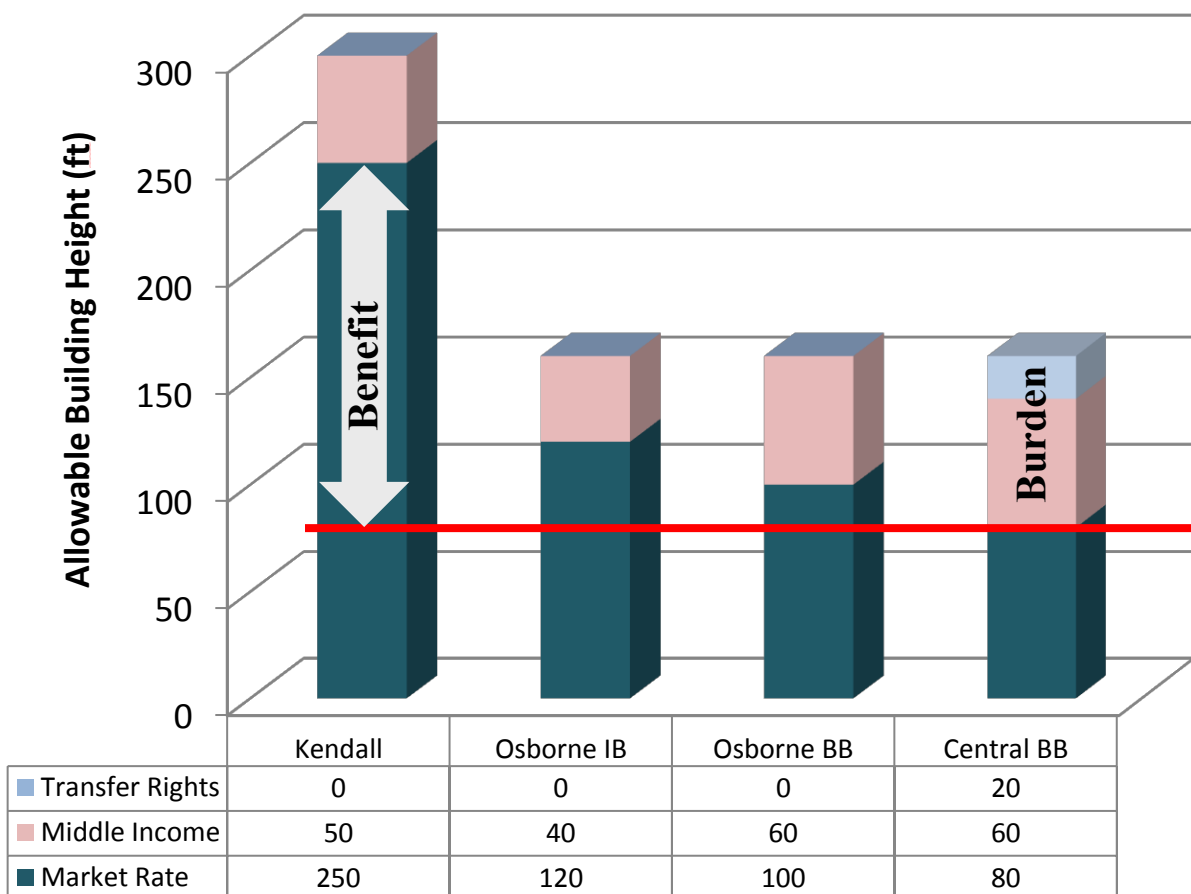
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above] at the 'Anchor Locations' height up to two hundred eighty five (285) feet for residential uses only is allowable."

Eliminate Middle Income Housing Requirements

Central Square apartment rental rates are less than Kendall. More severe height restrictions in Central limit the rent potential and ability to acquire land for new residential. Meanwhile the number of affordable units required in Central is the same as in Kendall but has a greater impact when blended with lower average market rents.

Finally, on top of affordable units, the proposed zoning for Central imposes much more onerous Middle Income requirements than in Kendall. In Kendall no Middle Income housing is required until the building goes over 250 feet, while in Central, Middle Income is required over 80 feet. That means in Kendall only the top sixth of a building twice as tall as in Central shoulders the burden. While in Central the top half of a much shorter building carries the burden. This all adds up to creating a much higher barrier to create feasible new housing in Central Square and makes the possibility of competing for land with office developers even more difficult than in Kendall Square, where most land is already being developed for office or lab space. If the City wants new housing in new Central a different approach is required.



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The desirability of living in the City of Cambridge next to two of world's most prestigious universities of MIT and Harvard has driven up the cost of living and caused a shortage of all types of housing. Without the production of new market rate housing, the pressure on raising prices on the older housing stock will continue.

The City's Affordable Housing Program has successfully produced many new affordable units by causing all new development whether its office, hotel, retail or housing to contribute funds for or building affordable housing. The City's goal to produce more Middle Income housing needs to modeled on the successful Affordable Housing program and should expand this same program to Middle Income housing. Many more units of Middle Income housing will be produced if this program is applied to the entire City and across office, lab, housing, retail and hotel uses, not just selectively applied to housing in Central Square. The City can then determine where this housing should be produced.

The proposed TDR Section 20.308.2 in section 8b allows Middle Income Housing to replace the FAR transferred from a "Donating Site". This is a viable method for promoting Middle Income low rise family housing in areas that are well suited to this type of residence. However, the following provision should be eliminated:

Section 20.304.8 Middle Income Requirements. Delete this section entirely, or require it ONLY for office uses.

Retail

Leasing to local retailers is a challenge that Twining Properties has taken on to make its projects more interesting and attractive to its residents and the surrounding community. They require more risk and are harder to administer. They also can take many forms and require a range of sizes. For example Evoo Za and the new market/restaurant, both at Watermark, are over 5,000 square feet. The limitation of 1,500 square feet is too small for the lower end limitation and the following change is proposed:

Section 20.304.3 Floor Area Limitation. In subsection (4b) revise 1,500 square feet to 5,000 square feet.

Parking

Parking structures are expensive and unattractive but necessary for daily functionality and marketability. While providing too little parking adds risk to a project, for those willing to take the risk it makes sense to provide them the ability to do so and the following change is proposed:

Section 20.304.6 Parking and Loading Requirments. In subsection (2b)(iv) reduce the minimum parking requirement for residential uses form 0.50 to 0.25.

Rooftop

Outdoor rooftop use is a desirable amenity in urban areas to building residents, tenants, hotel guest and visitors. The requirement in the proposed zoning that all such outdoor rooftop uses must be open to the public is not feasible in most buildings and will severely curtail the amount of outdoor space that any building owner would provide for its occupants. Open space for the buildings occupants still enables many more people to get outside and it is recommended that the requirement for public access be eliminated as follows:

Section 20.304.3 FAR Exemption for Public Rooftop Spaces. In subsection (3) replace the language regarding "general public" to buildings occupants and/or residents, tenants, hotel guests or other building visitors.

Letter to Cambridge Planning Board

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We look forward to working closely with the City of Cambridge Development Department, Planning Board, City Council, Mayor and City Manager to make Central Square great again!

Sincerely,

A handwritten signature in black ink, appearing to read "Alex Twining", with a stylized, flowing script.

Alexander C. Twining
CEO, Twining Properties

cc: Brian Murphy, Cambridge Community Development Department