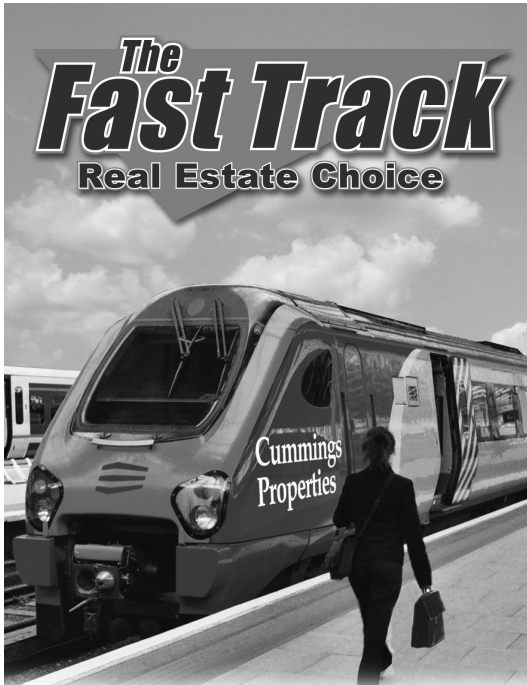


Cummings Properties Emerges



THE REAL FOUNDING date of what, in time, became Cummings Properties is 1968. The first property I built for rental purposes was a well-located concrete-block structure directly north of Old Medford on the same one-acre lot. I engaged a Woburn general contractor to build this two-story addition at 12–14 Henshaw Street. I thought of it simply as an opportunity to invest in a one-off building to lease to others, and it never occurred to me that I was laying plans for a new career that would quickly supplant our fruit-juice syrup

business. Our first leasing client, Eastern Tool Warehouse, Inc., leased the lower 7,500-square-foot warehouse at a lease rate of a \$1.90 per square foot. We leased the unfinished upper floor to Wakefield Engineering with no office space for \$1.50 per square foot.

We already owned the needed land for this additional 15,000 square feet, for which there would likely never have been any use in connection with Old Medford. Additionally, the existing utilities were either readily available or already of sufficient size. The necessary site work was also almost all completed in connection with the original cleanup of the property. The economics of this kind of investment were extraordinarily good. We were taking advantage of what

for the next fifty years I would continue to call free extra “buildability” that came with the deed. Identifying such additional construction potential from newly acquired properties became a regular occurrence in the new commercial real estate business that was about to take shape.

Opportunistic in every sense of the word, top businesses, like athletic teams, must be aggressive and active enough to make things happen. Only then are they capable of converting opportunities into success. Overall awareness and the ability to react quickly to opportunities are often characteristics of the best teams in business as well as in sports. Disappointingly, many athletes in their later working years appear to have no idea how to carry over the same competitive principles to a business setting.

After promptly and profitably leasing this newly constructed addition, we purchased an adjacent two-and-a-half-acre vacant parcel on the south side of the Old Medford building for \$90,000 in cash. If this vacant field next to Old Medford had not become available when it did, my foray into property development would likely have started and ended with that single addition at 12–14 Henshaw Street. Instead, I built out 2–8 Henshaw Street as my first from-the-ground-up building.

Sometimes good business people will try to take advantage of opportunities that are not at all in their best interest, as I did in late 1969 when I purchased the Gift Boutique card shop, now a Starbucks, on Main Street in Winchester. That was the first real business mistake that I recall making. I bought and sold that small business all within three months, but the purchase price was low enough that I escaped without any real damage. There was a large lesson there, however, about business owners not diluting their attention with extraneous enterprises, like a gift shop. There is a lot to be said for “minding one’s own knitting.”

After deciding that I wanted no part of retailing, and that I really enjoyed



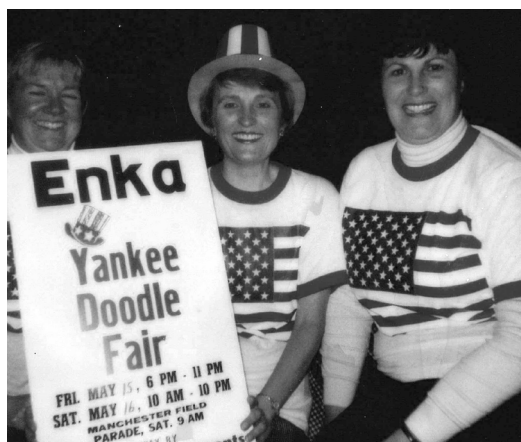
| *Joyce Cummings with Patricia, Daniel, Kevin, and Marilyn*

building and leasing commercial real estate, I then purchased twenty prime acres on Washington Street in Woburn, directly abutting the intersection of Interstate 93 and Interstate 95, and we started building what is now Cummings Park. During those first years, each of the buildings

was laid out and designed on Joyce's dining room table at 23 Ash Hill Road, Reading, where our growing family lived from mid-1967 through November 1970. Drawn with not much more than a \$10 drawing board, a couple of plastic triangles, and a yardstick, my designs were simple but functional enough to get by. The Cummings Park land cost was \$26,000 per acre.

At about this same time, notwithstanding Joyce's reluctance to leave Reading, we made an offer on a house we both really liked at 2 Mayflower Road, Winchester, but it was a low, low offer. It was low enough that the seller's broker, who later became a good friend, was more than a little annoyed. The home had everything we wanted, plus a sizable swimming pool that we had yet to appreciate. On the other hand, the lot was unkempt and overgrown, the pool water was a murky brown, and the shrubbery looked as though it had suffered for many years. It became a standoff with the seller for several months, and Joyce would not let me raise the offer. When the broker eventually called, in November 1970, to tell Joyce, "You have won," she cried for leaving Reading.

We already had a few roots in Winchester, including three Winchester Hospital births by then, and several friends in town, and Joyce soon accepted that Winchester could be nice. One of Winchester's major community events, the En-Ka Street Fair, is operated by a women's service organization called the En-Ka Society, founded in 1903. We had taken



Sandy Thompson, Joyce Cummings, and Joyce's Co-chair of the Fair, Dennis Clarke's mother, Nancy Clarke

our kids to this fair twice before we moved to town, and we all already liked it. *Aha*, I thought, Joyce should get involved in the En-Ka Society, because she is such a well-organized, type-A person. She never really became active in my business, but this venerable service organization could be a great way for her to meet interesting people. Joyce laughed at me for what she clearly took as an almost outrageous suggestion.

By the time our children were at Winchester High School, however, Joyce was co-chair of the En-Ka Fair. After completing many other roles with En-Ka, she was elected president of the several-hundred-member organization in 1990 and later served for six years as the society's historian. Joyce's En-Ka work turned

out to be one of her most cherished activities, and she has so many excellent memories from her almost forty years of service. We have had and continue to have a marvelous life together in Winchester and are still heavily involved, both singly and together, in many aspects of the community.

IN THOSE EARLY days of what grew to become Cummings Properties, the company avoided any construction that required municipal zoning variances or special permits. That was true of the Henshaw Street buildings and also of our two much larger Cummings Park developments on either side of Washington Street. There, we purchased the twenty-acre commercial lot from Kenneth Anderson in April 1971 at what even then was a remarkably low half-million dollars. By way of comparison, a twelve-acre parcel on South Boston's undeveloped waterfront reportedly sold in late 2015 for \$300 million, or about \$25 million per acre.

With its great highway location and proper zoning for our needs, our large and mostly level Cummings Park lot could not have been much better or easier to develop. Over the next two years, we improved that parcel with three large mostly single-story, multiple-occupancy buildings designed for office, research and development (R&D), and distribution space.

It is really remarkable how Cummings Properties emerged as a significant factor in the north suburban Boston real estate market. Although I never specifically planned it that way, the business fed upon itself. We routinely took almost no cash out of the business, preferring to reinvest all that we could. My equity was always 100 percent, and I could always borrow easily against a recently completed building as needed, with minimal red tape at local banks.

Most important of all, there was never a time when we ever even once talked with anyone about construction lending. Such borrowing is probably the most common method by which local construction projects are funded, but I would not even know how to go about it. Financial independence has always been central to all Cummings construction. By never having a need for any kind of private financing, we saved huge amounts of time, as well as cash, on every building we built. We have the added benefit of not having to prepare the ad nauseam cost documentation normally required to satisfy lenders. Never having to deal with things such as lenders' inspections and architects' documentation in order to obtain funds to pay our bills allowed us to focus solely on building. With no outside investors or city interference, we were able to move and change plans and strategies with barely a nod to anyone, as long as whatever we did met all codes.

Typically, we process tasks on an accelerated basis from a design perspective.



Aerial view of Cummings Properties' first significant development, Cummings Park, a 340,000-square-foot mixed-use development on Washington Street in Woburn

Our colleagues, working together, need to be free to make frequent changes as we go along with any project. Avoiding redundant layers of regulatory oversight from financial partners is a true blessing in any building or construction activity. We have also been exceedingly fortunate in that city inspectors know we would never take shortcuts with building code issues, and in most towns, they have always been relaxed and helpful in expediting our plans. In Woburn, they also have been acutely aware of our strong local hiring policy, and that we have generated huge increases in the city's tax base.

Though it may sound surprising, we almost never estimate in advance the expected cost of any of our own new construction. Obviously, we know the cost of all the components as we carefully negotiate them, but we never estimate the total cost of a prospective new building for decision-making needs. Partly, this is because our buildings have never involved anyone else's fractional ownership. But also, it is my philosophy that the right answer will never be determined by the project cost. Clearly, we are in a much different position from the one we would be in if

We almost never estimate in advance the expected cost of any of our own new construction.

we were doing construction work for a third-party payer, who would certainly need to have a clear understanding of what the exact project cost would be before any commitments were made.

Instead, we will typically review any newly proposed project, thinking about what needs it will fill and how efficiently we can build it—if indeed we do want to build it. We carefully track all capital and maintenance expenses for tax purposes, but the construction costs are never featured or discussed, even among the company’s senior management team. There is simply no need for us to know in advance how much new structures will cost to build or remodel, because they are always profitable. Today, the only number we think about is how much after-tax income we can generate each year.

FROM THE BEGINNING, ours has been an extremely vertical business model. Relying on the extraordinary talent of our in-house engineering, design, and purchasing professionals, and a marvelous team of supporting contractors of all sorts, we will carefully shop every phase of the development to obtain the best prices as we go along, and then we just do it. We have our own large staff of building tradespeople, along with our business professionals. With 360 or so full-time year-round staff members at Cummings Properties, we have a fascinating array of mechanics and technicians, including, for instance, dozens each of electricians, plumbers, carpenters, maintenance technicians, plus painters and roofers and at least 60 grounds workers. Our in-house legal team includes four attorneys, while thirteen other lawyers fill other professional positions. For the company’s first twenty years, and especially for active construction projects, I was personally at every building site almost every day. When there was site-work going on with excavators, trucks, and bulldozers, I was usually there—all day, every day, and always with my boots on.

I was not distressed when a *Boston Globe* reporter once described Cummings Park as “plain vanilla” buildings that were “very neat and very full.” They were neat, and they *were* full, and so “plain vanilla” was okay with me. All those early structures were built in a solid but economical manner, at a cost averaging under \$18 or \$19 per square foot, at a time when space was leasing at a gross rate of \$2 or so per square foot. That rate typically included about 10 percent air-conditioned office space, as well as all interior and exterior maintenance, base taxes, landscaping, snow removal, and building insurance. The three single-story flex buildings at Cummings Park totaled 340,000 square feet.

While project turnaround speed results in part from the use of a somewhat standard palette of materials, we also have the ability to fully customize build-

outs to meet almost any client requirement. Cummings has designed and built dozens of specialized facilities, including tempest rooms, clean rooms, TV studios, bio-tech labs, hospital operating rooms, and complete medical centers, as well as many thousands of office, retail, warehouse, and R&D spaces. Over more than forty-five years, we have accommodated multiple firms that have leased more than 100,000 square feet, as well as hundreds of office spaces as small as a few hundred square feet. Residential uses have never been a major factor, but altogether we presently operate some 600 residential units.

By October 1973, all three Cummings Park buildings, plus the first of six major buildings in what later became West Cummings Park, were completed—a total of a half-million square feet of space. By the end of the year, all 500,000 square feet were leased.

TWO YEARS AFTER we completed Cummings Park and 200 West Cummings Park, it was time to get going again in what continued to be a wonderful market for our eminently flexible multiple-occupancy buildings. During 1977 and 1978, we teamed up with the Woburn Redevelopment Authority and purchased many separate newly developed North Woburn lots on which we busily constructed another half-million square feet of floor space. Doug Stephens ran all our financial affairs, allowing me to spend the large majority of my time on the construction sites. Dennis McClay was our first field manager as we did more and more such work in-house, and Steven Frohn was leasing manager. We really solidified our extraordinarily vertical corporate structure.



| Rick Freeman

In June 1977, our first official designer, Fred Wilbur, began working full-time, and he effectively ran both the design and purchasing functions. Other than having taken part-time courses at Boston Architectural College, Fred had little in the way of professional credentials. Even so, he brought a practical approach and did a wonderful job in all of his work. His plans represented a huge improvement over any plans I cobbled together in those early days.

While Fred did most of our design work, a local structural engineering firm sold us all of our structural steel and created the necessary stamped plans to get building permits for the earliest buildings. George Olson and, later, Rick Freeman, both longtime Woburnites, otherwise capably handled the field

engineering work on all the earlier Cummings buildings. Rick worked full-time for seventeen years and was a uniquely valued and trusted colleague.

During the early 1970s, between getting buildings built and then filled with happy clients, I gradually adapted a Standard Commercial Lease form from the Greater Boston Real Estate Board to create our much shorter Cummings Commercial Lease. We proudly printed this up as four pages in small font on a single 8.5-inch-by-22-inch sheet, and we used it effectively for more than forty years each time we prepared a lease for a prospective new client. It wasn't until April 2017 that we finally abandoned that process in favor of computer-generated leases. In all of our thousands upon thousands of lease transactions, except for leases with the federal government and the commonwealth of Massachusetts, every lease is prepared on our standard form, with whatever negotiated changes might be necessary. Our standard form lease as such, however, was reprinted at least fifty times over forty years—a thousand or two at a time.

We were the first firm we knew of to include a cost-of-living escalation clause in all of our leases, all the way back to about 1975. Later, we also began including an automatic extension provision in all leases. Both practices produced extraordinarily good results. It has also been remarkable to see the number of times automatic extension provisions have taken effect over the objection of inattentive lessees who, nevertheless, stayed on for multiple additional automatic or negotiated extensions.

Cummings Properties has always offered only full-service leases with gross rental terms, almost always including the cost of real estate taxes, snow removal, landscaping, structural and interior maintenance, and building insurance. Especially because all our leased properties are relatively close together geographically, it became practical to maintain an ever-increasing maintenance and construction staff. The members of that team tend to become really exceptional at doing whatever needs to be done. Communication among our field crews, the design department, property managers, and client firms happens smoothly, because they all see one another so frequently and their interest in solving the client need is so strong.

Despite building only speculatively during our early years, we somehow managed to lease every building we constructed almost as soon as the buildings were ready for occupancy. Relations with the city of Woburn remained exceedingly strong under Woburn's enormously respected Mayor Thomas Higgins and its equally esteemed late building commissioner John Brophy, especially regarding permitting. And because many city functions in Woburn were so much more customer friendly than they seemed to be in other communities, the ease of

permitting helped us to create a large portfolio of taxable property in a short time. Indeed, the continuum of real estate taxes paid and the thousands of excellent new jobs provided in Woburn, decade after decade, have had an enormous impact. By calendar year 2016, we were paying \$7 million per year in real estate taxes to Woburn alone.

THE COMPANY GRADUALLY learned how to build better, more efficient, and steadily lower-cost buildings. We had our own niche, which often included buying underutilized land with grossly neglected buildings. Most of the existing structures were highly adaptable commercial buildings, and the lots often included future buildability for substantial additional space. The early properties we acquired and built were virtually all multiple-occupancy speculative properties; none was ever pre-leased. As soon as one building was completed and in the process of being leased, we would find a place to build the next one.

Working southward from 200 West Cummings Park, we purchased a row of eight mostly single-story Washington Street houses. A former longtime Woburn teacher and real estate broker, Joe Crowley, worked comfortably with us for two years as a member of the leasing department. “They just gave me a bag full of money to buy up the whole row of small homes in the light industrial zone,” he says. “That’s where they built the rest of West Cummings Park, on Washington Street.”

Those homes received a unique and extremely favorable federal tax treatment. We moved seven of the eight homes to new lots a half mile south, on a street off Washington Street that we created just for these homes. By moving and upgrading the houses, we were able to allocate 60 percent of the sales price as a credit against their original purchase price, thus almost fully eliminating the non-depreciable basis for the West Cummings Park land.

The land from those house lots and the former city-owned Golden Elementary School has since generated more than \$20 million in municipal real estate taxes for the city of Woburn. If we had demolished those eight homes instead of salvaging them, the entire purchase price would (by law) have been imputed to the cost of the land and would never have been one bit depreciable. It was a major coup.

All early buildings until then were one or two stories high, but then we learned how to build our first mid-rise structure, a six-story office building we called Tower Office Park. At the time, it did seem like a tower to us. We subsequently built four more six-story structures in quick succession, directly across Washington Street at West Cummings Park where the row of homes

had been. All four new buildings were almost identical to one another, and each contained about 180,000 square feet.

In every business I have owned, my employment goal was always to first seek colleagues from among people we knew or knew of. We were careful not



The first management group of Cummings Properties: (shown left to right) Fred Wilbur, Doug Stephens, Dennis McClay, Dot Cummings, and bookkeeper Margaret Connor

to poach from other companies or to solicit people who already had jobs, but when I knew a friend or acquaintance was looking for a job, I was happy to match him or her to an open position at Old Medford or Cummings Properties or, later, at our *Woburn Advocate* newspaper. Surrounding myself with trusted people has always allowed me to coach them and hone their skills to use over and over again. That approach so often greatly improved their confidence and initiative, and their value to the firm. Today we have truly extraordinary corporate longevity. Our treasurer, Doug Stephens, who had been with me since starting at Simonson Company in August 1966, and Steve Frohn, who joined us in the late 1970s, allowed me to focus completely on land acquisition and construction, particularly the site work, which I have always enjoyed so much.

Real estate management combines elements of both art and science, and Cummings Properties excels at both. As an art form, property management is a people business, one of listening closely and responding definitively and promptly to client needs. Cummings Properties' real estate professionals at all levels use their experience and resources to fully address both elements. And no one is too important—or too insignificant—to be involved in any issue that may arise. All phones are still routinely answered with a live, personal presence, and I have a real fetish requiring that no one's calls, including mine, are ever screened.

The amenities offered at a major development are also extremely important. Good highway access and public transportation are vital, as are nearby food services, day care, fitness and exercise facilities, and well kept, nicely managed

open areas. Our experienced maintenance and construction staff are able to deliver highly efficient and prompt building services in part because of proximity—the relative closeness of our properties helps us greatly in delivering excellent client services. That is another way Cummings Properties differs from many of the huge national and international real estate giants, business cartels, and real estate investment trusts that dominate most big-city markets.

MOST START-UP FIRMS will sometimes need an owner or owners to work seventy- or eighty-hour weeks, or even more; this certainly applied in my new venture into real estate, but at least it was mostly me putting in those hours. When partnerships are involved in start-ups, it is the uneven contributions and work commitments of the partners, more than anything else, that has the greatest potential to introduce serious discord. Other than working with Don Knox for our first college December in the Christmas tree business, I have never had a formal business partnership with anyone. Perhaps that is why I have always felt so close to so many of our extraordinarily loyal and supportive senior team members.

At Cummings Properties, one of our major goals is to find out what good employees do best and then keep them busy doing it. Our once most-senior

Find out what good employees do best and then keep them busy doing it.

carpenter, Richard Irwin, liked to teach new carpenters the tricks of the trade. With his agreement, as he aged and grew less agile, we successfully made him a full-time mentor and job coach, and he

continued working as our most highly paid carpenter well into his seventies.

By the mid-1970s, I was becoming involved in the Woburn community. Because of my long-term interest in the city, I was delighted to become a director of what was then still the Woburn Boys Club, where I served for forty years (and still serve as an honorary director). As it turned out, my early Boys Club involvement paid huge dividends in an unexpected way with employee referrals from the club's executive director. He thought I was doing him favors, but it was the other way around.

In November 1976, Charles Gardner introduced me to George Holland in the first of what would be three such referrals. Before George became our first heavy-equipment operator, he had been one of the club's earliest "Boys of the Year." At the time Charlie made the introduction, George was a newly minted Marine Corps veteran. I hired him on the spot.

With forty years now of continuous service, George is today the dean

of Cummings Properties' entire 360-person employee roster. At his thirty-year milestone, George received a ceremonial captain's chair and told me he was looking to start a new tradition by receiving a company *rocking* chair upon reaching his fortieth anniversary—as he recently did. Now, he said, he is eager to see what the company will do for him when he reaches his fifty-year mark.

The thirty-year captain's chair award is named the Stephens Chair, in honor of Doug Stephens, the first colleague to earn one. The rocking chair will hereafter be named the Holland Chair in George Holland's honor. On the actual anniversary of his fortieth year with the firm, George was stunned to receive not only a suitably engraved rocking chair, but also the keys to the company's first-ever brand-new backhoe, which had his name painted prominently on the door.

George married Sue Ellen Martin, who, in November 1982, opened Little Folks School in West Cummings Park, our first children's pre-school. After thirty-five years, Little Folks is still an important client firm, as are a dozen other privately operated day-care centers that now lease space in various Cummings buildings. All three of the Holland daughters worked during school vacations in the Cummings Properties home office, and daughter Emily recently opened a personal-training studio at our TradeCenter 128, making the Hollands' involvement with Cummings Properties even more of a family affair.

Charlie Gardner made a second employment referral in 1979. This time he recommended James "Jamie" McKeown, a Woburn native and a more recent Boy of the Year from the Boys Club. He was a 1977 graduate of Salem State University who had also just earned a master's degree in school administration at the University of Vermont. But fortunately, for me anyway, he had started looking for a full-time public school teaching position in one of those "off" years, when there just weren't many teaching jobs available. Instead, Jamie joined us in what turned out to be the only post-college job he ever held.

In 1983, Charlie introduced us to a third long-tenured colleague. This time it was Charlie's own son, Kevin Gardner, who now has more than



| *George Holland with our super snowblower*

thirty-four years of service at Cummings Properties. Kevin takes great pride in ably assisting the administrative support team in the company's main office. Company records show an extraordinary history of employees with long tenures at the company. This is partially owed to our early practice of offering paid vacations, paid health coverage, 401K plans, and many other benefits at a time when this was an unusual practice for a small construction-related firm.