



City of Cambridge

(Agenda Item No. 10)

IN CITY COUNCIL

January 23, 1984

WHEREAS:

The East Cambridge-Lechmere Canal area is in a deteriorated and blighted condition; and

WHEREAS:

Large tracks of land around the Canal are vacant and two buildings in the area vacant or deteriorated; and

WHEREAS, the City has invested substantial sums of money to build a park around the Canal, which is now surrounded by the above-mentioned vacant land and vacant or deteriorated buildings; and

WHEREAS:

Businesses have applied for private loans to construct new office and retail buildings around the Canal and at the historic Charles Webb Building, but have been denied these loans because of lack of parking; and

WHEREAS:

The development of these parcels is not feasible without additional financial assistance; and

WHEREAS:

The City desires to concentrate parking in the Lechmere Canal area in garage structures and shield it from the park view, in order to help reduce the height and scale of any proposed private development; and

WHEREAS:

The City recognizes the importance of generating new private employment opportunities, increasing the local tax base, and creating additional public park;

NOW, THEREFORE, BE IT RESOLVED:

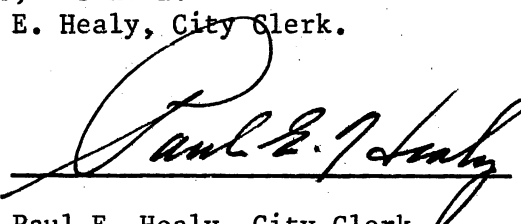
By the City Council of the City of Cambridge:

1. That an application be submitted by the City of Cambridge to the United States Department of Housing and Urban Development for Urban Development Action Grant (UDAG) Assistance and to the Commonwealth of Massachusetts for CARD Off-Street Parking funds to leverage private investment for exclusively office and retail development, in the Lechmere Canal Area.
2. That the City Manager, or in his stead, the Assistant City Manager for Community Development is hereby authorized and directed to file such application with the U. S. Department of Housing and Urban Development, to make any amendments to the application or program proposed as may be necessary, to provide such additional information, furnish such documents, and execute such contracts as may be required, and to act as the authorized correspondent and representative of the applicant in connection with said application.
3. That the U. S. Government and the Secretary of Housing and Urban Development be and hereby are assured of full compliance with all assurances and understandings as may be required.
4. That the City Manager be directed to proceed with the necessary administrative tasks to carry out the proposal, including preparing for any and all related land acquisition through eminent domain.

In City Council January 23, 1984.
Adopted by a yea and nay vote:-
Yeas 7; Nays 0; Absent 2.
Attest:- Paul E. Healy, City Clerk.

A true copy;

ATTEST:-


Paul E. Healy, City Clerk.

Agenda Item # 10 City of Cambridge

Resolution authorizing the filing of an application with UDAG and the Commonwealth of Mass. (CARD) for off street parking in the Lechmere Canal Area.

MASSACHUSETTS

In City Council

1/23/ 1984

	YEA	NAY	ABSENT	PRESENT
Mr. Daniel J. Clinton	✓			
Mr. Thomas W. Danehy	✓			
Mr. Francis H. Duehay	✓			
Ms. Sandra Graham			✓	
Mr. Leonard J. Russell			✓	
Mr. David E. Sullivan	✓			
Mr. Walter J. Sullivan	✓			
Mr. Alfred Vellucci	✓			
Ms. Alice K. Wolf	✓			

7 0 2

LECHMERE CANAL UDAG PROPOSAL

The Urban Development Action Grant (UDAG) program provides money to the City for joint public-private development projects. The money, granted by the U.S. Department of Housing and Urban Development, is intended to be a catalyst, with UDAG funds making the difference between a "go" and a "no-go" project. The private development portion of the project must have firm private financial commitments and be ready for immediate implementation. For the Lechmere Canal Project, three developers have the financial backing and are ready to go ahead, if the City is able to provide some financial assistance and additional parking facilities.

Project Description

The City of Cambridge is applying for \$10.5 million in federal UDAG assistance and \$2.7 million in state assistance to support the development of three commercial development projects in the immediate Lechmere Canal district. This \$13.2 million in federal and state assistance will leverage an additional \$38 million in private investment, provide for 1000 person years of construction employment, lead to the creation of an estimated 1600 new permanent jobs, and generate approximately \$1.3 million annually in new tax revenue.

The three commercial projects are:

Ten Canal Park

To be developed by Unihab, Inc. of Cambridge, Ten Canal Park will create a major commercial anchor on the southern edge of the canal through the construction of a 107,000 sf office building, with 7400 sf of ground floor retail.

One Canal Park

The Marcus Organization of New York is moving forward on the site at the head of the Lechmere Canal to construct a first-phase office building of 100,000 sf, of which approximately 20,000 will be retail. A second phase office building of 140,000 sf is planned after the first is leased.

The Webb Building

The Webb building sits on the corner of First and Thorndike Streets, directly across from the proposed One Canal Park.

Charles Webb is proposing to fully rehabilitate this National Register historic property, which will result in 160,000 sf of office, including space set-aside for artists, and 40,00sf of retail.

There are two principal impediments to these three projects. First, the Lechmere Canal district is plagued by a severe shortage of parking. Structured parking for these commercial projects is the only answer, but the costs of structured parking are such that it is only feasible with deep government subsidies. In addition, the projects require additional low interest loan assistance in order to bring their space on the market at competitive rates. The Lechmere Canal district has been the object of enormous local, state and federal assistance. Now that three major projects are prepared to move forward, the time is ripe to capture the benefits of past public investment.

Use of Funds

The principal focus of the proposed request for UDAG assistance will be the development of a new 480 space parking garage, a new 210 space parking facility at Graves Landing, and 180 on-grade parking spaces. This will include the acquisition of three parcels of land by eminent domain from the Mezuries Realty Trust, which now leases a portion of the land to Lechmere Sales.

The second major use of the UDAG funds is to provide below-market rate loans to each private developer to ensure the financial feasibility of each development. The breakdown of the loan amounts is shown below, along with the uses of the total grant funds.

<u>Proposed Use</u>	<u>Grant Source</u>	
	<u>UDAG</u>	<u>State</u>
Land Acquisition	\$	\$2.0
Garage Construction	4.4	.7
Parking at Graves Landing	2.1	
Loan to Ten Canal Park	1.5	
Loan to One Canal Park	1.0	
Loan to Webb Development	1.0	
Grant Administration	.5	
Total Grant Funds	\$10.5	\$2.7

Parking

The distribution of parking spaces for the three developments is shown on the following chart. The proposed parking garage will provide 480 new spaces, the acquired parcels on the "Crescent" site will have 180 on-grade spaces, and the proposed parking facility at Graves Landing will have 210 spaces. In addition, there are 560 spaces in the East Cambridge Parking Facility that is now under construction. Of these spaces, 135 were previously reserved for Canal development needs and are designated in this proposal for the Webb Building development. Also, the Marcus Organization will be constructing approximately 270 spaces in their Phase II building. In total, 1700 new parking spaces are being created in the Lechmere Canal district, including 870 as part of this UDAG proposal.

The UDAG funds applied to the 210 spaces at the Graves Landing site will be used exclusively for costs directly associated with the increased expenses of creating the 210 parking spaces. Under no circumstances will these funds be used to reduce any costs associated with any future private development at that site.

PARKING IN THE CANAL DEVELOPMENT AREA

	One Canal Park and Parcel F	Webb	Ten Canal Park	Public	Lechmere	Gund	County	Crescent	Total
East Cambridge Parking Facility	-	130	-	290	-	90	50	-	560
Proposed Garage	-	80	120	60	70	-	-	150	480
Crescent (on-grade)	-	-	-	80	100	-	-	-	180
Graves Landing	130	80	-	-	-	-	-	-	210
Parcel F	220	-	-	50	-	-	-	-	270
TOTAL	350	290	120	480	170	90	50	150	1700

LECHMERE CANAL UDAG PROPOSAL

Schedule

PUBLIC HEARING (in Neighborhood)	January 12
NEIGHBORHOOD STABILIZATION COMMITTEE	January 19
CITY COUNCIL REVIEW	January 23
PUBLIC HEARING (City-wide)	January 26
PROPOSAL SUBMISSION TO HUD	January 31
FINANCIAL COMMITMENTS TO HUD	March 1
HUD REVIEW AND NEGOTIATION	March 1-30
HUD APPROVAL	April 1



CITY OF CAMBRIDGE

CAMBRIDGE, MASSACHUSETTS 02139
Tel. 498-9011

EXECUTIVE DEPARTMENT
ROBERT W. HEALY
City Manager

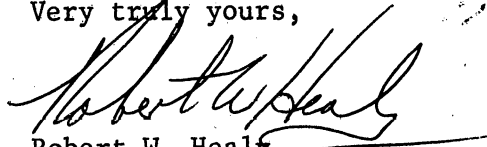
January 23, 1984

To the Honorable, the City Council:

Enclosed please find copy of a Lechmere Canal UDAG Proposal and a proposed resolution authorizing the City Manager to file an application with the U. S. Department of Housing and Urban Development (UDAG) and the Commonwealth of Massachusetts (CARD) for off-street parking funds in the Lechmere Canal Area.

Passage of this resolution is recommended.

Very truly yours,


Robert W. Healy
City Manager

RWH/mbf
Encs. 2

Agenda Item # 10 F-8

Resolution authorizing the City Manager to file an application with the UDAG and the Commonwealth of Massachusetts for a CARD off-street parking in the Lechmere Canal Area.

In City Council,
January 23, 1984

- 1/23/1984 -

Resolution

- Approved -

7-0-2