



CITY OF CAMBRIDGE
COMMUNITY DEVELOPMENT DEPARTMENT

City Hall Annex

Inman & Broadway

EXTENSION ~~XXX~~ 9034

To Robert W. Healy, City Manager

From David R. Vickery, Assistant City Manager for Community Development *AB for DV* **Date**

Subject Council Order Regarding Lechmere Project

The Community Development Department and its attorney have had extensive discussions with the two developers committed to purchasing two parcels of land in the Lechmere area.

Standard Land Disposition Agreements negotiated with Wilder/Manley Financial Co. and Sonesta Hotels for acquisition of land from the City of Cambridge have maximum feasible protections for the City. These protections include:

1. Contractual agreements for security deposits on the land.
2. Design review of the projects.
3. Assurance that before the deed is passed to the developers financing will be in place and the developer has negotiated a construction contract.

Once the deed is conveyed to the developer the City would have no liability for default or financial failure of the project.

The City also discussed with the developers their willingness to pick up additional land costs if the City should be required to pay additional acquisition amounts as a result of court challenges to the pro tanto award. The developers responded by stating that they had agreed to a land price as approved by the City and that they would not be held liable for some unknown additional cost which might be required in the future. It was felt that the financial structuring of their projects would be jeopardized by this level of uncertainty.

The City has attempted to take account of potential adverse court decisions in the land value negotiated with the developers but there is no way to know what, if any, potential additional liabilities will occur.



CITY OF CAMBRIDGE

CAMBRIDGE, MASSACHUSETTS 02139

Tel, 498-9011

EXECUTIVE DEPARTMENT

ROBERT W. HEALY

City Manager

December 7, 1981

To the Honorable, the City Council:

With respect to Awaiting Report Item No. 3 relative to provision to save harmless the City of Cambridge on all agreements in reference to the Riverfront UDAG Development, enclosed please find copy of a report from David R. Vickery, Assistant City Manager for Community Development.

Very truly yours,

Robert W. Healy
City Manager

RWH/mbf
Enc.

Agenda Item Number Seventeen

Re: response to Awaiting Report Item No. 3
regarding a provision to save harmless the
City of Cambridge on all agreements Re: the
Riverfront UDAG Development.

In City Council,

December 7, 1981

12/7/81

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