



DAVID E. CLEM
CITY COUNCILLOR

CITY OF CAMBRIDGE
MASSACHUSETTS

TO: Cambridge City Council
FROM: David Clem
DATE: March 10, 1977
RE: Riverside Press - A Mixed Use Solution

In 1976 a majority of the City Council voted to acquire Riverside Press for both passive and active recreational uses. The City was in a position to receive state and federal reimbursements amounting to 50% of the total acquisition and development costs. The lack of a two-thirds voted eliminated bond authorization and the 1976 proposal failed.

Critics of the 1976 proposal raised important and legitimate objections to the plan. They felt:

1. The City could not afford to continue removing land from the property tax rolls, and
2. The City needed to encourage economic development on the site in order to expand the tax base.

As Chairman of the Council Committee on Economic Development, Manpower and Employment I decided to pursue a compromise solution that substantially meets the objectives of the entire City Council. I worked diligently, meeting on numerous occasions with representatives from Houghton-Mifflin, Meredith & Grew, Orion Research, Cambridge Electric Light Company, MIT and Polaroid. I received valuable help from the Community Development Department and the Office of Economic Development. I believe

we now have a uniquely attractive proposal that:

1. Keeps valuable land on the taxrolls.
2. Retains an important manufacturing business in the City.
3. Expands the taxable base by allowing the construction of a low rise, manufacturing building on underutilized land.
4. Increases the number of available blue collar and white collar technical jobs.
5. Allows for the development of badly needed recreational space (substantially paid for by the state and federal funds) on one of the few remaining riverfront parcels.
6. Represents a creative and cooperative model between government and the private sector - a necessary ingredient for the future expansion of the tax base in Cambridge.

The following is an outline of the various components of the proposal. It is important to recognize that the proposal is complex, but workable. It is likewise important to note that the City of Cambridge proceeds on a conditional basis - taking no formal steps to acquire any portion of the property until state and/or federal funding is firmly committed.

Houghton Mifflin

Houghton Mifflin is the owner of 4.25 acres of land commonly referred to as the Riverside Press Site. This land is vacant and suitable for a variety of uses, although various downzoning petitions and the general economy have contributed to its continued disuse. Houghton Mifflin pays the City

approximately \$70,000 each year in property taxes. Houghton Mifflin has worked in good faith with the City in trying to market their land and has conditionally agreed to donate \$487,000 to the City for the purpose of consummating this mixed use proposal.

Based on an appraised value (formerly commissioned by the City Council) of \$2.587 million for Riverside Press, Houghton Mifflin will:

1. Sell Orion Research 50,000 square feet of land for \$450,000.
2. Sell the City of Cambridge, 135,142 square feet (3.10 acres)

for a net cost of \$1.65 million, based on:

	\$ 2.587 million appraised value
Less	<u>.450</u> million for Orion's purchase
	2.137 million
Less	<u>.487</u> million gift to Cambridge
Balance	\$ 1.65 million for 135.142 square feet

Houghton Mifflin requires the separate transactions to be executed simultaneously.

Orion Research

Orion Research is a rapidly growing, high technology manufacturing firm located on Putnam Avenue and Pleasant Street in Cambridge. Expansion needs have forced Orion to search for alternative sites and numerous alternative sites in Cambridge have been explored and ruled out. Not unlike a great many firms, Orion was founded in Cambridge and wants to stay, but the

unavailability of suitable land at realistic prices has threatened to force them out of the City.

Orion Research has conditionally agreed to purchase 50,000 square feet, or 1.15 acres, of the Riverside Press Site for \$450,000. Upon acquisition of this land, Orion will swap this parcel for 91,483 square feet of land on Putnam Avenue, opposite their current offices and plant. This land on Putnam Avenue currently is owned by the Cambridge Electric Light Company and is used as a pole storage area among other things. A brick industrial building on the property, already leased and rehabilitated by Orion, is included in the swap.

Based on their current growth and expansion projections, Orion Research will construct a research/office building that connects with the existing building. Off street surface parking will be available for the entire Orion operation. Orion estimates that 150 permanent jobs will be created in their expansion over the next three years and they are willing to work with the City or community groups in recruiting Cambridge residents for these jobs. In addition, Orion Research will be the first firm to utilize IDFA financing help in the construction of their building. With these improvements, property tax revenues on their land can be expected to rise.

Cambridge Electric Light Company

Cambridge Electric Light Company has a major power generating station located on Memorial Drive and bounded by Western Avenue, Blackstone Street, and the Riverside Press Site. Anticipating future expansion needs,

Cambridge Electric Light Company bought the Putnam Avenue acreage described earlier several years ago. Their plans called for the development of a substation similar in function to that found on Prospect Street. A substation is still needed in the future for the Cambridgeport area, especially if the MIT-owned Simplex properties are developed.

Cambridge Electric has generously agreed to swap their 91,483 square feet of land on Putnam Avenue for 50,000 square feet of Riverside Press land abutting their current facility. Although the resulting area for substation construction is substantially smaller, their engineers feel the project is feasible and may even afford more efficient distribution of power. Cambridge Electric would, of course, pay taxes on the Riverside Press land they swapped for. They have also agreed to screen their plant from the proposed open space and park on Riverside Press with appropriate fencing.

MIT/Polaroid

MIT owns the property abutting the Putnam Avenue land in question. Polaroid leases this property from MIT. Because of the unique shape of the land now owned by Cambridge Electric, MIT has agreed to negotiate a sale of approximately 5,000 square feet to Orion after the Cambridge Electric/Orion land swap. This will "square out" the geographical configuration of the land and allow Orion to construct their building within the existing zone and without complicated architectural features. Polaroid, the lessor, has agreed to this sale because very few of their parking spaces will be lost.

City of Cambridge

Cambridge will acquire the balance of the Riverside Press Site, 3.1 acres, for a cost of \$1.65 million. The City is eligible for so-called Self-Help and BOR (Bureau of Outdoor Recreation) funds amounting to at least 50% of the acquisition price. Based on recreation development plans formerly commissioned by the City Council, an additional \$.9 million will be spent to construct pathways, benches, landscaped open space, etc. At least 50% of these expenditures will be reimbursed by the state and federal government. The net cost to the City for the total project, including acquisition and development costs, is estimated to be \$1.27 million after reimbursements. Additional tax revenues from the land bought by Cambridge Electric and Orion Research will more than pay for this valuable recreational resource. In short, the City of Cambridge will realize economic growth, industrial expansion, job development, and a riverfront park. No doubt the entire neighborhood will be improved by this public/private effort.

DC/nwc

Comm. from Councillor Clem re: Riverside
Press - A Mixed Use Solution.

In City Council,
March 14, 1977

Placed on file