

CITY OF CAMBRIDGE

COMMUNITY DEVELOPMENT DEPARTMENT

City Hall Annex - Inman & Broadway - Cambridge, Mass. 02139

498-9034

To: Robert W. Healy
City Manager

December 14, 1984

From:  Kathy A. Spiegelman
Assistant City Manager
for Community Development

Re: Status of Tenant Relocation Activities for Webb Building

As you know, as part of the City's UDAG proposal approved by HUD last Spring the Marcus Organization was required to provide relocation assistance to existing tenants of the Webb Building and to set-aside some space in the Webb Building, after its renovation, for artists. The scope and parameters of these two obligations were not clearly defined in the UDAG. On June 11, the City Council passed an order requiring that the State Relocation Assistance Act be applied, and that the Council approve the final relocation plan before any UDAG loan funds be released by the City for the renovation of the Webb Building.

The Council also passed a Resolution on June 11 which called for an annual payment to the City by the Marcus Organization in lieu of the set-aside space; a rent subsidy for Mudflats, a non-profit pottery school; special consideration of Mudflat's extraordinary relocation needs; and a tenancy termination date for Mudflats no earlier than February 1985 (as of June 11, all tenants had received an August 8, 1984 eviction notice). All of these provisions have been addressed.

Prior to June 11, and throughout the Summer the Community Development Department held extensive negotiations with all the tenants and the developer of the Webb Building. Once the State Relocation Act was established as a standard for relocation payments, there were two major concerns. One, was the time tenants would have before having to leave; and two, whether, as an alternative to set-aside space in the Webb Building, the developer could assist existing artisans in the Webb Building, working together as a consortium or cooperative, to acquire or gain long term control of space elsewhere in Cambridge.

The developer agreed to extend the termination date to September 8 for all tenants and to negotiate individual extensions from there. Mudflats was informed they could stay through January 31, 1985. Subsequently, the September 8 date was pushed back to November 30.

Regarding the alternative space numerous properties were seriously explored by the developer and the artists, including St. John's school in North Cambridge and St. Francis School in East Cambridge. However, none of the alternative spaces proved viable. At the last negotiating meeting with the Webb tenants in late September it was generally understood that it was no longer possible to find affordable alternative space in Cambridge that could meet the demands of a large consortium of existing tenants, within the necessary timeframe.

As of today, with the exception of Mudflats and a collaborative of ten artists, all tenants from the building have moved, with acceptable relocation payments, or have come to an agreement with the developer on their moving date and amount of relocation assistance. Of all of the tenants, four, including Mudflats and the collaborative mentioned above, disputed the amount of assistance approved by the developer. The Community Development Department was asked and agreed to mediate such disputes, as part of the overall negotiations last summer.

Two disputes were simply interpretations of eligible expenses; and they were successfully mediated. The artists collaborative felt that the developer had not fulfilled his obligation to help find comparable space and therefore should contribute more funds to upgrade substandard space which had been found. The City concurred with that argument and instructed the developer to pay an additional \$50,000 to bring their new space up to a comparable level. Based in a similar argument, the City instructed the developer to provide \$30,000 to Mudflats, over and above the eligible relocation payments, and because of their special needs as a non-profit to provide them a \$15,000 per year rent subsidy. To enable the developer to make these increased payments the City agreed to reduce the amount "in lieu of" funds it would receive to support arts activities in Cambridge. The City will receive \$50,000 per year for four years.

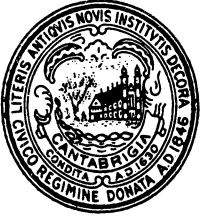
We believe these payments respond to the spirit and intent of the representations made to the Webb tenants at the beginning of the UDAG process, to the negotiations involving all tenants during the Spring and Summer and to the Council Resolution. The settlements and process described above respond to the specific points in that Resolution as follows:

Annual Payment - the City will receive an annual payment in lieu of the set-aside space, which when added to the additional payments to Mudflats and the collaborative, equals the value, in net-present terms, of the set-aside.

Mudflat's Subsidy Mudflats will receive \$15,000 per year for ten years, which will enable them to lease space in the \$2.50 to \$3.00 range - - well below market.

Mudflats Extra Consideration Mudflats will receive a supplemental payment of \$30,000

Date Mudflats, as well as the artists collaborative will be allowed to stay in the building until January 31, 1985.



CITY OF CAMBRIDGE

CAMBRIDGE, MASSACHUSETTS 02139
Tel. 498-9011

EXECUTIVE DEPARTMENT
ROBERT W. HEALY
City Manager

December 17, 1984

To the Honorable, the City Council:

I transmit herewith communication from the Assistant City Manager for Community Development pertaining to the status of tenant relocation activities for the Webb Building.

Very truly yours,

Robert W. Healy
City Manager

RWH/b

S-797

Re: enclosed comm. from Community Development relative to the status of tenant relocation activities for the Webb Building.

In City Council,

December 17, 1984

12/17/84

Referred to the
Planning
AT 6 PM