



City of Cambridge

Agenda Item No. 2

IN CITY COUNCIL

November 24, 1986

- WHEREAS: The Cambridge Enterprise Collaborative (CEC) has acquired a building located at 432 Columbia Street for the purpose of rehabilitating the building into a commercial condominium and business incubator facility (hereinafter referred to as the "Project"); and
- WHEREAS: The City of Cambridge is presently the guarantor of a \$1.3 million loan made to the CEC by U.S. Trust/Middlesex Bank for the purpose of acquiring the 432 Columbia Street building; and
- WHEREAS: All profits and proceeds realized from the Project will be provided to the Cambridge Boys and Girls Club for the establishment of a full service recreational facility to be located at 130 Prospect Street; and
- WHEREAS: Said City loan guarantee expires on January 31, 1987; and
- WHEREAS: Due to a delay in the anticipated start of construction of the Project, U.S. Trust/Middlesex Bank has requested that said loan guarantee be extended for a period of two months to March 31, 1987; and
- WHEREAS: It is in the best interests of the Project to grant said extension. now, therefore, be it
- RESOLVED: By the City Council of the City of Cambridge:
- That the City Manager is hereby authorized to enter into an Amendment to said Loan Guaranty Agreement between the City of Cambridge, Cambridge Enterprise Collaborative, Inc. and U.S. Trust/Middlesex Bank dated June 28, 1985 to extend the date of expiration for a period of two months to March 31, 1987.

In City Council November 24, 1986.

Adopted by a yea and nay vote:-

Yeas 7; Nays 0; Absent 2.

Attest:- Joseph E. Connarton, City Clerk.

A true copy; *Joseph E. Connarton*

ATTEST:-

Joseph E. Connarton, City Clerk.

City of Cambridge

MASSACHUSETTS

In City Council November 24, 1986

AGENDA ITEM NO. 2

RE: ORDER AUTHORIZING THE CITY MANAGER TO ENTER INTO AN AMENDMENT TO THE LOAN GUARANTEE AGREEMENT BETWEEN THE CITY OF CAMBRIDGE, ENTERPRISE COLLABORATIVE, INC. & US TRUST/ MIDDLESEX BANK DATED JUNE 28, 1985 EXTENDING THE EXPIRATION DATE TO MARCH 31, 1987.

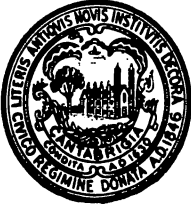
	YEA	NAY	ABSENT	PRESENT
Mr. Thomas W. Danehy	✓			
Mr. Francis H. Duehay	✓			
Ms. Sandra Graham			✓	
Mrs. Sheila T. Russell	✓			
Mr. David E. Sullivan	✓			
Mr. Alfred Vellucci	✓			
Mr. William H. Walsh	✓			
Ms. Alice K. Wolf	✓			
Mayor Walter J. Sullivan			✓	

C. Duehay
ms
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CITY OF CAMBRIDGE
COMMUNITY DEVELOPMENT DEPARTMENT
City Hall Annex - Inman & Broadway - Cambridge, Mass. 02139

498-9034

November 24, 1986

MEMORANDUM

TO: Robert W. Healy
City Manager

FROM: Michael H. Rosenberg *MHR*
Assistant City Manager
for Community Development

RE: Cambridge Enterprise Collaborative
Hyde Shoe Project

Pursuant to your request for information regarding the above referenced project, I am writing to provide a progress report and also to ask your recommendation for City Council approval of the attached resolution.

There has been significant progress on the project to the extent that we presently anticipate the start of construction sometime in December. The Collaborative has been successful in obtaining a written commitment from a consortium of Cambridge banks to finance the project and have executed purchase and sales agreements for the required minimum amount of space necessary for the first release of funds. As a result, steps are now being taken towards a closing date in early December.

An issue has arisen, however, with regard to the Collaborative's existing acquisition loan with U.S. Trust/Middlesex Bank. As you know, the City is the guarantor of this \$1.3 million loan which will be paid back when the Collaborative closes on its loan with the banking consortium. This guarantee which was provided in June, 1985 expires upon the closing of this loan or the date of January 31, 1987, whichever occurs first. Although we fully expect the loan to be closed in December, U.S. Trust has requested that the guarantee be extended for two

Mr. Robert W. Healy
November 24, 1986
Page 2

months to March 31, 1987 to assure that its interests are protected should any unanticipated problems arise. They have also requested that this extension be approved by the City Council.

I am therefor requesting that the attached resolution which would authorize you to extend the guarantee be placed on the City Council agenda for their consideration.

MHR/jk

Attachment



CITY OF CAMBRIDGE

CAMBRIDGE, MASSACHUSETTS 02139

TEL. 498-9011

EXECUTIVE DEPARTMENT

ROBERT W. HEALY

City Manager

RICHARD C. ROSSI

Deputy City Manager

November 24, 1986

To the Honorable, the City Council:

With respect to Awaiting Report Item No. 22 relative to the status of the Hyde Shoe development, enclosed please find copy of a progress report from Michael H. Rosenberg, Assistant City Manager for Community Development, along with a proposed order authorizing the City Manager to enter into an Amendment to the Loan Guaranty Agreement between the City of Cambridge, Cambridge Enterprise Collaborative, Inc. and U. S. Trust/Middlesex Bank, dated June 28, 1985, and to extend the date of expiration for a period of two months to March 31, 1987.

Very truly yours,

A handwritten signature in black ink, appearing to read "Robert W. Healy", is written over a horizontal line.

Robert W. Healy
City Manager

RWH/mbf

Re: order authorizing the City Manager to enter into an amendment to the Loan Guarantee Agreement between the City, Enterprise Collaborative, Inc. & US Trust/Middlesex Bank, dated June 28, 1985 & extending the expiration date to March 31, 1987.

In City Council,

November 24, 1986

Order Adopted
Roll Call

7-0-2

C. D. Dwyer

MS

MF