CITY OF CAMBRIDGE
MASSACHUSETTS

DAVID E. CLEM
CITY COUNCILLOR

MEMO: From David Clem
Chairman of the Committee on Economic Development
December 14, 1976

INTRODUCTION

On December 8, 1976, I brought together a group of people who share an interest in the pending proposal to recycle the old American Twine and Netting factory, 222 Third Street, East Cambridge, into a housing related facility. The project, if completed, would provide 128 units of 1-2 bedroom housing and 12,000 square feet of office space. Beyond that, it would preserve an historic site, increase City revenues, act as a buffer zone between the existing residential community and the adjacent light industrial and commercial zones, and, finally, serve as a catalyst to similar efforts on other old, industrial sites that are currently underutilized. In short, the project seems desirable on its own merit and appears to be a sound example of a policy which the City ought to encourage.

OBSTACLES TO DEVELOPMENT

There are three identifiable problems which have to be resolved if the project is to move forward:

1. Change of zoning from 1B to Business A or to an Overlay District which would allow for mixed use.
2. Parking requirements would have to be altered to allow for 108 cars plus a "no-car incentive" plan built into the project.
3. A "tax-treaty" of some sort must be worked out which freezes taxes at approximately 20% of gross income after three years.

RECOMMENDATIONS

Appropriate City agencies, with the support of the City Manager, will work on the problems of zoning and parking, both of which appear to be solvable.

The problem of a "tax-treaty" centered on two recommendations: 1) The City Manager suggested that the City Council pass and forward to the General Court a Home-Rule petition which would allow Cambridge to recycle this building and similar older industrial buildings for more viable re-use. He suggested a bill of roughly the following form:

> If industrial building A is B number of years old or older; and, if a developer is prepared to invest C number of dollars in that building in order to restore and reuse it, then the tax on building A should not exceed 22% of gross income for D number of years.

This solution has several advantages. It addresses the problem of equity from the Assessor's viewpoint in that they cannot arbitrarily treat similar properties differently. This bill would, in a sense, create a separate class of properties. Secondly, it allows a city like Cambridge to realistically encourage the restoration and reuse of many of its older industrial buildings.

The drawback of this approach for American Twine is that the legislative process would not be quick enough to make the project feasible.

The second recommendation, made by Councillor Clem, was to establish a 121A Corporation that addresses the tax problem.

DECISIONS

The group concluded that the City Manager's Home-Rule suggestion should be developed as a sound general approach to problems like this. Councillor Clem will follow up by preparing draft legislation.

For this particular project, the constraints of time are such that it was decided to have the owner, Mr. Ginsberg, sit down with the Assessors to form a 121A agreement. Should the Home-Rule petition become law, then it could later supercede the contractural arrangements of the 121A corporation.

The owner faces the problems characteristic of being "first-person in". Because the project appears to be beneficial to the City, it seem appropriate that the City ought to extend itself in order to facilitate development. In our enthusiasm to bring new development into our City, we can hardly afford to overlook the constructive ideas of local owners for good, sound development.

I will continue to report on efforts that are being made to strengthen the economic base of our City.

S-576

Comm. from the Chairman of the Committee on Economic Development re: to the proposal to recycle the old American Twine and Netting factory.

In City Council,
December 20, 1976

12/20/76
Placed on File