

**FAX**

DATE: January 30, 1997

TO: Margaret Drury  
City Clerk

FAX: 348-4307

FROM: Michael Brandon  
(617) 864-3520

PAGES: 23 total (including this)  
~~104 follow~~

**MEMO**

RECEIVED BY  
OFFICE OF CITY CLERK  
97 JAN 30 PM 5:07  
CAMBRIDGE MA

Dear Ms. Drury:

Please place the accompanying communication on the City Council Consent Communication Agenda for next Monday evening.

Thank you,

*Michael Brandon*

Michael Brandon

RECEIVED BY  
OFFICE OF CITY CLERK  
97 JAN 30 PM 5:07  
CAMBRIDGE MA.

Michael Brandon  
27 Seven Pines Avenue  
Cambridge, Massachusetts 02140  
Telephone (617) 864-3520

January 30, 1997

Cambridge City Council  
c/o City Clerk  
795 Massachusetts Avenue  
Cambridge, MA 02139

**RE: No-bid Century Bank lease of city property**

Councilors:

Enclosed are public records indicating that City Manager Robert Healy unilaterally leased a city rental property to Century Bank and Trust without consulting the City Council or conducting competitive bidding.

Century is the lender that provided Mr. Healy and City Solicitor Russell Higley—his real estate investment partner and a director of the bank—with a no-money-down condominium loan that they used to provide housing for Mr. Healy's son. As you may recall, Mr. Healy and Mr. Higley publicly acknowledged their private financial relationship and the existence of this loan from Century Bank after the arrangement was disclosed by the *Cambridge Chronicle* in 1994.

Although the *Chronicle* noted that the city had invested millions of dollars in Century Bank certificates of deposit and had awarded the bank a contract to provide lockbox services, it did not report the existence of this no-bid lease, and Mr. Healy apparently never informed the City Council about it.

According to the attached documents and others obtained under the Freedom of Information Act, Mr. Healy arranged for Century Bank to rent ground-floor commercial space in the city's East Cambridge Parking Facility at a fraction of the going market rate and on terms decidedly more favorable to the bank than those the city imposed on other tenants in the building, including Warehouse Liquors, the package liquor store whose leased space the bank took over.

In privately modifying the terms of the preexisting rental agreement to benefit Century Bank, Mr. Healy overrode warnings from the city's Community Development Department (CDD) that the public interest was not being protected. "Based on the lease alone," wrote CDD project manager Elizabeth Flemings, "I am concerned that the city is not getting a good deal" (see Attachment 8). Her reservations about the altered lease terms—the far-below-market rent, the elimination of the security deposit requirement, the removal of the inflation-based rent escalation clause, the special parking arrangements afforded bank executives, and other irregularities—were forwarded by the assistant city manager for community development directly to Mr. Healy (Attachment 9).

Comparison of the rewritten lease with the original reveals that other terms were also altered to favor the bank: the liability waiver protecting the city in the event of injury or property damage was changed to protect the tenant instead; the grace period for late rent payments was extended; a net-worth qualification in the assignment-and-subletting clause was eliminated; the rent-escalation clause based on operating costs was revised to reduce the percentage rate and cap the total increase; limitations were imposed on the city's right to retain property improvements made by the tenant; broad sign-review, inspection, and other landlord privileges were narrowed to the tenant's advantage; and the city agreed to install six on-street public parking spaces for use by the bank's customers.

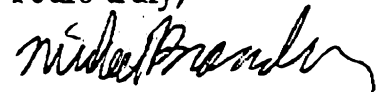
In addition, whereas the original contract required the lessee to operate a retail liquor store serving the public (and even specified the hours it must stay open), the rewritten terms did not bind Century to its offer to improve the property substantially and open a branch bank. Consequently, after briefly using the space for storage, the bank backed out of the arrangement without penalty—leaving a vacant storefront where the City Council, the CDD, and an advisory tenant-selection committee representing the public's interest had mandated an active, pedestrian-friendly retail use that would enliven the streetscape, directly serve the neighborhood, and generate rental income for the city.

According to a Law Department letter, Mr. Healy independently arranged the new lease terms without input from the city solicitor's office, purportedly "to avoid the appearance of a conflict of interest" (Attachment 13). However, since it is now known that Mr. Healy and Mr. Higley—a director of Century Bank—were investment partners and cosigners on the bank loan, the manager's participation presumably constituted not only an apparent conflict but an actual one. Moreover, repeated references to Mr. Higley in pertinent records (Attachments 4, 10, 11, 12) raise the possibility that he may in fact have participated in the process of revamping the city's lease and transferring it to the bank.

By secretly negotiating a "sweetheart" lease with Century Bank, Mr. Healy appears to have used his position as city manager to reward his financial backers in a private real estate deal. As you know, participating in an official matter affecting a partner's financial interests, accepting a "gift," deriving an "unwarranted privilege," and creating an improper appearance are all prohibited by the state conflict-of-interest law.

Please refer this communication to the February 6 special meeting you have scheduled so that it can be considered in detail when you evaluate the city manager's performance. I would further ask that you refrain from renewing the city manager's employment contract or concluding your evaluation of his performance until he provides you with the information you have twice formally requested concerning rental income from the Harvard Square Kiosk, which also is subject to a longterm, no-bid "sweetheart" lease arranged by Mr. Healy without City Council authorization.

Yours truly,



Michael Brandon

Attachments:

1. Cover, Request for Proposals (RFP), East Cambridge Parking Facility, May 1984
2. "Criteria for Selection," RFP, page 4
3. City Council Order (Agenda Item No. 7), 31 March 1986
4. Memo to Robert W. Healy from Elizabeth G. Flemings, 14 January 1988 (2 pp.)
5. Memo to "The Files" from Elizabeth G. Flemings, 14 March 1988
6. Letter from John S. Leonard to James M. Flynn, 31 March 1988 (2 pp.)
7. Memo to Robert W. Healy from Gail S. Gabriel, 20 April 1989
8. Memo to Michael H. Rosenberg from Elizabeth G. Flemings, 3 October 1989
9. Memo to Robert W. Healy from Michael H. Rosenberg, 12 October 1989
10. Municipal Lien Certificate No. 129034, 12 December 1989, to Russell Higley
11. Municipal Lien Certificate No. 129034 Amended, 12 December 1989, to Russell Higley
12. Undated, unsigned handwritten note ("Russ→Re: releases of rents due . . .")
13. Letter from Gail S. Gabriel to Donald F. Smith, 14 December 1989 (2 pp.)
14. Consent (to lease assignment) executed by Robert W. Healy, January 1990
15. Letter to Robert W. Healy from Donald F. Smith, 11 February 1991
16. Memo to Michael Rosenberg from Gail S. Gabriel, 4 March 1991

# Request for Proposals

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## For Lease Ground Floor Commercial Space East Cambridge Parking Facility

*City of Cambridge  
Community Development Department  
May 1984*



# City of Cambridge

Agenda Item No. 7

IN CITY COUNCIL

March 31, 1986

WHEREAS: The City Council passed a resolution on September 23, 1985 requesting the Community Development Department to assist Warehouse Liquors in finding a relocation site; and

WHEREAS: Warehouse Liquors submitted a proposal for lease of space in the East Cambridge Parking Facility, and the Advisory Committee for Selection of Tenants has recommended that their proposal be accepted; and

WHEREAS: The City Manager has received and accepted their recommendation; now therefore be it

ORDERED: That the City Council accept the recommendation of the City Manager that Daniel M. Griffin and Joseph M. Griffin, Jr. d.b.a. Warehouse Liquors, become a tenant in the East Cambridge Parking Facility; and be it further

ORDERED: That the City Manager be authorized to execute a lease with said establishment.

In City Council March 31, 1986.  
Adopted by a ye and nay vote:-  
Yeas 9; Nays 0; Absent 0.  
Attest:- Joseph E. Connarton, Acting City Clerk.

A true copy; *Joseph E. Connarton*

ATTEST:- Joseph E. Connarton, Acting City Clerk.

88 AUG 5 PM 9 38  
LAW DEPARTMENT



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

498-9034

To: Robert W. Healy  
 City Manager

From: Elizabeth G. Flemings  
 Community Development Department

Re: Status of Warehouse Liquors

Date: January 14, 1988

According to the sign in the window, Warehouse Liquors is "temporarily closed" and indeed has been closed for about three months. The store remains stocked and there is no evidence of any activity. They continue to pay their rent on time.

I spoke with their lawyer, John Plotkin of Mintz, Levin, on November 9 to find out what was happening. He explained that due to delays in completion of the Garage they were having monetary difficulties. He said the tenant might seek flexibility, might want to open another business, might request some compromise on rent. He asked what the City would think about a White Hen Pantry. I was not thrilled but suggested that a proposal be submitted outlining their requests. Nothing has been received from the tenant or their lawyers.

I spoke with Dan Griffen in December, asking what was happening. He said he couldn't say until the whole matter was settled, and again referred to delays in completion of the garage as a cause.

I have tried to reach the lawyers this month after receiving notice of the License Commission hearing but they did not return my calls.

I spoke with Richard Scalf about the License Commission hearing, held on January 12. He scheduled the hearing because Warehouse Liquors was not open for business. Once again, Warehouse Liquors referred to the delay in completion of the garage as well as leakage as reasons for not being open. The garage will in fact be open next week. Temporary roof repairs were undertaken last year to stop the leakage causing damage to the VFW and Warehouse Liquors. The final solution - installation of metal plates on the roof - is scheduled to be made by the end of the month.

I am concerned that Warehouse Liquors is not open for business. I would like to know what their plans are and whether they will re-open. Since they are paying rent, there maybe nothing we can do. However, there is a question of whether they are in default because they are



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

498-9034

TO: The Files

FROM: Elizabeth G. Flemings

RE: Lease at 67 First Street by and between City  
and Daniel M. Griffin et al

DATE: March 14, 1988

Century Bank is interested in assuming the Griffin lease at 67 First Street to open a branch bank. John Leonard of McLaughlin Brothers is the lawyer for Century Bank.

A meeting has been scheduled for March 22nd at 11 a.m. to discuss the matter. Don Drisdell will represent the City's legal interests.

LAW OFFICES OF  
THE McLAUGHLIN BROTHERS

March 31, 1988

44 School Street  
Boston 02108

Telephone (617) 523-7165

Telecopier (617) 227-5240

Mr. James M. Flynn, Senior Vice President  
Century Bank and Trust Company  
102 Fellsway West at Mystic Avenue  
Somerville, MA 02145

Re: Proposed Century Bank lease at 67 First Street,  
Cambridge, MA

Dear Jim:

I have conferred with Deputy City Solicitor Donald Drisdell regarding the proposed rent and parking issues.

Mr. Drisdell indicated that the base rent for the second year of the Griffin space was \$9.75 (\$8.50 + \$1.25 utility assessment). The Griffin lease also called for an additional rental payment based upon percentage of sales. The City's files contain estimates of a total expected rental payment from Griffin of at least \$16.00 during the second year of the lease. Accordingly, the City is willing to lease this space to the Bank for \$18.00 per square foot. I understand that there is some, but not a lot of flexibility in the proposed rent for two reasons: First, the City feels compelled to secure a rental in excess of the \$16.00 anticipated rental from Griffin and second, the City has been informed that the East Cambridge Savings Bank and another bank, (to be located in the Lotus Building), executed leases at \$25.00 to \$30.00 per square foot. Mr. Drisdell did not have the specific facts of these alleged bank leases at his disposal. I assume that your diligent investigations can determine the reliability of the City's assertions.

I have expressed the Bank's extreme disappointment with the apparent inflexibility of the City regarding parking for Bank executives and assigned parking areas for customers of the Bank. He is going to informally investigate the matter and report back to me.

We should confer regarding the possibility of securing an accord and satisfaction between the Griffins and the City predicated upon the City's approval of an assignment of the Griffin lease to the Bank. It appears that the City is apprehensive about entering into extensive and detailed negotiations with the Bank without reasonable assurances on this issue.

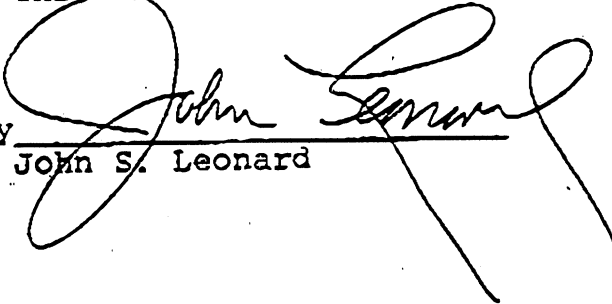
Mr. James M. Flynn, Senior Vice President  
March 31, 1988  
Page 2

Best personal regards.

Very truly yours,

THE McLAUGHLIN BROTHERS

By

  
John S. Leonard

JSL/kfq



# CITY OF CAMBRIDGE

Office of the City Solicitor  
City Hall

795 Massachusetts Avenue  
Cambridge, Massachusetts 02139

(617) 498-9020

Russell B. Higley  
City Solicitor

Donald A. Drisdell  
Deputy City Solicitor

Michael C. Costello  
Assistant City Solicitor

Birge Albright  
Legal Counsel

Gail S. Gabriel  
Legal Counsel

Joseph M. Kaigler  
Legal Counsel

April 20, 1989

TO: Robert W. Healy  
City Manager

FROM: Gail S. Gabriel *GSE/gb*

RE: MODIFIED LEASE: 51-69 First Street, Cambridge

Enclosed please find a copy of the proposed lease covering the above premises in reference to the matter of the assignment of the Griffin-City of Cambridge Lease to the Century Bank and Trust Company. Please review and/or approve it and get back to me at your earliest convenience.

Enclosure



## CITY OF CAMBRIDGE

## COMMUNITY DEVELOPMENT DEPARTMENT

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

498-9034

To: Michael H. Rosenberg  
 From: *ef* Elizabeth G. Flemings  
 Re: Lease of Commercial Space to Century Bank  
 Date: October 3, 1989

I have just received a copy of the lease between the City and Century Bank. I have spoken with Gail Gabriel at the Law Department who has been handling part of the negotiations and was told that the lease had been signed by the City Manager. Looking strictly at the lease, I am concerned that the City is not getting a good deal, and that there may be some technical problems.

Following is a list of my concerns:

1. Parking The Traffic Department has agreed to ten parking spaces "if available" at tenants' cost. The lease says these shall be designated spaces but no one else has designated spaces.
2. The Receiving Area All tenants have rights to the receiving area and it cannot be limited to the bank and the VFW as stated in the lease.
3. Rent The rent shall be \$6.00/square foot for the first two years and \$8.00/square foot for years three to five, to be extended at that rate for an extended five year term if desired. This is the same rent Warehouse Liquors was to pay except there is no cost-of-living escalation clause and no added "percentage" rent. Market rate rent is at least in the low twenties.
4. Security Deposit No security deposit is required.
5. Property of Tenant The bank will be installing a vault. There is a question of whether the floor is strong enough to hold up the vault. As stated in the lease, if there is a problem it is the Landlord's responsibility to fix.
6. Assignment of Lease This may be just legal and not a real issue. But, the bank has the right to assign the lease or to sublet the space to any bank.

I understand that others ~~are~~ responsible for decision-making but I want you to know what's in the lease that we will be managing.



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

498-9034

To: Robert W. Healy  
 City Manager

From: Michael H. Rosenberg *MAR*  
 Assistant City Manager  
 Community Development Department

Re: Lease of Commercial Space to Century Bank

Date: October 12, 1989

We have just received a copy of the lease between the City and Century Bank and Trust Company. Following is a list of our concerns:

1. Parking The Traffic Department has agreed to ten parking spaces "if available" at tenants' cost. The lease says these shall be designated spaces but no other businesses using the garage have designated spaces.
2. The Receiving Area All commercial tenants have rights to the receiving area. Use of the receiving area should not be limited to the bank and the VFW as stated in the lease.
3. Rent The rent is stated to be \$6.00/square foot for the first two years and \$8.00/square foot for years three to five, to be extended at that rate for an extended five year term if desired. This is the same rent Warehouse Liquors was to pay except there is no added cost-of-living escalation clause and no added "percentage" rent. Market rate rent is at least in the low twenties.
4. Security Deposit No security deposit is required.
5. Property of Tenant The bank will be installing a vault. There is a question of whether the floor is strong enough to hold up the vault. As stated in the lease, if there is a problem it is the Landlord's responsibility to fix.
6. Assignment of Lease This may be legal and not a real issue, but, the bank has the right to assign the lease or to sublet the space to any bank.

The Commonwealth of Massachusetts  
CITY OF CAMBRIDGE  
Office of the Collector of Taxes

RUSSELL HIGLEY

DECEMBER 12, 19 89

323 BROADWAY

CAMBRIDGE, MA. 02139

It is hereby certified from available information that hereinafter listed are all taxes, assessments, water rates, and charges, which on the above date constitute liens on the parcel of real estate specified below.

The amounts now payable on account of such real estate so far as they are fixed and ascertained are itemized below. Any amount not ascertainable is so stated.

PROPERTY DESCRIPTION

1580 VFW PARKWAY, WEST ROXBURY, MA. 02132

Assessed to: CITY OF CAMBRIDGE, C/O DANIEL M. & JOSEPH M. GRIFFEN, DBA WAREHOUSE LIQUORS

Address: 51-69 FIRST ST. #1, BLK 18, LOT 75, AREA 2800, VALUE \$ 238,300.00

Parcel Identifier: 9D0026-03, 872493-10 Water & Sewer Identifier: 4012-10

FY 90 REAL ESTATE TAX \$ 4,327.53

MUNICIPAL LIENS	AMOUNTS OWED					
	1st pymt FY 19 87	2nd pymt FY 19 87	TAX TITLE 19	1st pymt FY 19 89	2nd pymt FY 19 89	1st pymt FY 19 90
TAX	\$ TAX EXEMPT	\$ TAX EXEMPT	\$	\$ 2,387 14	\$ 2,387 14	\$ 2,163 77
INTEREST FROM			8-3-89	6-2-89	6-2-89	10-17-89
CHARGES AND FEES			6,178 44			
TAX TITLE						
SIDEWALK ASSESSMENT						
STREET ASSESSMENT						
SEWER ASSESSMENT						
WATER LIEN						
WATER CHARGES						00
SEWER USE CHARGES						00
INTEREST FROM						

Massachusetts General Laws (Chapter 59, sections 57 & 69; Chapter 80, sections 62, 63, and 68) fix the interest rates for delinquent tax and tax title accounts. Sections 17-62 (h) and 19-21 of the code of the City of Cambridge fix the interest rate for delinquent water and sewer accounts. Interest charges on this certificate are computed through the date of this certificate.

The following improvements have been voted, with regard to which there will probably be liens.

WATER AND SEWER BALANCES REFLECT THE STATUS OF ACCOUNT BASED UPON THE BILLING DATE 8-26-88.  
CALL WATER DEPT. FOR FINAL READING, 498-9070. R.E. BALANCES ARE CURRENT AS OF 12-6-89.

I HAVE NO KNOWLEDGE OF ANY OTHER LIENS OUTSTANDING AS OF THE DATE OF THIS CERTIFICATE.

*William H. O'Leary*  
Collector of taxes for the City of Cambridge

CERTIFICATE OF MUNICIPAL LIENS  
GENERAL LAWS, CHAPTER 60, SECTION 23 AS AMENDED

NO 129034  
AMENDED

The Commonwealth of Massachusetts  
CITY OF CAMBRIDGE  
Office of the Collector of Taxes

RUSSELL HIGLEY

DECEMBER 12, 1989

323 BROADWAY

CAMBRIDGE, MA. 02139

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The amounts now payable on account of such real estate so far as they are fixed and ascertained are itemized below. Any amount not ascertainable is so stated.

PROPERTY DESCRIPTION

1580 VFW PARKWAY, WEST ROXBURY, MA. 02132

Assessed to: CITY OF CAMBRIDGE, C/O DANIEL M. & JOSEPH M. GRIFFEN, DBA WAREHOUSE LIQUORS

Address: 51-69 FIRST ST. # 1, BLK 18, LOT 75, AREA 2800, VALUE \$ 238,300.00

Parcel Identifier: 900026-03, 872493-10 Water & Sewer Identifier: 4012-10

FY 90 REAL ESTATE TAX \$ 4,327.53

MUNICIPAL LIENS	AMOUNTS OWED					
	2nd pymt FY 19 87	1st pymt FY 19 88	2nd pymt FY 19 88	1st pymt FY 19 89	2nd pymt FY 19 89	1st pymt FY 19 90
TAX	\$ TAX EXEMPT	\$ 2,516.85	\$ 2,516.85	\$ 2,387.14	\$ 2,387.14	\$ 2,163.77
INTEREST FROM		10-6-87	4-1-88	10-7-88	4-1-89	10-17-89
CHARGES AND FEES			5.00		5.00	
TAX TITLE						
SIDEWALK ASSESSMENT						
STREET ASSESSMENT						
SEWER ASSESSMENT						
WATER LIEN						
WATER CHARGES						00
SEWER USE CHARGES						00
INTEREST FROM						

Massachusetts General Laws (Chapter 59, sections 57 & 69; Chapter 60, sections 62, 63, and 68) fix the interest rates for delinquent tax and tax title accounts. Sections 17-62 (h) and 19-21 of the code of the City of Cambridge fix the interest rate for delinquent water and sewer accounts. Interest charges on this certificate are computed through the date of this certificate.

The following improvements have been voted, with regard to which there will probably be liens.

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CALL WATER DEPT. FOR FINAL READING, 498-9070. R.E. BALANCES ARE CURRENT AS OF 12-6-89.

I HAVE NO KNOWLEDGE OF ANY OTHER LIENS OUTSTANDING AS OF THE DATE OF THIS CERTIFICATE.

*William H. O'Leary*  
Collector of taxes for the City of Cambridge

John Plotkin

Russ → Re: released of rents due →  
law suit ← →

assignment of  
rent from  
T.E.

Release re:  
goal closed to back rent

process for approval

- ① → dates
- ② → \$/dollar

$$\begin{array}{r} 245 \\ 175 \\ \hline 500 \end{array}$$



# CITY OF CAMBRIDGE

Office of the City Solicitor  
City Hall

795 Massachusetts Avenue  
Cambridge, Massachusetts 02139

(617) 498-9020

Russell B. Higley  
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Legal Counsel

Gail S. Gabriel  
Legal Counsel

Joseph M. Kaigler  
Legal Counsel

Diane Wynshaw-Boris  
Legal Counsel

Edward J. O'Connell  
Legal Counsel

December 14, 1989

Donald F. Smith, Esq.  
415 Concord Avenue  
Belmont, MA 02178

Re: Lease Agreement 51-69 First Street, Cambridge

It appears that some of the confusion you and I had about the rent in the assigned lease stems from a misunderstanding in this office.

By way of explanation, I and my colleagues in the City Law Department were purposely not made privy to any negotiations between the City Manager and the Century Bank relative to the rents to be paid under the lease. Rather, the City Manager had asked this Department to review the lease in its final form only, and to render an opinion as to whether or not the lease, as proposed, would effectuate a proper assignment.

I now understand that the apparently low rent being assigned to the bank had several legitimate purposes, which taken together have considerable value to the City. While the lease required certain modifications in order to comply with banking regulations, most notably percentage income, the lease could not be changed in any substantive ways which would invalidate the assignment.

A new lease would involve a long process and the City would not receive any rent during that interim. As you know, the subtenant has been in default for some time now, having filed bankruptcy proceedings. The City has lost considerable rental income with extremely bleak prospects of recouping any of the rental arrears from the original tenants.

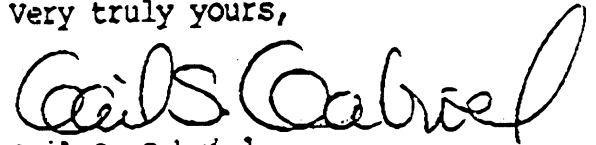
In addition, the original tenants have made serious threats of a law suit against the City for damages to the building and inventory, and for loss of business. They allege that these losses are due to architectural and construction defects and delays.

It therefore became advisable for the Manager to minimize the City's losses by accepting the offer of the original tenant to assign the lease. The bank is apparently willing to substantially renovate the space in order to conduct its business there. However, the City has only a relatively short term lease to offer in return. In light of the substantial and costly improvements to the property that the bank proposed, the seemingly low rent under the lease assumed a greater value to the City.

However, in order to avoid any appearance of a conflict of interest, this department was not involved in any negotiations of the terms of the lease. The Manager thus presented the lease as a fait accompli to be reviewed as to form only. It was not intended that the contents of the lease also be reviewed.

I hope that this will clarify the confusion we had about the various terms of the lease and I do apologize for the inconvenience that it caused you and Charlie.

Very truly yours,

A handwritten signature in cursive script that reads "Gail S. Gabriel". The signature is written in black ink and is positioned above the printed name.

Gail S. Gabriel

GSG/aa

CF#5

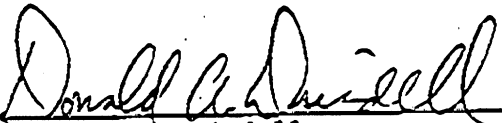
## CONSENT

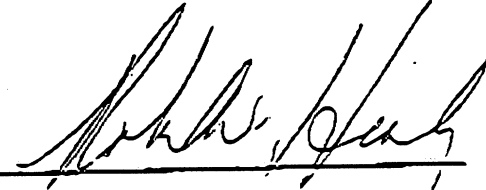
For and in consideration of the aforesaid assumption of said Lease by Century Bank and Trust Company, a Massachusetts corporation, and in consideration of the Lessees' (Tenants') and Assignee's assent and agreement pursuant to Paragraph 20, subparagraph (b), the City of Cambridge, the Lessor (Landlord) in the above described Lease, does hereby consent to said Assignment. The provisions of Paragraph 20, subparagraphs (b) and (c) are waived to permit the Assignment to Century Bank and Trust Company, meaning and intending that Century Bank and Trust Company may assume the said Lease as now modified, but this assent and waiver of its rights is limited to this transaction and is not to be construed as a waiver with respect to any other assignment.

Executed as a sealed instrument this \_\_\_\_\_ day of January, 1990.

Approved as to form:

LANDLORD: City of Cambridge

  
Donald A. Drisdell  
Deputy City Solicitor

By:   
City Manager

DONALD F. SMITH  
ATTORNEY AT LAW

(617) 489-1030

RECEIVED

91 FEB 12 AM 8:56

OFFICE OF THE CITY MANAGER

415 CONCORD AVENUE  
BELMONT, MASSACHUSETTS 02178

February 11, 1991

Mr. Robert W. Healy  
City Manager  
Cambridge City Hall  
795 Massachusetts Avenue  
Cambridge, MA. 02139

CERTIFIED MAILRe: LEASE: 51-69 FIRST STREET, CAMBRIDGE, MA.


Dear Mr. Healy:

This is to formally notify the City of Cambridge, Landlord in a certain Lease covering a portion of the above premises, (the Tenant originally being Daniel M. Griffin and Joseph M. Griffin, Jr., d/b/a Warehouse Liquors, dated March 1, 1986, and modified February 2, 1990, whereby Century Bank and Trust Company became Tenant by assignment), that Century Bank and Trust Company does not intend to exercise its option to extend for one extended term of five (5) years (the Extended Term). Reference in this regard is made to Term, Paragraph 3, subsection (b), page 5, of the Lease, as modified.

Under the terms of the above indicated paragraph, an affirmative notice by Tenant to Landlord is required to trigger an extension. Although no notice is required to surrender this right, Century Bank and Trust Company feels obliged to provide the within notice so that the City might have additional time to plan future use of the premises, and we appreciate the past courtesies and co-operation of your office and staff throughout the negotiation process of this tenancy.

Yours very truly,

Century Bank and Trust Company  
By their attorney

  
Donald F. Smith

DFS/mt

cc: Mr. James M. Flynn



# CITY OF CAMBRIDGE

Office of the City Solicitor  
City Hall

795 Massachusetts Avenue  
Cambridge, Massachusetts 02139

(617) 498-9020

Russell B. Higley  
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Birge Albright  
Legal Counsel

Gail S. Gabriel  
Legal Counsel

Joseph M. Kaigler  
Legal Counsel

Diane Wynshaw-Boris  
Legal Counsel

Edward J. O'Connell  
Legal Counsel

March 4, 1991

TO: Michael Rosenberg  
FROM: Gail S. Gabriel *CSG*  
RE: 51-69 First Street, Assigned Lease to Century Bank and Trust Company

Attached please find a copy of a letter which was received by this office from the City Manager on February 27, 1991. It appears that the Century Bank and Trust Company does not intend to exercise its five year option under the lease which was assigned to it from Warehouse Liquors. It would be advisable, therefore, for your Department to begin the process of finding a new tenant for the property.

Please contact this office if you should have any questions or concerns in this regard. Thank you for your attention to this matter.

cc: Elizabeth Flemmings

Michael Brandon  
27 Seven Pines Avenue  
Cambridge, Massachusetts 02140  
Telephone (617) 864-3520

RECEIVED BY  
OFFICE OF CITY CLERK  
97 FEB -3 PM 12:19  
CAMBRIDGE MA.

January 30, 1997

Cambridge City Council  
c/o City Clerk  
795 Massachusetts Avenue  
Cambridge, MA 02139

**RE: No-bid Century Bank lease of city property**

Councilors:

Enclosed are public records indicating that City Manager Robert Healy unilaterally leased a city rental property to Century Bank and Trust without consulting the City Council or conducting competitive bidding.

Century is the lender that provided Mr. Healy and City Solicitor Russell Higley—his real estate investment partner and a director of the bank—with a no-money-down condominium loan that they used to provide housing for Mr. Healy's son. As you may recall, Mr. Healy and Mr. Higley publicly acknowledged their private financial relationship and the existence of this loan from Century Bank after the arrangement was disclosed by the *Cambridge Chronicle* in 1994.

Although the *Chronicle* noted that the city had invested millions of dollars in Century Bank certificates of deposit and had awarded the bank a contract to provide lockbox services, it did not report the existence of this no-bid lease, and Mr. Healy apparently never informed the City Council about it.

According to the attached documents and others obtained under the Freedom of Information Act, Mr. Healy arranged for Century Bank to rent ground-floor commercial space in the city's East Cambridge Parking Facility at a fraction of the going market rate and on terms decidedly more favorable to the bank than those the city imposed on other tenants in the building, including Warehouse Liquors, the package liquor store whose leased space the bank took over.

In privately modifying the terms of the preexisting rental agreement to benefit Century Bank, Mr. Healy overrode warnings from the city's Community Development Department (CDD) that the public interest was not being protected. "Based on the lease alone," wrote CDD project manager Elizabeth Flemings, "I am concerned that the city is not getting a good deal" (see Attachment 8). Her reservations about the altered lease terms—the far-below-market rent, the elimination of the security deposit requirement, the removal of the inflation-based rent escalation clause, the special parking arrangements afforded bank executives, and other irregularities—were forwarded by the assistant city manager for community development directly to Mr. Healy (Attachment 9).

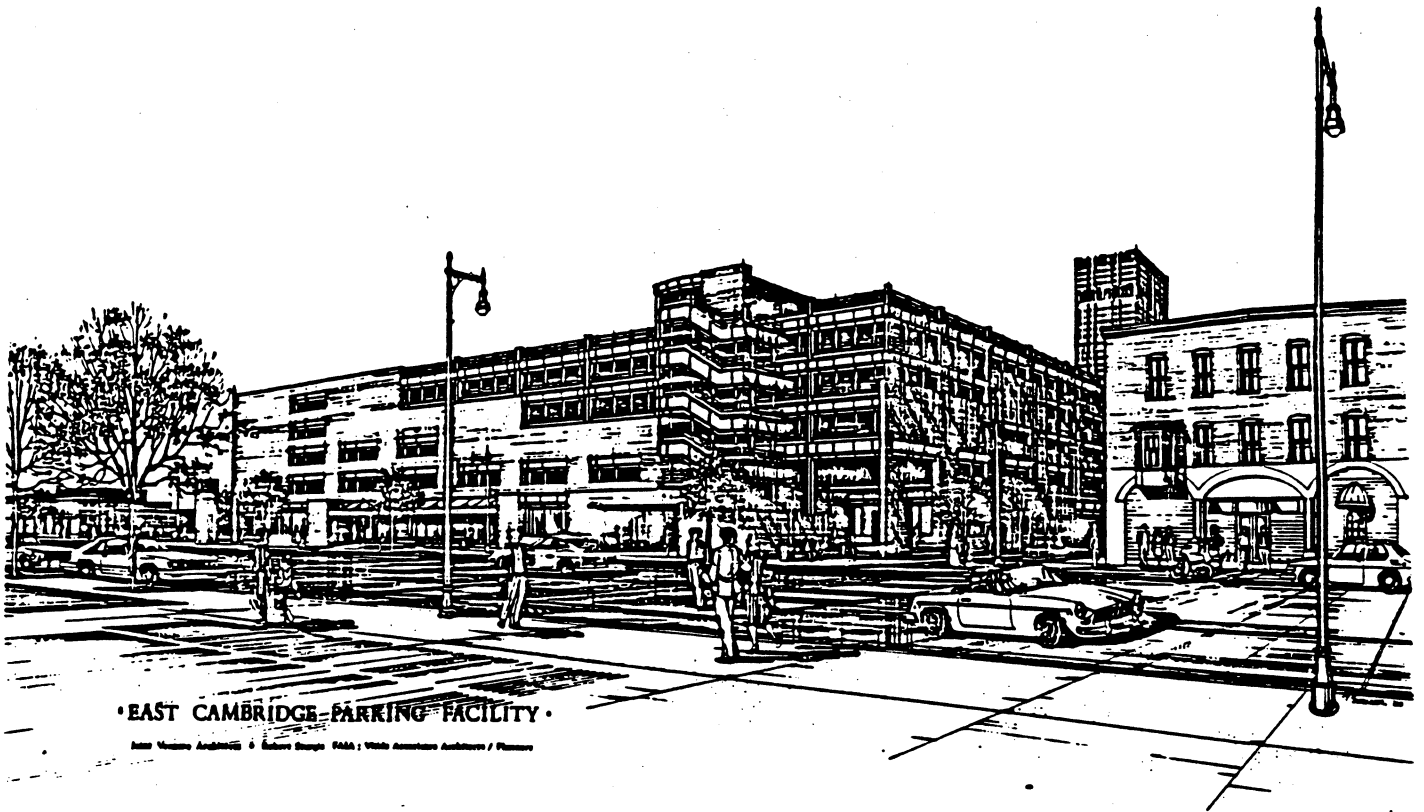
Comparison of the rewritten lease with the original reveals that other terms were also altered to favor the bank: the liability waiver protecting the city in the event of injury or property damage was changed to protect the tenant instead; the grace period for late rent payments was extended; a net-worth qualification in the assignment-and-subletting clause was eliminated; the rent-escalation clause based on operating costs was revised to reduce the percentage rate and cap the total increase; limitations were imposed on the city's right to retain property improvements made by the tenant; broad sign-review, inspection, and other landlord privileges were narrowed to the tenant's advantage; and the city agreed to install six on-street public parking spaces for use by the bank's customers.

In addition, whereas the original contract required the lessee to operate a retail liquor store serving the public (and even specified the hours it must stay open), the rewritten terms did not bind Century to its offer to improve the property substantially and open a branch bank. Consequently, after briefly using the space for storage, the bank backed out of the arrangement without penalty—leaving a vacant storefront where the City Council, the CDD, and an advisory tenant-selection committee representing the public's interest had mandated an active, pedestrian-friendly retail use that would enliven the streetscape, directly serve the neighborhood, and generate rental income for the city.

According to a Law Department letter, Mr. Healy independently arranged the new lease terms without input from the city solicitor's office, purportedly "to avoid the appearance of a conflict of interest" (Attachment 13). However, since it is now known that Mr. Healy and Mr. Higley—a director of Century Bank—were investment partners and cosigners on the bank loan, the manager's participation presumably constituted not only an apparent conflict but an actual one. Moreover, repeated references to Mr. Higley in pertinent records (Attachments 4, 10, 11, 12) raise the possibility that he may in fact have participated in the process of revamping the city's lease and transferring it to the bank.

# Request for Proposals

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---

## For Lease Ground Floor Commercial Space East Cambridge Parking Facility

*City of Cambridge  
Community Development Department  
May 1984*

By secretly negotiating a "sweetheart" lease with Century Bank, Mr. Healy appears to have used his position as city manager to reward his financial backers in a private real estate deal. As you know, participating in an official matter affecting a partner's financial interests, accepting a "gift," deriving an "unwarranted privilege," and creating an improper appearance are all prohibited by the state conflict-of-interest law.

Please refer this communication to the February 6 special meeting you have scheduled so that it can be considered in detail when you evaluate the city manager's performance. I would further ask that you refrain from renewing the city manager's employment contract or concluding your evaluation of his performance until he provides you with the information you have twice formally requested concerning rental income from the Harvard Square Kiosk, which also is subject to a longterm, no-bid "sweetheart" lease arranged by Mr. Healy without City Council authorization.

Yours truly,



Michael Brandon

Attachments:

1. Cover, Request for Proposals (RFP), East Cambridge Parking Facility, May 1984
2. "Criteria for Selection," RFP, page 4
3. City Council Order (Agenda Item No. 7), 31 March 1986
4. Memo to Robert W. Healy from Elizabeth G. Flemings, 14 January 1988 (2 pp.)
5. Memo to "The Files" from Elizabeth G. Flemings, 14 March 1988
6. Letter from John S. Leonard to James M. Flynn, 31 March 1988 (2 pp.)
7. Memo to Robert W. Healy from Gail S. Gabriel, 20 April 1989
8. Memo to Michael H. Rosenberg from Elizabeth G. Flemings, 3 October 1989
9. Memo to Robert W. Healy from Michael H. Rosenberg, 12 October 1989
10. Municipal Lien Certificate No. 129034, 12 December 1989, to Russell Higley
11. Municipal Lien Certificate No. 129034 Amended, 12 December 1989, to Russell Higley
12. Undated, unsigned handwritten note ("Russ→Re: releases of rents due . . .")
13. Letter from Gail S. Gabriel to Donald F. Smith, 14 December 1989 (2 pp.)
14. Consent (to lease assignment) executed by Robert W. Healy, January 1990
15. Letter to Robert W. Healy from Donald F. Smith, 11 February 1991
16. Memo to Michael Rosenberg from Gail S. Gabriel, 4 March 1991

#### IV. Criteria for Selection

Proposals will be reviewed in the light of development objectives set forth in the East Cambridge Revitalization Plan. The proposed use must be compatible with the adjacent residential neighborhood and help promote an active and inviting pedestrian environment. Evaluation criteria will include:

- Commercial and social benefit to the community.
- Use compatibility with neighborhood.
- Financial and economic feasibility of project.
- Capability and experience of group or business entity.
- Financial return to the City: The City reserves the right not to select the proposal offering the highest rent.
- Development schedule.



# City of Cambridge

Agenda Item No. 7

IN CITY COUNCIL

March 31, 1986

- WHEREAS: The City Council passed a resolution on September 23, 1985 requesting the Community Development Department to assist Warehouse Liquors in finding a relocation site; and
- WHEREAS: Warehouse Liquors submitted a proposal for lease of space in the East Cambridge Parking Facility, and the Advisory Committee for Selection of Tenants has recommended that their proposal be accepted; and
- WHEREAS: The City Manager has received and accepted their recommendation; now therefore be it
- ORDERED: That the City Council accept the recommendation of the City Manager that Daniel M. Griffin and Joseph M. Griffin, Jr. d.b.a. Warehouse Liquors, become a tenant in the East Cambridge Parking Facility; and be it further
- ORDERED: That the City Manager be authorized to execute a lease with said establishment.

In City Council March 31, 1986.

Adopted by a ye and nay vote:-

Yeas 9; Nays 0; Absent 0.

Attest:- Joseph E. Connarton, Acting City Clerk.

A true copy;

*Joseph E. Connarton*

ATTEST:-

Joseph E. Connarton, Acting City Clerk.

88 AUG 5 9 38

LAW DEPARTMENT



not open for business, or for other reasons outlined in the Lease under Default.

Thank you for suggesting that Russ Higley look into the matter. I attach a copy of the lease for his review. I would appreciate hearing the results of his research and his advice on actions the management agent should take.

EF:jcm

Enclosure

cc: Michael Rosenberg



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

498-9034

TO: The Files  
FROM: Elizabeth G. Flemings  
RE: Lease at 67 First Street by and between City  
and Daniel M. Griffin et al  
DATE: March 14, 1988

Century Bank is interested in assuming the Griffin lease at 67 First Street to open a branch bank. John Leonard of McLaughlin Brothers is the lawyer for Century Bank.

A meeting has been scheduled for March 22nd at 11 a.m. to discuss the matter. Don Drisdell will represent the City's legal interests.

LAW OFFICES OF  
THE McLAUGHLIN BROTHERS

March 31, 1988

*44 School Street  
Boston 02108*

*Telephone (617) 523-7165*

*Telecopier (617) 227-5240*

Mr. James M. Flynn, Senior Vice President  
Century Bank and Trust Company  
102 Fellsway West at Mystic Avenue  
Somerville, MA 02145

Re: Proposed Century Bank lease at 67 First Street,  
Cambridge, MA

Dear Jim:

I have conferred with Deputy City Solicitor Donald Drisdell regarding the proposed rent and parking issues.

Mr. Drisdell indicated that the base rent for the second year of the Griffin space was \$9.75 (\$8.50 + \$1.25 utility assessment). The Griffin lease also called for an additional rental payment based upon percentage of sales. The City's files contain estimates of a total expected rental payment from Griffin of at least \$16.00 during the second year of the lease. Accordingly, the City is willing to lease this space to the Bank for \$18.00 per square foot. I understand that there is some, but not a lot of flexibility in the proposed rent for two reasons: First, the City feels compelled to secure a rental in excess of the \$16.00 anticipated rental from Griffin and second, the City has been informed that the East Cambridge Savings Bank and another bank, (to be located in the Lotus Building), executed leases at \$25.00 to \$30.00 per square foot. Mr. Drisdell did not have the specific facts of these alleged bank leases at his disposal. I assume that your diligent investigations can determine the reliability of the City's assertions.

I have expressed the Bank's extreme disappointment with the apparent inflexibility of the City regarding parking for Bank executives and assigned parking areas for customers of the Bank. He is going to informally investigate the matter and report back to me.

We should confer regarding the possibility of securing an accord and satisfaction between the Griffins and the City predicated upon the City's approval of an assignment of the Griffin lease to the Bank. It appears that the City is apprehensive about entering into extensive and detailed negotiations with the Bank without reasonable assurances on this issue.

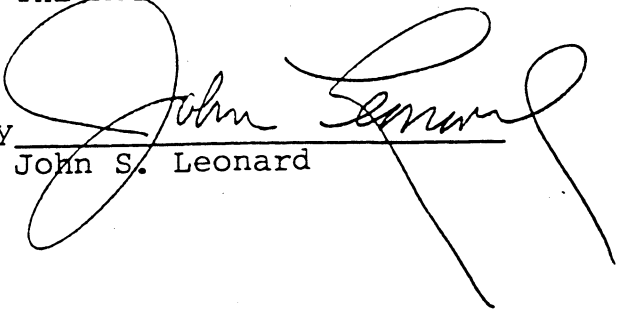
Mr. James M. Flynn, Senior Vice President  
March 31, 1988  
Page 2

Best personal regards.

Very truly yours,

THE McLAUGHLIN BROTHERS

By

  
John S. Leonard

JSL/kfq



# CITY OF CAMBRIDGE

Office of the City Solicitor  
City Hall

795 Massachusetts Avenue  
Cambridge, Massachusetts 02139

(617) 498-9020

Russell B. Higley  
City Solicitor

Donald A. Drisdell  
Deputy City Solicitor

Michael C. Costello  
Assistant City Solicitor

Birge Albright  
Legal Counsel

Gail S. Gabriel  
Legal Counsel

Joseph M. Kaigler  
Legal Counsel

April 20, 1989

TO: Robert W. Healy  
City Manager

FROM: Gail S. Gabriel *GSE/gb*

RE: MODIFIED LEASE: 51-69 First Street, Cambridge

Enclosed please find a copy of the proposed lease covering the above premises in reference to the matter of the assignment of the Griffin-City of Cambridge Lease to the Century Bank and Trust Company. Please review and/or approve it and get back to me at your earliest convenience.

Enclosure



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

498-9034

To: Michael H. Rosenberg  
 From: *EF* Elizabeth G. Flemings  
 Re: Lease of Commercial Space to Century Bank  
 Date: October 3, 1989

I have just received a copy of the lease between the City and Century Bank. I have spoken with Gail Gabriel at the Law Department who has been handling part of the negotiations and was told that the lease had been signed by the City Manager. Looking strictly at the lease, I am concerned that the City is not getting a good deal, and that there may be some technical problems.

Following is a list of my concerns:

1. Parking The Traffic Department has agreed to ten parking spaces "if available" at tenants' cost. The lease says these shall be designated spaces but no one else has designated spaces.
2. The Receiving Area All tenants have rights to the receiving area and it cannot be limited to the bank and the VFW as stated in the lease.
3. Rent The rent shall be \$6.00/square foot for the first two years and \$8.00/square foot for years three to five, to be extended at that rate for an extended five year term if desired. This is the same rent Warehouse Liquors was to pay except there is no cost-of-living escalation clause and no added "percentage" rent. Market rate rent is at least in the low twenties.
4. Security Deposit No security deposit is required.
5. Property of Tenant The bank will be installing a vault. There is a question of whether the floor is strong enough to hold up the vault. As stated in the lease, if there is a problem it is the Landlord's responsibility to fix.
6. Assignment of Lease This may be just legal and not a real issue. But, the bank has the right to assign the lease or to sublet the space to any bank.

I understand that others are responsible for decision-making but I want you to know what's in the lease that we will be managing.



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

498-9034

To: Robert W. Healy  
 City Manager

From: Michael H. Rosenberg *MAR*  
 Assistant City Manager  
 Community Development Department

Re: Lease of Commercial Space to Century Bank

Date: October 12, 1989

We have just received a copy of the lease between the City and Century Bank and Trust Company. Following is a list of our concerns:

1. Parking The Traffic Department has agreed to ten parking spaces "if available" at tenants' cost. The lease says these shall be designated spaces but no other businesses using the garage have designated spaces.
2. The Receiving Area All commercial tenants have rights to the receiving area. Use of the receiving area should not be limited to the bank and the VFW as stated in the lease.
3. Rent The rent is stated to be \$6.00/square foot for the first two years and \$8.00/square foot for years three to five, to be extended at that rate for an extended five year term if desired. This is the same rent Warehouse Liquors was to pay except there is no added cost-of-living escalation clause and no added "percentage" rent. Market rate rent is at least in the low twenties.
4. Security Deposit No security deposit is required.
5. Property of Tenant The bank will be installing a vault. There is a question of whether the floor is strong enough to hold up the vault. As stated in the lease, if there is a problem it is the Landlord's responsibility to fix.
6. Assignment of Lease This may be legal and not a real issue, but, the bank has the right to assign the lease or to sublet the space to any bank.

The Commonwealth of Massachusetts  
CITY OF CAMBRIDGE  
Office of the Collector of Taxes

RUSSELL HIGLEY

DECEMBER 12, 19 89

323 BROADWAY

CAMBRIDGE, MA. 02139

It is hereby certified from available information that hereinafter listed are all taxes, assessments, water rates, and charges, which on the above date constitute liens on the parcel of real estate specified below.

The amounts now payable on account of such real estate so far as they are fixed and ascertained are itemized below. Any amount not ascertainable is so stated.

PROPERTY DESCRIPTION

1580 VFW PARKWAY, WEST ROXBURY, MA. 02132

Assessed to: CITY OF CAMBRIDGE, C/O DANIEL M. & JOSEPH M. GRIFFEN, DBA WAREHOUSE LIQUORS

Address: 51-69 FIRST ST. #1, BLK 18, LOT 75, AREA 2800, VALUE \$ 238,300.00

Parcel Identifier: 900026-03, 872493-10 Water & Sewer Identifier: 4012-10

FY 90 REAL ESTATE TAX \$ 4,327.53

MUNICIPAL LIENS	AMOUNTS OWED					
	1st pymt	2nd pymt	TAX TITLE	1st pymt	2nd pymt	1st pymt
	FY 19 87	FY 19 87	19	FY 19 89	FY 19 89	FY 19 90
TAX	\$ TAX EXEMPT	\$ TAX EXEMPT	\$	\$ 2,387 14	\$ 2,387 14	\$ 2,163 77
INTEREST FROM			8-3-89	6-2-89	6-2-89	10-17-89
CHARGES AND FEES						
TAX TITLE			6,178 44			
SIDEWALK ASSESSMENT						
STREET ASSESSMENT						
SEWER ASSESSMENT						
WATER LIEN						
WATER CHARGES						00
SEWER USE CHARGES						00
INTEREST FROM						

Massachusetts General Laws (Chapter 59, sections 57 & 69; Chapter 60, sections 62, 63, and 68) fix the interest rates for delinquent tax and tax title accounts. Sections 17-62 (h) and 19-21 of the code of the City of Cambridge fix the interest rate for delinquent water and sewer accounts. Interest charges on this certificate are computed through the date of this certificate.

The following improvements have been voted, with regard to which there will probably be liens.

WATER AND SEWER BALANCES REFLECT THE STATUS OF ACCOUNT BASED UPON THE BILLING DATE 8-26-88.  
CALL WATER DEPT. FOR FINAL READING, 498-9070. R.E. BALANCES ARE CURRENT AS OF 12-6-89.

I HAVE NO KNOWLEDGE OF ANY OTHER LIENS OUTSTANDING AS OF THE DATE OF THIS CERTIFICATE.

*William H. O'Leary*  
Collector of taxes for the City of Cambridge

The Commonwealth of Massachusetts  
CITY OF CAMBRIDGE  
Office of the Collector of Taxes

RUSSELL HIGLEY

DECEMBER 12, 19 89

323 BROADWAY

CAMBRIDGE, MA. 02139

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PROPERTY DESCRIPTION

1580 VFW PARKWAY, WEST ROXBURY, MA. 02132

Assessed to: CITY OF CAMBRIDGE, C/O DANIEL M. & JOSEPH M. GRIFFEN, DBA WAREHOUSE LIQUORS

Address: 51-69 FIRST ST. # 1, BLK 18, LOT 75, AREA 2800, VALUE \$ 238,300.00

Parcel Identifier: 900026-03, 872493-10 Water & Sewer Identifier: 4012-10

FY 90 REAL ESTATE TAX \$ 4,327.53

MUNICIPAL LIENS	AMOUNTS OWED					
	2nd pymt FY 19 87	1st pymt FY 19 88	2nd pymt FY 19 88	1st pymt FY 19 89	2nd pymt FY 19 89	1st pymt FY 19 90
TAX	\$ TAX EXEMPT	\$ 2,516 85	\$ 2,516 85	\$ 2,387 14	\$ 2,387 14	\$ 2,163 77
INTEREST FROM		10-6-87	4-1-88	10-7-88	4-1-89	10-17-89
CHARGES AND FEES			5 00		5 00	
TAX TITLE						
SIDEWALK ASSESSMENT						
STREET ASSESSMENT						
SEWER ASSESSMENT						
WATER LIEN						
WATER CHARGES						00
SEWER USE CHARGES						00
INTEREST FROM						

Massachusetts General Laws (Chapter 59, sections 57 & 69; Chapter 60, sections 62, 63, and 68) fix the interest rates for delinquent tax and tax title accounts. Sections 17-62 (h) and 19-21 of the code of the City of Cambridge fix the interest rate for delinquent water and sewer accounts. Interest charges on this certificate are computed through the date of this certificate.

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*William H. O'Leary*  
Collector of taxes for the City of Cambridge

John Plotkin  
~~Plotkin~~

Russ → re: releases of rents due →  
law suit ← →

assignment of  
rent from  
78 -

release re:  
of all claims to trade rent

proceeds for approval  
~~~~~

- ① → dates
- ② → #/dollar

1725  
4  
-----  
500



# CITY OF CAMBRIDGE

Office of the City Solicitor  
City Hall

795 Massachusetts Avenue  
Cambridge, Massachusetts 02139

(617) 498-9020

Russell B. Higley  
City Solicitor

Donald A. Drisdell  
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Birge Albright  
Legal Counsel

Gail S. Gabriel  
Legal Counsel

Joseph M. Kaigler  
Legal Counsel

Diane Wynshaw-Boris  
Legal Counsel

Edward J. O'Connell  
Legal Counsel

December 14, 1989

Donald F. Smith, Esq.  
415 Concord Avenue  
Belmont, MA 02178

Re: Lease Agreement 51-69 First Street, Cambridge

It appears that some of the confusion you and I had about the rent in the assigned lease stems from a misunderstanding in this office.

By way of explanation, I and my colleagues in the City Law Department were purposely not made privy to any negotiations between the City Manager and the Century Bank relative to the rents to be paid under the lease. Rather, the City Manager had asked this Department to review the lease in its final form only, and to render an opinion as to whether or not the lease, as proposed, would effectuate a proper assignment.

I now understand that the apparently low rent being assigned to the bank had several legitimate purposes, which taken together have considerable value to the City. While the lease required certain modifications in order to comply with banking regulations, most notably percentage income, the lease could not be changed in any substantive ways which would invalidate the assignment.

A new lease would involve a long process and the City would not receive any rent during that interim. As you know, the subtenant has been in default for some time now, having filed bankruptcy proceedings. The City has lost considerable rental income with extremely bleak prospects of recouping any of the rental arrears from the original tenants.

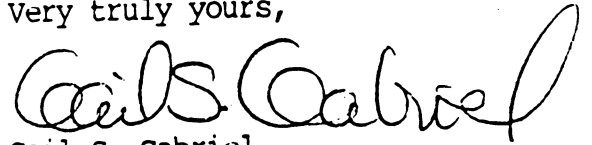
In addition, the original tenants have made serious threats of a law suit against the City for damages to the building and inventory, and for loss of business. They allege that these losses are due to architectural and construction defects and delays.

It therefore became advisable for the Manager to minimize the City's losses by accepting the offer of the original tenant to assign the lease. The bank is apparently willing to substantially renovate the space in order to conduct its business there. However, the City has only a relatively short term lease to offer in return. In light of the substantial and costly improvements to the property that the bank proposed, the seemingly low rent under the lease assumed a greater value to the City.

However, in order to avoid any appearance of a conflict of interest, this department was not involved in any negotiations of the terms of the lease. The Manager thus presented the lease as a fait accompli to be reviewed as to form only. It was not intended that the contents of the lease also be reviewed.

I hope that this will clarify the confusion we had about the various terms of the lease and I do apologize for the inconvenience that it caused you and Charlie.

Very truly yours,

A handwritten signature in cursive script that reads "Gail S. Gabriel". The signature is written in black ink and is positioned above the printed name.

Gail S. Gabriel

GSG/aa

CF#5

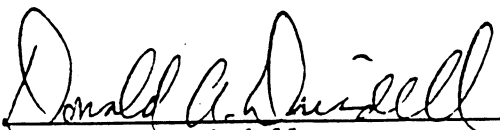
## CONSENT

For and in consideration of the aforesaid assumption of said Lease by Century Bank and Trust Company, a Massachusetts corporation, and in consideration of the Lessees' (Tenants') and Assignee's assent and agreement pursuant to Paragraph 20, subparagraph (b), the City of Cambridge, the Lessor (Landlord) in the above described Lease, does hereby consent to said Assignment. The provisions of Paragraph 20, subparagraphs (b) and (c) are waived to permit the Assignment to Century Bank and Trust Company, meaning and intending that Century Bank and Trust Company may assume the said Lease as now modified, but this assent and waiver of its rights is limited to this transaction and is not to be construed as a waiver with respect to any other assignment.

Executed as a sealed instrument this \_\_\_\_\_ day of January, 1990.

Approved as to form:

LANDLORD: City of Cambridge



Donald A. Drisdell  
Deputy City Solicitor

By: \_\_\_\_\_



City Manager

*How Dept*

DONALD F. SMITH  
ATTORNEY AT LAW

(617) 489-1030

RECEIVED

91 FEB 12 AM 8:56

415 CONCORD AVENUE  
BELMONT, MASSACHUSETTS 02178

OFFICE OF THE CITY MANAGER

February 11, 1991

Mr. Robert W. Healy  
City Manager  
Cambridge City Hall  
795 Massachusetts Avenue  
Cambridge, MA. 02139

CERTIFIED MAILRe: LEASE: 51-69 FIRST STREET, CAMBRIDGE, MA.

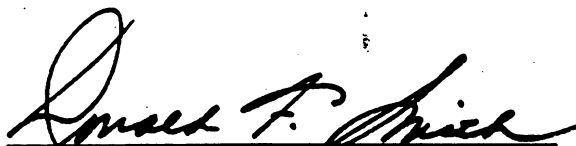
Dear Mr. Healy:

This is to formally notify the City of Cambridge, Landlord in a certain Lease covering a portion of the above premises, (the Tenant originally being Daniel M. Griffin and Joseph M. Griffin, Jr., d/b/a Warehouse Liquors, dated March 1, 1986, and modified February 2, 1990, whereby Century Bank and Trust Company became Tenant by assignment), that Century Bank and Trust Company does not intend to exercise its option to extend for one extended term of five (5) years (the Extended Term). Reference in this regard is made to Term, Paragraph 3, subsection (b), page 5, of the Lease, as modified.

Under the terms of the above indicated paragraph, an affirmative notice by Tenant to Landlord is required to trigger an extension. Although no notice is required to surrender this right, Century Bank and Trust Company feels obliged to provide the within notice so that the City might have additional time to plan future use of the premises, and we appreciate the past courtesies and co-operation of your office and staff throughout the negotiation process of this tenancy.

Yours very truly,

Century Bank and Trust Company  
By their attorney

  
Donald F. Smith

DFS/mt

cc: Mr. James M. Flynn



# CITY OF CAMBRIDGE

Office of the City Solicitor  
City Hall

795 Massachusetts Avenue  
Cambridge, Massachusetts 02139

(617) 498-9020

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Birge Albright  
Legal Counsel

Gail S. Gabriel  
Legal Counsel

Joseph M. Kaigler  
Legal Counsel

Diane Wynshaw-Boris  
Legal Counsel

Edward J. O'Connell  
Legal Counsel

March 4, 1991

TO: Michael Rosenberg  
FROM: Gail S. Gabriel *CSG*  
RE: 51-69 First Street, Assigned Lease to Century Bank and Trust Company

Attached please find a copy of a letter which was received by this office from the City Manager on February 27, 1991. It appears that the Century Bank and Trust Company does not intend to exercise its five year option under the lease which was assigned to it from Warehouse Liquors. It would be advisable, therefore, for your Department to begin the process of finding a new tenant for the property.

Please contact this office if you should have any questions or concerns in this regard. Thank you for your attention to this matter.

cc: Elizabeth Flemmings

Consent Communication #1

5-73

Communication was received from Michael  
Brandon, transmitting concern about  
Century Bank lease of city property.

In City Council February 10, 1997

**PLACED ON FILE**