



CITY OF CAMBRIDGE

City Hall, 795 Massachusetts Ave., Cambridge, MA 02139

Tel.: 617-349-4343 Fax: 617-349-4357

Assessing Department

Robert P. Reardon
Director of Assessment

Andrew J. Johnson
Assessor

MEMORANDUM

TO: Richard C. Rossi, City Manager

FROM: Robert P. Reardon

SUBJECT: Foundry Building

DATE: July 31, 2013

CC: Louis DePasquale, Asst. City Manager for Fiscal Affairs

The Board of Assessors has been asked to provide preliminary value estimates for the "Foundry Building" located at 101 Rogers Street, Cambridge as shown on Assessors Map 27 Parcel 82. The Board of Assessors has relied upon the "Foundry Building Reuse Study" (FBRU) of May 24, 2013 for the estimated costs to renovate the structure following public design and procurement statures as outlined in the report. As a result of these requirements the public costs are at a premium over a private development which impacts the potential return to City of Cambridge. In order to make financial projections a number of assumptions must be made including normal development estimates needed above and beyond the cost estimates in the FBRU report.

The assumptions on the cost to complete building are \$12,300,000.00 which is derived as follows:

Core and Shell	\$ 6,428,609
Soft Costs	\$ 1,607,152
Sub Total	\$ 8,035,761
Leasing and Commissions @ \$10.00 PSF	\$ 530,000
Tenant Improvements @ \$40.00 PSF	\$ 2,120,000
Total Construction Costs	\$10,685,761
Entrepreneurial Profit @ 15%	\$ 1,602,864
Total Cost and Profit	\$12,288,625
Rounded	\$12,300,000

OPTION 1

Sell the Foundry Building with no contingencies to a private party to be leased entirely at market value. The private owner would be required to do all renovations. Value Estimate: \$5,500,000 to \$6,500,000

OPTION 2

Sell the Foundry Building to a private party requiring 10,000 square feet for community space. The private owner would be required to do all renovations. The community space would pay operating expenses of \$12.50 per square foot (\$125,000 per year) with the remaining area to be lease at market value. Value Estimate: \$2,500,000 to \$3,500,000

OPTION 3

Sell the Foundry Building to a private party requiring 10,000 square feet for community space. The private owner would be required to do all renovations. The community space would pay nothing toward operating expenses with the remaining area to be lease at market value. Value Estimate: \$1,500,000 to \$2,100,000

OPTION 4

Lease the Foundry Building site with no contingencies to a private party to be leased entirely at market value. The private owner would be required to do all renovations and the City of Cambridge would retain a ground lease for a typical period of 50 years. At the conclusion of the ground lease the City would retain all rights to the land and building. Annual Rental Estimate: \$300,000 to \$450,000

OPTION 5

Lease the Foundry Building site to a private party requiring 10,000 square feet for community space. The private owner would be required to do all renovations and the City of Cambridge would retain a ground lease for a typical period of 50 years. At the conclusion of the ground lease the City would retain all rights to the land and building. The community space would pay operating expenses of \$12.50 per square foot (\$125,000 per year) with the remaining area to be leased at market value. Annual Rental Estimate: \$150,000 to \$200,000

OPTION 6

Lease the Foundry Building site to a private party requiring 10,000 square feet for community space. The private owner would be required to do all renovations and the City of Cambridge would retain a ground lease for a typical period of 50 years. At the conclusion of the ground lease the City would retain all rights to the land and building. The community space would pay nothing toward operating expenses with the remaining area to be leased at market value. Annual Rental Estimate: \$75,000 to \$125,000

Lopez, Donna

ATTACHMENT B

From: ilan levy [ilan@rsmep.com]
Sent: Monday, July 29, 2013 3:53 PM
To: Lopez, Donna
Subject: The foundry --- policy order 17

In ref to policy order 17 regarding the foundry building

The building should be used for arts/community/non profit for Cambridge kids. Here included is a link to a video of the foundry equation <http://vimeo.com/yesouisi/foundryequation>. It is surprising that so many disparate efforts are happening at the same time. From this order to the meeting on the 31th of July 2013 by city councilor decker, the meeting on the 5 th of August ... A coordinated effort would be cheaper and more efficient.

And under no circumstance should the building sale be considered especially considering the renovation of the police building at 5 western av in central square.

Ilan levy
148 spring st
Cambridge

ATTACHMENT C

The Foundry Equation petition reads: "Do not sell the historic Foundry Building. Instead, the Foundry Building, in its entirety, should be financially sustainable and stand as a special landmark in Cambridge: Home to Artists and the Arts. Home of Community Space for Seniors and Youth. Home of Non Profit Organizations Serving Cambridge's Kids." I am a petition signatory, as well as a local arts-related business owner, promoter of the arts, and faculty at School of The Museum of Fine Arts.

First I want to point to a few videos that came out of the Foundry Equation event, recently held in the Foundry Building. They are reflected in the written version of this public statement and available online at votenadeem.com/blog and in also, soon, at www.thefoundryequation.org. <http://www.youtube.com/watch?v=Ap6wbCNO1yAand> <http://vimeo.com/71092416>. I think these videos go a long way in describing the benefit this building can have for our community – to promote arts & culture, to encourage consistent community-building and outreach, and to house large-scale events that benefit the entire community.

City Councillors, you have the opportunity to make your commitment to this arts & culture use scenario clear and unified. With the organizations we have *already seen* supporting arts, community, and events in the Foundry Building, we know that there can be gallery uses, theater and educational uses, digital video storytelling instruction, community building events, amateur artist events, music and dance companies and ultimately: lots and lots of arts employment. That is with the supporters that have come out *prior* to any real dedicated use for the building, to say nothing of those organizations, those employers, and those artists who will come forward to inhabit and energize the space as its use is finalized.

In support of this cause, I want to remind us of 2 comments from prior meetings:

-A resident reminded us at a recent meeting that “disposing” of the building through sale would effectively put a price tag on zoning dispensations. This building came to the city in recompense for special zoning allowances and if we sell it, we are essentially saying that preferential zoning can be *bought* – rather than what I *think* the intention was: “special zoning requests must also come with clear community benefit.”

-A city councillor recently asked what the economic benefit of arts uses would be. I want to remind us that the quality of life benefit is evident and that anyone wondering about the economic viability of arts businesses in Cambridge ought to look at my retail store down the street danger!awesome, Mmm Maven dj school, the many arts supply stores, Voltage Coffee & Art, the Dance Complex and many dozens of others – as well as the burgeoning employment needs that each represents. Meanwhile, the city can preserve attractive rent levels for tenants in the Foundry, while still turning a substantial profit by housing arts businesses, individual artists, and other tenants who demonstrate a community benefit.

Thank you for your time!

Nadeem Mzeen
