



# 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**