



# Cambridge Redevelopment Authority

336 MAIN STREET • CAMBRIDGE, MASSACHUSETTS 02142 • PHONE (617) 492-6800

February 15, 1974

Mr. M. Daniel Richardson, Jr.  
Area Director, Region I  
Department of Housing and Urban Development  
Bulfinch Building  
15 New Chardon Street  
Boston, Massachusetts 02114

Re : Preliminary Information Pertaining to  
Amendatory Application for Loan and Grant

Kendall Square Urban Renewal Area  
Project No. Mass. R-107

Dear Mr. Richardson:

In your letter to the Authority, dated January 14, 1974, you requested that we submit the following information respecting the Kendall Square Urban Renewal Project no later than February 15, 1974:

- (1) A detailed description of the replanned project, and the amount of urban renewal funds needed (on a line by line basis), to complete that project.
- (2) The total amount of urban renewal funds needed to complete the project as currently approved.

You also requested that the final copy of the amendatory application be submitted to your Office on or before May 1, 1974, in order for funding to be considered this fiscal year.

In response to your request for information, and as the result of several discussions held with HUD staff for the purpose of agreeing more specifically on the nature of the material to be provided, the following is submitted for your review and comment:

- (1) A detailed narrative description of the replanned project, included herewith as Attachment 1, entitled, "Narrative Description of Revised Project." The

description of the revised project follows the guidelines set forth in a request contained in Cambridge City Council Order, dated July 2, 1973, directing the Authority to institute a revised renewal plan that will create and provide maximum blue collar and non-professional white collar jobs for Cambridge residents. Further, the request directed the Authority to work in close consultation with the Cambridge Planning Board and the Office of Economic Development and Manpower, and with the participation of affected neighborhoods and institutions as represented by the Kendall Square Task Force, also established by the July 2, 1973 City Council Order. That request has been and is being fully implemented.

It is noteworthy that the reprogramming effort in Kendall Square has been greatly enhanced by the City Manager's involvement in orchestrating those parts of the present work program which depend heavily on inter-agency activities, and the Assistant City Manager has been coordinating the work of selected supporting technical staff from the Authority, the Planning and Development Department, the Office of Economic Development and the Traffic and Parking Department in the replanning of the Kendall Square Project. The combination of (a) interagency technical staff working under the direction of the City Manager's office, and (b) meaningful consultation between the technical staff and the Kendall Square Task Force, including regular weekly meetings between the Working Committee of the Task Force and the technical staff, constitutes a unified community development effort by the City of Cambridge. The progress to date as described in the attached narrative reflects the unity of that effort.

- (2) A line by line itemization of the amount of urban renewal funds needed to complete the revised project, included herewith as Attachment 2, entitled, "Urban Renewal Funds Needed to Complete Project (Line by Line Basis)." Project funds required to complete the revised project are estimated to increase from the latest approved \$24,918,600 to \$39,343,248, or by \$14,424,648. Also, fully reimbursed Relocation Payments are estimated to increase from \$3,705,576 to \$4,705,576, or by \$1,000,000.

- (3) A Financing Plan Outline, included herewith as Attachment 3, entitled, "Revised Project Financing Plan Outline." The Total Federal Capital Grant is estimated to increase from the latest approved \$22.5 million to \$40.2 million, or by \$17.7 million, as follows: (a) The Project Capital Grant to complete the project presently is estimated to increase from \$18.8 million to \$35.5 million, or by \$16.7 million. The increase in the Project Capital Grant is greater than the increase in the Project Expenditures Budget because the estimated proceeds from sale of land under the terms and conditions of the revised plan are expected to be substantially lower than those under the terms and conditions of the original plan. (b) The fully reimbursable Relocation Payments are to be increased from \$3.7 million to \$4.7 million, or by \$1 million.
- (4) A detailed breakdown of the amount of urban renewal funds needed to complete the project as currently approved, included herewith as Attachment 4, entitled, "Urban Renewal Funds Needed to Complete Project as Currently Approved (NASA Project)." Our understanding, based upon discussions with HUD Regional and Area Office staff, is that this item refers to the cost of completing the project had NASA not "pulled out" of Kendall Square, thereby breaching the provisions of the Land Disposition Contract (LDC), as compared with the estimated cost of completing the project as revised, with the difference in costs representing the extent of "hardship" demonstrated for the Kendall Square project. As you know, the "project as currently approved" is based upon the original Urban Renewal Plan, approved by HUD in 1965, which specifically designated NASA as a developer.

Although NASA officially announced its pull-out on December 29, 1969, with no advance warning to the City of Cambridge, in retrospect this action was the culmination of a series of delays on the part of the Federal Government all of which have, in the aggregate and together with the failure of the Department of Transportation to make certain basic development decisions over the past four years, severely hindered and delayed the progress of the entire renewal project for at least seven (7) years.

As you know, at the request of the Federal Government, the Kendall Square Urban Renewal Project was planned and undertaken quickly in 1965 in order to meet the urgent need for

a site for the construction of a NASA Electronics Research Center. The entire 20-acre site was rapidly acquired and cleared by the Authority, in accordance with original schedules prepared by NASA. This necessitated displacement of many large industrial and business firms employing over 1,800 workers. Some 14-acres, in several tracts, were subsequently conveyed to NASA, which then commenced staged building development on the site with appropriations approved for FY-65 and FY-66, and FY-67. No funds were made available for the construction of the Electronics Research Center in FY-68, FY-69, and FY-70, however, constituting three years of delay by NASA.

In December 1969, NASA -- without prior notification either to the City of Cambridge or the Cambridge Redevelopment Authority -- breached the provisions of the Land Disposition Contract, announcing the closing of the Electronics Research Center and its intent to withdraw from the project.

In summary, at least three failures on the Federal side delayed project development prior to the pull-out itself. First, NASA failed to meet its own schedule for the on-time completion of design and construction for the ERC. Second, when finally completed, all bids received on those plans were rejected, being 30 percent over budget, necessitating the redesign of the ERC. Third, funds were not made available to ensure the orderly development of the ERC. As a result, construction on parcels conveyed to NASA was delayed and in some cases indefinitely postponed. The major problems which prevented the completion of the project as initially scheduled could then be properly attributed to Federal delay in the development of the NASA-ERC of up to three years. And finally, on December 29, 1969, an executive order was issued to close the ERC.

Consequently, with reference to your specific request for information on the cost of the project as originally approved, our best estimate is that had the NASA delays and pull-out not occurred, the project could reasonably have been completed in 1972 for a total Federal Capital Grant of \$23.7 million; this compares to a required total Federal Capital Grant of \$40.2 million to complete the revised project. Thus, the extent of "hardship" or "damages" claimed is \$16.5 million. See Attachment 5, entitled, "Federal Capital Grant to Complete Kendall Square Project as Currently Approved (NASA Project) Compared to Revised Project."

We expect to meet your request that a final copy of the Amendatory Application be submitted to your Office by May 1, 1974, in order for funding to be considered this fiscal year. However, if we are to meet this severe timing constraint on our work schedule, we will need the earliest possible, on-going responses to this submission from HUD reviewers so that their concerns can be appropriately covered in the May 1 submission. Finally, in view of the circumstances surrounding the Kendall Square project, we are assuming that the May 1, 1974 deadline does not include the submission of an Environmental Impact Statement for the project.

Any assistance your Office can render to the City of Cambridge will be greatly appreciated.

Sincerely yours,



Robert F. Rowland  
Executive Director

RFR:ehb

PRELIMINARY INFORMATION PERTAINING TO  
AMENDATORY APPLICATION FOR LOAN AND GRANT  
PROJECT NO. MASS. R-107

Kendall Square Urban Renewal Area  
Cambridge Redevelopment Authority  
Cambridge . Massachusetts

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Kendall Square Urban Renewal Area  
Cambridge Redevelopment Authority  
Cambridge . Massachusetts

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CHECKLIST OF DOCUMENTS

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|---|--------------------------|
| TRANSMITTAL LETTER  | <input type="checkbox"/> |
| CHECKLISTS  | <input type="checkbox"/> |
| ATTACHMENT 1 : "NARRATIVE DESCRIPTION OF REVISED PROJECT"   | <input type="checkbox"/> |
| ATTACHMENT 2 : "URBAN RENEWAL FUNDS NEEDED TO COMPLETE<br>REVISED PROJECT (LINE BY LINE BASIS)"   | <input type="checkbox"/> |
| ATTACHMENT 3 : "REVISED PROJECT FINANCING PLAN OUTLINE"   | <input type="checkbox"/> |
| ATTACHMENT 4 : "URBAN RENEWAL FUNDS NEEDED TO COMPLETE<br>PROJECT AS CURRENTLY APPROVED (NASA<br>PROJECT) "   | <input type="checkbox"/> |
| ATTACHMENT 5 : "FEDERAL CAPITAL GRANT TO COMPLETE<br>KENDALL SQUARE PROJECT AS CURRENTLY<br>APPROVED (NASA PROJECT) COMPARED TO<br>REVISED PROJECT" | <input type="checkbox"/> |

ATTACHMENT 1

February 15, 1974

Kendall Square Urban Renewal Area  
Cambridge Redevelopment Authority

NARRATIVE DESCRIPTION OF REVISED PROJECT

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On July 2, 1973, the Cambridge City Council acted to define the goals and objectives for the completion of the Kendall Square project. The Council directed the Authority (1) to institute a development plan for the Kendall Square Area that will create and provide maximum blue collar and non-professional white collar jobs for Cambridge residents; (2) to submit said plan for the twenty-four acre area in close consultation with the Cambridge Planning Board and with the Office of Economic Development and Manpower; (4) to establish means and procedures for responsible participation by affected neighborhoods and institutions in planning for development of the Kendall Square area; and (5) to observe the following criteria: (a) the site should, to the maximum extent possible, be developed to meet the employment needs of present and future Cambridge residents and provide for upgrading of workers' skills and wages commensurate with the cost of living in Cambridge, (b) sufficient land should be reserved on the Kendall Square site for a truck right-of-way,

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and a truck route to service the area should be planned in cooperation with the traffic department, (c) the upgrading of streets into arterials because of increased automobile traffic must be achieved without the taking of residential or commercial dwellings, and (d) public parking facilities on or for the Kendall Square site should be kept to the minimum amount required to satisfy the demands of industrial-commercial tenants, so that the use of public transportation is encouraged.

The Assistant City Manager, with supporting technical staff from the Authority, Planning and Development Department, and the Office of Economic Development and Manpower, and with the advice and counsel from the Kendall Square Task Force (KSTF) established by that Council action, has been working to refine those City Council guidelines into specific land use provisions to be incorporated in an amendment to the original urban renewal plan. While this work is not yet complete, enough work has been done to prepare a general description of the contemplated completion program for Kendall Square.

KSTF, concurring with the City Council directives, and the technical staff have undertaken to (1) identify the types of business and

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industry which would fulfill the City Council goals, (2) determine what has to be done to attract such firms, (3) determine if any such firms already in Cambridge desire to expand in Kendall Square, and (4) to reshape the urban renewal plan accordingly.

To date, it has been determined that at least 154 different types of firms might fulfill the goals and be suitable for the Kendall Square location. These firms fall within the categories of light manufacturing, wholesale distribution, transportation, construction, service industries and research and development.

It is generally felt that such a collection of firms can best be accommodated by an Industry B District zoning classification.

Since the approved urban renewal plan calls for a change in zoning from the current Industry B District to a Business B District, the urban renewal plan is expected to be amended to call for a retention of the current zoning district classification.

New uses in Kendall Square will most likely be accommodated in one to ten-story buildings with associated parking requirements fulfilled by a combination of public and private facilities. These facilities will be kept to a minimum while public transportation facilities will be improved and public linkages developed between

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new uses and those facilities to maximize their usage. Improvements to the street circulation system within the project will include access and circulation facilities for trucking associated with the new development.

The Kendall Square site is bounded by at least five distinctly different land uses, including heavy industry, light industry, commercial, residential and educational. In order to integrate the project into these diversified land uses, great care should be taken to ensure that the physical appearance of the proposed industrial development is at least comparable to surrounding areas. To this end, pedestrian walkways, landscaping, open space, other suitable amenities and street location will be considered in the design of the project.

In order to attract desirable firms, it is generally felt that land use provisions of the amended urban renewal plan should be more specifically tailored to the desired uses rather than left open to the more general provisions of the zoning ordinance.

This would enable the Authority to convey project land at the highest price supportable by the particular use rather than that otherwise supportable by the "highest and best" use permitted by

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an Industry B District. In this way the Authority can offer an essential economic incentive for desired firms to locate in Kendall Square. The City itself may be prepared to offer economic incentives to desired firms, through job training programs and through bond financing of new construction.

Cambridge firms on the "desired" list have been surveyed to determine their interest in expanding on land in Kendall Square. Of the 100 plus firms responding to the survey, 26 indicated an interest, demonstrating, in a preliminary way, the marketability of the location for the proposed uses.

A consultant will be engaged to assist KSTF and its technical staff to further refine the list of desired industries on the basis of locational requirements, linkages, and economic criteria. The results of the local expansion surveys will be analyzed to produce one or more illustrative mixes of firms which could be expected to develop new space on project land.

An appropriate amendment to the urban renewal plan will then be prepared together with a schedule of anticipated supporting public improvements and a revised budget for the completion of the project, for submission to the funding agencies and requisite bodies for approval.

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ATTACHMENT 2

February 15, 1974

PRELIMINARY INFORMATION PERTAINING TO  
AMENDATORY LOAN AND GRANT APPLICATION  
KENDALL SQUARE URBAN RENEWAL AREA

URBAN RENEWAL FUNDS NEEDED TO COMPLETE REVISED PROJECT  
(LINE BY LINE BASIS)

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<u>Budget Line Item</u>	<u>Latest Approved Budget</u>	<u>Proposed Completion Budget</u>
Total Survey and Planning Expenditures	: \$ 295,785	\$ 295,785
Administrative costs	: 2,237,900	4,575,455
Legal Services	: 155,000	330,000
Survey and planning	: 250,000	443,000
Acquisition expenses	: 161,000	161,000
Temporary operation of acquired property	: 100,795	50,000
Relocation, excluding Relocation Payments	: 150,000	50,000
Site clearance cost	: 1,223,997	1,223,997
Project improvements	: 4,670,222	10,700,000
Disposal, lease retention costs	: 75,000	130,000
Interest	: 1,360,000	4,060,000
Other income	: (-) 552,000	(-) 653,000
Contingencies	: 98,655	1,433,277
Real estate purchases	: 14,551,760	16,343,248
Project inspection	: 140,486	200,486
TOTAL PROJECT EXPENDITURES (Item 1 cost)	: \$24,918,600	\$39,343,248
Relocation Payments 100% reimbursable	: \$ 3,705,576	\$ 4,705,576

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Kendall Square Urban Renewal Area  
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Cambridge . Massachusetts

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NARRATIVE STATEMENT IN SUPPORT OF  
PROPOSED INCREASE IN ADMINISTRATIVE COSTS

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We propose that Line 2, Administration, be increased from \$2,237,900 to \$4,575,455. The increase of \$2,337,555 is justified as follows:

Costs incurred to 12-31-73	\$1,833,958
Amount required 1-1-74 to 12-31-78	<u>2,741,497</u>
Total amount required	\$4,575,455
Presently approved budget	<u>2,237,900</u>
Budget adjustment	(+) \$2,337,555

The amount required from January 1, 1974, to December 1, 1978, is based on experience incurred under the Annual Administrative Budget, as follows:

Latest approved AAB	\$ 674,830
Percent charged to R-107 in 1973	50%
Project completion date	12-31-78
\$674,830 x 50% x 5 years + (5% contingencies plus 7.5% per-year cost-increase factor)	\$2,741,497

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Cambridge • Massachusetts

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NARRATIVE STATEMENT IN SUPPORT OF  
PROPOSED INCREASE IN LEGAL SERVICES COSTS

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We propose to increase funds for Line 3, Legal Services, from \$155,000 of which \$147,724 has been encumbered, to \$330,000, an increase of \$175,000.

This increase is justified by (1) the proposed extension of the estimated project completion date from December, 1974, to December, 1978; (2) the previously unanticipated expansion of the legal workload generated by the division of the NASA-DOT and Triangle sites into several smaller disposition tracts; (3) legal complexities relating to the obtaining of the necessary local approvals of project planning proposals; (4) special problems relating to the execution of a Cooperation Agreement with the MBTA with respect to acquisition and relocation of certain MBTA facilities located in the project area; and (5) anticipated litigation in the case of several acquired properties.

PRELIMINARY INFORMATION PERTAINING TO  
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Kendall Square Urban Renewal Area  
Cambridge Redevelopment Authority  
Cambridge . Massachusetts

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NARRATIVE STATEMENT IN SUPPORT OF  
INCREASE IN SURVEY AND PLANNING COSTS

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We propose to increase Line 4, Survey and Planning, from \$250,000 to \$443,000 to reflect anticipated costs for HUD- and State-required environmental impact studies (\$100,000), and for preliminary industrial market analysis (\$20,000), land use and marketability study (\$25,000), re-planning services for the Triangle and Quadrangle (\$20,000), traffic studies (\$8,000), and design review and coordination services (\$20,000), to be required in conjunction with the results of community discussions being undertaken with respect to future development in the Kendall Square area.

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NARRATIVE STATEMENT IN SUPPORT OF  
PROPOSED INCREASE IN COSTS OF OPERATION OF PROPERTY

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We proposed to decrease Line 6, Operation of Acquired Property,  
from \$100,795 to \$50,000 to reflect decreased maintenance and tax  
costs as the remaining properties are cleared.

PRELIMINARY INFORMATION PERTAINING TO  
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NARRATIVE STATEMENT IN SUPPORT OF  
PROPOSED DECREASE IN RELOCATION COSTS

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We propose to decrease Line 7, Relocation and Community Organiza-  
tion Costs, from \$150,000 to \$50,000 to more accurately reflect  
incurred costs.

PRELIMINARY INFORMATION PERTAINING TO  
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Cambridge . Massachusetts

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NARRATIVE STATEMENT IN SUPPORT OF PROPOSED INCREASE  
IN COSTS OF PROJECT IMPROVEMENTS

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This report provides supporting data for the estimated requested increase in the Project or Site Improvements budget line item. The requested increase of \$6,029,778, from \$4,670,222 to \$10,700,000, results from the following factors:

- (1) Inflationary pressures resulting in significantly higher construction costs for both labor and materials during the past eight years. In our June 30, 1970 amendatory, using 1972 costs, it was stated that "a projection of 5 percent per year, as included herein, assumes a leveling off of inflationary pressures during the next five years." Of course no such "leveling off" has occurred; in fact, construction costs have risen more recently at the rate of one percent per month. Consequently, base year 1974 costs are reflected herein with an inflationary adjustment made using 1976 as the median construction year.
- (2) At the time the 1970 amendatory was prepared, the re-planning and re-programming effort necessitated by the abrupt closing

of the NASA facility was not fully underway. The NASA closing meant not only extensive delay and the imposition of severe inflation upon project costs, but also the necessity to virtually "start over" in Kendall Square, and re-plan both the NASA "Surplus" area or "Quadrangle" and the "Triangle." Since NASA has abandoned Kendall Square, the magnet effect which NASA was intended to provide with respect to attracting private development to the project area has been neutralized; therefore, the original minimum level of project improvements can no longer suffice if Kendall Square is to compete with other sites for development. Further, of course, the current proper concern with environmental impact was not originally foreseen, unfortunately, so that the pedestrian bridges and foundations and platforms proposed herein to meet both environmental concerns and the requirements of industrial access constitute a major segment of the increase for the revised project as compared with the requirements for the NASA project had it been consummated. Thus the estimates for project improvements included in the 1970 amendatory could not possibly reflect the nature and scope of the project improvements that the re-planning and re-programming effort eventually would mandate, and therefore, were considered to be tentative. Partial refinements, based on incomplete re-planning efforts, were reflected, and largely

approved, in our March 9, 1972, amendatory. Finally, on July 2, 1973, the Cambridge City Council requested the Authority to institute a revised Urban Renewal Plan oriented to re-uses which would maximize blue-collar and non-professional white-collar employment. The re-planning which this action necessitated has resulted, in part, in further refinements in the project improvements estimates, as outlined in this submission, although most "basic" project improvements have retained their relevance throughout the re-planning periods.

All project improvements are summarized in the following tables. The Authority will submit more detailed justification with the amendatory application to be submitted on or before May 1, 1974.

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AMENDATORY APPLICATION FOR LOAN AND GRANT  
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Kendall Square Urban Renewal Area  
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Cambridge . Massachusetts

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ESTIMATED COST OF PROJECT IMPROVEMENTS  
BASED ON 1965 UTILITY SYSTEMS PLAN, AS REFINED

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Project Improvements	Amount
( 1) Streets, sidewalks, trees	\$ 2,440,000
( 2) Traffic signal system	158,000
( 3) Street furnishings, shrubs	112,000
( 4) Water distribution lines	585,000
( 5) Underground electric service	0
( 6) Sanitary sewers-storm drains	1,118,000
( 7) Filling of Broad Canal	900,000
( 8) Temporary improvements	57,000
( 9) Removal of street pavements	35,000
(10) Pedestrian Bridge	1,071,000
(11) Foundations and platform	2,800,000
(12) Subtotal (1974 Costs)	9,276,000
(13) 10%/year adjustment based on median construction year of 1976 and applied to total needs less currently expended funds (\$1,924,509)	1,470,400
(14) Total Project Improvement Requirements	\$10,746,400

PRELIMINARY INFORMATION PERTAINING TO  
AMENDATORY APPLICATION FOR LOAN AND GRANT

Kendall Square Urban Renewal Area  
Cambridge Redevelopment Authority

ESTIMATED COST OF PROJECT IMPROVEMENTS

(A) Street Improvements (1974 dollars):

(1) Streets

(a) Existing Streets	Total	Streets	Water Main	Sewers	Traffic Signals	Street Furnishings
(1) Binney	: 697,000	333,000	117,000	202,000	36,000	9,000
(2) Broadway	: 904,000	306,000	119,000	405,000	55,000	19,000
(3) Main	: 676,000	420,000	102,000	94,000	40,000	20,000
(4) Third	: 280,000	134,000	56,000	81,000	-	10,000
(5) Kendall Square	: 176,000	176,000	-	-	-	-
(6) Munroe	: 67,000	43,000	-	24,000	-	-
(7) Fifth	: 34,000	34,000	-	-	-	-
(8) Potter	: 53,000	38,000	-	15,000	-	-
Subtotal	: \$2,888,000	\$1,484,000	\$394,000	\$ 821,000	\$131,000	\$ 58,000
 (b) New Streets						
(1) "A" Street (R.R.)	: 397,000	231,000	65,000	88,000	-	13,000
(2) "C" Street (M-B)	: 145,000	137,000	-	-	-	8,000
(3) Others	: 246,000	181,000	28,000	23,000	-	14,000
Subtotal	: \$ 788,000	\$ 549,000	\$ 93,000	\$ 111,000	-	35,000
Subtotal	: \$3,676,000	\$2,033,000	\$487,000	\$ 932,000	\$131,000	\$ 93,000
Add 20% Eng. & Contingencies	: 737,000	407,000	98,000	186,000	27,000	19,000
SUBTOTAL "STREETS"	: \$4,413,000	\$2,440,000	\$585,000	\$1,118,000	\$158,000	\$ 112,000

(2) Other Improvements

(1) Broad Canal Fill	:	\$ 900,000
(2) Street Abandonments	:	35,000
(3) Temporary Improvements	:	57,000
(4) Pedestrian Bridge	:	1,071,000
(5) Foundations and Platform (95,000/sq.ft. for industry- related uses @ \$25.00/sq.ft. plus 20% engineering and contingencies)	:	2,800,000*

Subtotal Other Improvements : \$4,863,000

(B) TOTAL PROJECT IMPROVEMENTS (1974 dollars):

(1) Street Improvements	:	\$4,413,000
(2) Other Improvements	:	<u>4,863,000</u>
(3) TOTAL (1974 dollars)	:	\$9,276,000

(C) TOTAL PROJECT IMPROVEMENTS (Adjusted for inflation)

(1) Project improvements, 1974 dollars	:		\$9,276,000
(2) Deduct, project improvements completed	:	<u>1,924,509</u>	
(3) Project improvements to be constructed by 1978	:	7,351,491	
(4) Add: Inflation @ 10%/yr., assuming that 1976 is median year for construction of improvements; i.e., add 20% to 1974 cost of improvements to be constructed 1974-1978.	:		<u>1,470,298</u>
(5) TOTAL PROJECT IMPROVEMENTS (Adjusted for inflation) :			\$10,746,298

(\*) Pedestrian Bridges and Foundations and Platform

These facilities are proposed in accordance with Section 406, "Arcaded Pedestrian Ways," of the existing Urban Renewal Plan:

Any public street or right-of-way within the project area may be provided with arcaded pedestrian ways, or may be covered with a platform, podium, plaza, construction deck, or other similar structure intended to separate the flow of rapid transit vehicles busses, automobiles, and pedestrians, or to elevate buildings with sufficient clearance above the public street or right-of-way.

These improvements are deemed eligible under the provisions of RHM 7209.1 of the Urban Renewal Handbook. In addition, they reflect current design standards advocated to overcome both environmental hazards to pedestrians and obstacles to successful marketability of sites, and to maximize the intensity of re-uses so as to maximize blue-collar and non-professional white-collar employment as well as the tax revenues accruing to the City.

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NARRATIVE STATEMENT IN SUPPORT OF  
PROPOSED INCREASE IN DISPOSAL COSTS

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We propose to increase Line 10, Disposal Costs, from \$75,000 to \$130,000 to cover the costs of the additional re-use appraisals required as a result of the subdivision of the larger development sites originally delineated, the inflationary effects on appraisal costs over the past eight years, and the costs of marketing and brokerage services anticipated to be required.

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NARRATIVE STATEMENT IN SUPPORT OF  
PROPOSED INCREASE IN INTEREST COSTS

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We propose to increase Line 12, Interest, from \$1,360,000 to \$4,060,000 based upon the following computation:

Costs incurred to 12-31-73	\$2,270,825
Amount required 1-1-74 to 12-31-78	<u>1,789,175</u>
Total amount required	\$4,060,000
Presently approved budget	<u>1,360,000</u>
Budget adjustment	\$2,700,000



PRELIMINARY INFORMATION PERTAINING TO  
AMENDATORY APPLICATION FOR LOAN AND GRANT  
PROJECT NO. MASS. R-107

Kendall Square Urban Renewal Area  
Cambridge Redevelopment Authority  
Cambridge • Massachusetts

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NARRATIVE STATEMENT IN SUPPORT OF  
PROPOSED INCREASE IN RELOCATION GRANT PAYMENTS

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We propose to increase Line 20, Relocation Payments, from \$3,705,576 to \$4,705,576 to cover the estimated cost of relocating the MBTA sub-station from its present site in the renewal area in accordance with the provision of the Urban Renewal Plan.

Authority re-imbusement of MBTA relocation expenses is mandated by Chapter 121B, Section 13 of the General Laws of the Commonwealth of Massachusetts, which states;

An operating agency shall reimburse the Massachusetts Bay Transportation Authority and every railroad corporation for all reasonable costs and expenses incurred by the said transportation authority or such railroad corporation to relocate such of their respective facilities as are required to be removed as part of a project being undertaken pursuant to this chapter by such operating agency and as are necessary for the continuance of the common carrier services performed by said transportation authority or such railroad corporation. "Facilities", as used in this paragraph, shall mean poles, tracks, switches, wires, conduits, cables, signals and structures and in addition thereto equipment appurtenant to any of the foregoing.

The estimated cost of the relocation is only tentatively placed at \$1,000,000 in view of the fact that a relocation site is not determined at this time.

ATTACHMENT 3

February 15, 1974

PRELIMINARY INFORMATION PERTAINING TO  
AMENDATORY LOAN AND GRANT APPLICATION  
KENDALL SQUARE URBAN RENEWAL AREA

REVISED PROJECT FINANCING PLAN OUTLINE

<u>Project Financing Plan Outline</u>			
<u>Item</u>		<u>Latest Approved</u> (000,000)	<u>Requested</u> (000,000)
( 1 ) A. Gross Project Cost:			
( 2 ) 1. Item 1 Cost: Project Expenditures			
Budget	:	\$24.9	\$39.3
( 3 ) 2. Item 2 Cost: Renewal Non-Cash			
Items	:	<u>9.8</u>	<u>17.5</u>
( 4 ) 3. Gross Project Cost	:	\$34.7	\$56.8
( 5 ) B. Deduct: Proceeds from Sale of Land	:	(-) <u>5.8</u>	(-) <u>3.5*</u>
( 6 ) C. Net Project Costs	:	\$28.9	\$53.3
( 7 ) D. Sharing of Net Project Costs:			
( 8 ) 1. Local Share	:	\$10.1	\$17.8
( 9 ) (a) Non-Cash Items	:	9.8	17.5
(10) (b) Cash	:	.3	.3
(11) 2. Federal Share	:	\$18.8	\$35.5
(12) E. Relocation Payments (100% reimburs- able to LPA)	:	\$ 3.7	\$ 4.7
(13) F. Summary of Total Federal Capital Grant:			
(14) 1. Project Capital Grant	:	\$18.8	\$35.5
(15) 2. Relocation Grant	:	<u>3.7</u>	<u>4.7</u>
(16) 3. Total Federal Capital Grant	:	\$22.5	\$40.2
( *) Disposition Proceeds to date	:	\$1.5	
Estimated Additional Proceeds, one million square feet			
@ \$2 / sq. ft. average	:	<u>2.0</u>	
Total Disposition Proceeds	:	\$3.5	

ATTACHMENT 4

February 15, 1974

PRELIMINARY INFORMATION PERTAINING TO  
AMENDATORY LOAN AND GRANT APPLICATION  
KENDALL SQUARE URBAN RENEWAL AREA

URBAN RENEWAL FUNDS NEEDED TO COMPLETE (NASA) PROJECT AS CURRENTLY APPROVED

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<u>Budget Line Item</u>	<u>Funds Needed to Complete Project</u>	
	<u>Currently Approved (NASA Project)</u>	<u>Revised Project</u>
Total Survey and Planning Expenditures	: \$ 295,785	\$ 295,785
Administrative costs	: 1,650,000	4,575,455
Legal services	: 165,000	330,000
Survey and planning	: 115,000	443,000
Acquisition expenses	: 140,000	161,000
Temporary operation of acquired property	: (-) 35,000	50,000
Relocation, excluding Relocation Payments	: 40,000	50,000
Site clearance cost	: 1,198,331	1,223,997
Project improvements	: 3,533,720	10,700,000
Disposal, lease retention costs	: 85,000	130,000
Interest	: 2,074,500	4,060,000
Other income	: (-) 665,000	(-) 653,000
Contingencies	: 429,867	1,433,277
Real estate purchases	: 16,100,000	16,343,248
Project inspection	: 140,000	200,486
TOTAL PROJECT EXPENDITURES (Item 1 cost)	: 25,267,203	39,343,248
Relocation Payments 100% reimbursable	: 4,500,000	4,705,576

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ATTACHMENT 5

February 15, 1974

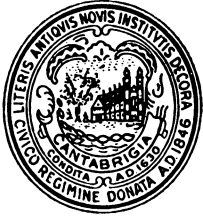
PRELIMINARY INFORMATION PERTAINING TO  
MENDATORY LOAN AND GRANT APPLICATION  
KENDALL SQUARE URBAN RENEWAL AREA

FEDERAL CAPITAL GRANT TO COMPLETE KENDALL SQUARE PROJECT  
AS CURRENTLY APPROVED (NASA PROJECT) COMPARED TO REVISED PROJECT

<u>Item</u>	<u>Federal Funds Required to Complete Project</u>	
	<u>NASA Project</u> (000,000)	<u>Revised Project</u> (000,000)
( 1) A. Gross Project Cost:		
( 2)    1. Item 1: Cash Expenditures	:     \$25.3	\$39.3
( 3)    2. Item 2: Non-Cash Expenditures	: <u>9.3</u>	<u>17.5</u>
( 4)    3. Gross Project Cost	:     \$34.6	\$56.8
 ( 5) B. Deduct Proceeds from Sale of Land	: (-) <u>5.8</u>	(-) <u>3.5</u>
( 6) C. Net Project Cost	:     \$28.8	\$53.3
 7) D. Sharing of Net Project Cost:		
( 8)    1. Local Share	:     \$ 9.6	\$17.8
( 9)    2. Federal Share	:     \$19.2	\$35.5
 (10) E. Relocation Payments	:     \$ 4.5	\$ 4.7

Summary : Additional Federal Capital Grant to Complete Kendall Square  
Project Caused by Breach of LDC Agreement by Federal Government.

(1) Estimated Federal Capital Grant to Complete Revised Project.	(000,000)	(000,000)
(a) Project Capital Grant	:   \$35.5	
(b) Relocation Grant	: <u>4.7</u>	
(c) Federal Capital Grant	:	\$40.2
 (2) Estimated Federal Capital Grant to Complete Project as Currently Approved (NASA Project)		
(a) Project Capital Grant	:   \$19.2	
(b) Relocation Grant	: <u>4.5</u>	
(c) Federal Capital Grant	:	(-) <u>\$23.7</u>
 (3) Additional Federal Capital Grant to Complete Kendall Square Project Caused by Breach of LDC Agreement by Federal Government:		 <u>\$16.5</u>



## CITY OF CAMBRIDGE

CAMBRIDGE, MASSACHUSETTS 02139  
Tel. 876-6800

EXECUTIVE DEPARTMENT  
JOHN H. CORCORAN  
City Manager  
JAMES L. FARRELL  
Assistant City Manager

February 25, 1974

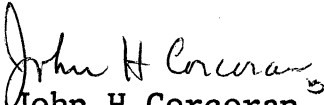
To the Honorable, the City Council:

On February 8, 1974, I sent to each City Councilor a preliminary draft of materials relating to the Kendall Square project the Cambridge Redevelopment Authority was proposing to submit to the Department of Housing and Urban Development (HUD) as requested by HUD.

Enclosed herewith is the final version of the Authority's submission to HUD made on February 15, 1974.

As you know, HUD also has requested the Authority to submit by May 1, 1974, an Amendatory Loan and Grant Application for the Kendall Square project in order for Federal funding to be considered this fiscal year. Under my office's direction, the consolidated staff working on the Kendall Square project will continue to make every effort to meet the HUD deadline, and to seek the advice of the Kendall Square Task Force, as originally directed by City Council. It is my intention to review with City Council, at the appropriate time, renewal plans proposed for the Kendall Square project. As you know, the final plan for the Kendall Square project will require formal City Council approval after a public hearing by City Council.

Very truly yours,

  
John H. Corcoran  
City Manager

JHC/b

Agenda # 1

75

Relative to the Kendall Square Project

In City council,

February 25, 1974

2/25/74

Placed on file