



City of Cambridge

Communication No. 13

IN CITY COUNCIL

June 21, 1982

COUNCILLOR WYLIE

WHEREAS: This City Council is in receipt of a report from the Committee on Health and Hospitals dated April 26, 1982 relative to proposed plans for the renovation of the former Nurses Residence located adjacent to the Cambridge Hospital at 16 Camelia Avenue; and

WHEREAS: The Committee had considered three possible alternatives for financing the project, which are outlined as follows:

1. The lease or purchase of the building by a private developer with a lease back to the hospital.
2. The City Could float bonds for the renovation and lease, some to private doctors.
3. The City could create a development entity which would lease or purchase the building and provide leases to both the hospital and private doctors;

Now therefore be it

ORDERED: That the City Manager be and hereby is authorized in conjunction with Dr. Melvin Chalfen, Commissioner of Health and Hospitals to advertise for requests for proposals (RFP) from prospective developers, with a view towards negotiating a lease back arrangement between the developer and the Cambridge Hospital and further to report back to this City Council the action contemplated before taking final action in this matter.

In City Council June 21, 1982.

Adopted by a yea and nay vote:-

Yeas 8; Nays 0; Absent 1.

Attest:- Paul E. Healy, City Clerk.

A true copy;

ATTEST:-

A handwritten signature in dark ink, appearing to read "Paul E. Healy", is written over a horizontal line.



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Hospital Development City of Cambridge

MASSACHUSETTS

In City Council June 21 1982

	YEA	NAY	ABSENT	PRESENT
Mr. Daniel J. Clinton	✓			
Mr. Thomas W. Danehy	✓			
Mr. Francis H. Duehay	✓			
Ms. Saundra Graham	✓③		✓①	
Mr. Leonard J. Russell			✓	
Mr. David E. Sullivan	✓			
Mr. Walter J. Sullivan	✓②		✓①	
Mr. Wylie	✓			
Mayor Vellucci	✓			

6 4 3
8 0 1

CMSE
RF
H

#13
6/2/82

In City Council April 26, 1982

The Health and Hospital Committee conducted a public meeting on Wednesday, April 14, 1982 beginning at 9:20 AM in the Walnut Room at City Hall. The purpose of the meeting was to review and discuss proposed plans for the renovation of the former Nurses Residence located adjacent to the Cambridge Hospital on 16 Camelia Avenue.

City Manager Robert Healy outlined the fact that he and Health Commissioner, Dr. Melvin Chalfen, have been reviewing the long range needs and goals of the health care community and the future of the former Nurses Residence. He further stated that with the assistance of the Community Development Department staff, a plan has been prepared which would provide revenue to the City and a total renovation of the property at 16 Camelia Avenue.

At this time David Vickery, Assistant City Manager for Community Development, stated that if the proposal is approved by the City Council, two-thirds of the space at the Nurses Residence will be utilized by the City of Cambridge with the remaining one-third being utilized for private doctor's offices. Mr. Vickery stated these offices would use approximately 10,000 square feet. He further stated that the Community Development Department had explored three possible alternatives for financing the project which would be as follows:

- (1) - The lease or purchase of the building by a private developer with a lease back to the hospital.
- The City could float bonds for the renovation and lease some office to private doctors.
- The City could create a development entity which would lease or purchase the building and provide leases to both the hospital and private doctors.

Dr. Myron Belfer of the Cambridge Hospital Psychiatry Department, stated his department is extremely interested in utilizing space at 16 Camelia Avenue and endorses any plan which would allow them to do so. Dr. Chalfen stated the Psychiatry Department had been extremely helpful in the planning of the project.

At this time City Manager Healy stated that due to bonded indebtedness of the City at this time, he felt the best alternative would be a development entity.

Mayor Alfred E. Vellucci and Councillor Thomas W. Danehy both inquired as to the present and future parking requirements if in fact the Council approves the plans. Furthermore, Mayor Vellucci requested a report from the Health Commissioner relative to medical services provided by the hospital for Somerville residents for which Cambridge is not reimbursed. The Mayor further requested a review of the parking situation at the hospital.

Representatives from E.R. Racek Associates further outlined the proposed renovation project including parking, square footage, cost and renovation costs (copy of which is attached).

At this time Councillor Danehy questioned the wisdom of moving too quickly on this project until an opportunity is provided for other developers to come forward with alternatives.

It was agreed to report this out of Committee to the full Council without recommendations and to schedule a full public hearing on May 3, 1982 at 6:00 PM.

For the Committee,

Thomas W. Danehy
City Councillor

Chairman
Health and Hospital Committee

TD/smc

Attachment

Outline Summary

Feasibility Study for Renovation of Nurses' Residence Building
Cambridge Hospital
Cambridge, Massachusetts
March 29, 1982

I. Physical Feasibility

A. Existing Conditions

1. Building layout and configuration appropriate for clinic and office use
2. 43,000 gross square feet or a potential 32,000 net useable square feet
3. Building structure and finishes in disrepair
4. Mechanical, electrical and plumbing systems inadequate
5. Fire protection and emergency lighting not code compliant

B. Program

1. 22,000 net square feet for Psychiatry program
 - a. Ten service and administrative departments
 - b. Auditorium and six conference rooms
2. 10,000 net square feet available for private doctors' offices

C. Schematic Plans and Section

D. Replacement Space Needs

1. 2,700 square feet for Public Health Department and Child Development Clinic
2. 2,500 square feet for Hospital storage
3. 10,000 square feet for Department of Psychiatry

4. Solutions

- a. City owned space
- b. Hospital space
- c. Power plant
- d. Leased offices
- e. Pre-fabricated office/storage facility

E. Parking Needs

- 1. Existing parking need
- 2. Clinics' projected need
- 3. Doctors' offices projected need
- 4. Solutions
 - a. Administrative
 - b. Parking deck

II. Financial Feasibility

A. \$3,121,000 Project Costs

- 1. Construction costs
- 2. Development costs

B. Cash Flow Analysis

- 1. \$585,000 rental income
- 2. \$521,000 expenses
- 3. Net cash flow 30 year projection
 - a. \$ 64,000 year 1 - 5
 - b. \$ 91,000 year 6 - 10
 - c. \$ 200,000 year 11 - 15
 - d. \$ 337,000 year 16 - 20
 - e. \$ 509,000 year 21 - 25
 - f. \$ 721,000 year 26 - 30

C. Development Scenarios

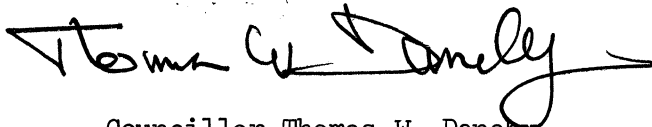
1. Private developer leases or buys building from City, renovates, and leases to Hospital and private doctors.
2. City floats bonds, renovates, and leases to Hospital and private doctors.
3. Hospital creates development entity which leases or buys building from City, renovates, and leases to Hospital and private doctors.
 - a. Hospital-Bank partnership
 - b. Hospital-Private Developer partnership

City of Cambridge

In City Council June 21, 1982

The Health and Hospital **Committee** which held two public meetings on Wednesday, April 14, 1982 and Tuesday, May 11, 1982 relative to proposed plans for the renovation of the former Nurses Residence located adjacent to the Cambridge Hospital at 16 Camelia Avenue, wishes to report out of Committee the attached proposal for action by the City Council.

For the Committee,

A handwritten signature in black ink, appearing to read "Thomas W. Danahy", with a long horizontal stroke extending to the right.

Councillor Thomas W. Danahy
Chairman

REPORT *S-483*

Committee on Health & Hospitals

Proposed plans for renovation of the former
Nurses Residence adjacent to the Cambridge
Hospital at 16 Camelia Avenue.

*City Council order to
authorize Engle
and Conroy of Hospital
to audit for RFP
and negot / cost
etc and report
back S-04*

In City Council,

June 21, 1982

*6/21/82**Report Received*

*See Order Adopted
this date -*