



# City of Cambridge

## IN CITY COUNCIL

June 12, 1978

WHEREAS:

The City of Cambridge has applied to the U. S. Department of Housing and Urban Development (HUD) for Urban Development Action Grant Funds (UDAG) to restore the declining industrial area bordering the Lechmere Canal; and

WHEREAS:

The UDAG application includes a request for funds to pay for a 300-400 car parking garage on First Street, funds to pay for major open space improvements, roadway improvements, improvements to the Bulfinch Courthouse, and improvements to the Mass Transit facilities; and

WHEREAS:

These public improvements will generate major private improvements including a new retail complex, a new corporate headquarters and office building, a new housing complex of 120 dwelling units, a restored Bulfinch Courthouse and a new office/retail complex on the existing MBTA parking lot; and

WHEREAS:

A 700-car parking garage is needed at the corner of Commercial Avenue and Monsignor O'Brien Highway in addition to the public parking facilities planned utilizing UDAG funds to allow 350 MBTA spaces to be moved from the existing MBTA lot, thus freeing this lot for redevelopment, to allow 120 spaces for a lease arrangement with the planned housing and to allow 230 spaces for use by the retail, office and cinema under a lease arrangement; and

WHEREAS:

The City has agreed as part of its UDAG application to build the 700-car garage as part of the development proposal; and

WHEREAS:

The City will gain significant tax returns and jobs from this new development;

NOW, THEREFORE, BE IT RESOLVED

That the Cambridge City Council hereby approves a bond issue for

June 12, 1978

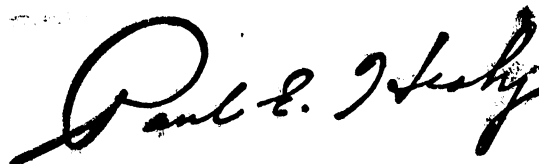
\$4,550,000 to be allocated for construction of a 700-car public garage at the corner of Commercial Avenue and Monsignor O'Brien Highway as outlined in the "East Cambridge Riverfront Plan". This resolution is contingent on the following conditions:

1. That lease proceeds from the MBTA parcel be given to the City of Cambridge by the MBTA to help defray the cost of the garage;
2. That the City receive a grant for Phase I of the UDAG program as amended;
3. That the land presently owned by the Museum of Science and planned as the site for the garage is donated to the City of Cambridge; and
4. That proceeds from the lease of land to the developer for construction of a cinema are applied to offset the costs of the garage.

In City Council June 12, 1978  
Adopted by the affirmative vote of 9 members.  
Attest: Paul E. Healy, City Clerk

A true copy,

ATTEST:

A handwritten signature in black ink, appearing to read "Paul E. Healy". The signature is written in a cursive style and is positioned to the right of the printed name "Paul E. Healy, City Clerk".

# City of Cambridge

MASSACHUSETTS

Agenda #15 Approval of a bond issue for \$4,500,000  
for the construction of a garage at  
the corner of Commercial Ave. and  
Monsignor O'Brien Highway.

In City Council

June 12

1978

	YEA	NAY	ABSENT	PRESENT
Mr. Crane				
Mr. Duehay				
Mr. Frisoli				
Ms. Graham				
Ms. Preusser				
Mr. Sullivan				
Mr. Vellucci				
Mr. Wylie				
Mayor Danehy				

BOND ISSUE FOR GARAGE A

COSTS

1.1 DEVELOPMENT COSTS

1.11	Land Costs (app. 80,000 sq.ft. @ \$10/sq.ft. donated and purchased with UDAG Funds)	\$ -0-
1.12	Construction Costs (700 spaces @ \$5,000)	3,500,000
1.13	Related Development Costs (architectural, legal, etc. - 10%)	350,000
1.14	Site Preparation (\$1,000/sp)	<u>700,000</u>
1.15	Total	\$4,550,000

1.2 BOND ISSUE \$3,850,000 @ 6% for 20 years

1.21	First Year Payment	\$ 500,500
1.22	Tenth Year Payment	377,650
1.23	Twentieth Year Payment	241,150

1.3 PROJECT OPERATION COSTS

1.31	Salaries and Wages	\$ 75,000
1.32	Management Contract	10,000
1.33	Utilities, Maintenance, Insurance, Supplies, etc.	<u>40,000</u>
1.34	Total	\$ 125,000

PROJECTED REVENUE

- 2.11 Parking Rates 24 hr. monthly (by contract) \$50/month
- 2.12 Daytime Monthly (by contract) 8 a.m. - 6 p.m. \$30/month
- 2.13 Daytime Turnover Spaces - 8 a.m. - 6 p.m. Mon.-Sat. \$.25/hr. \$2.00/day maximum
- 2.14 Evening Monthly (by contract) 4 p.m.-midnight Mon.-Fri. \$30/month
- 2.15 Evening Turnover Spaces 6 p.m.-midnight \$.25/hr. - \$1.00 maximum

## 2.2 ASSUMED OCCUPANCY AND REVENUES - 700 SPACES

2.21	24 hr. monthly (by contract) 120 spaces for Housing \$50/month x 120 spaces x 12 months	\$ 72,000
2.22	Daytime monthly (by contract) 80 spaces \$30/month x 80 spaces x 12 months	28,800
2.23	Daytime turnover spaces - 500 spaces \$.25/hour x 10 hours x 500 spaces x 300 days x 80% occup.	300,000**
2.24	Evening monthly (by contract) 50 spaces \$30/month x 50 spaces x 12 months	18,000
2.25	Evening turnover spaces - 500 spaces \$.25/hour x 6 hours x 500 spaces x 300 days x 20% occup.	45,000
2.26	Lease of 10,000 sq.ft. for cinema (minimum)	20,000
2.27	MBTA contributions (from lease of T land 63,300 sq.ft. minimum) approximately	<u>126,600</u>
2.28	Total Revenue	\$610,400

## COST REVENUE COMPARISON

### 3.1 FIRST YEAR APPROACH

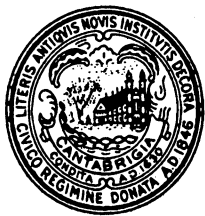
3.11	First Year Payment	\$500,500
3.12	Operating Cost	<u>125,000</u>
3.13	Break Even Cost	625,500
3.14	Estimated Revenue	610,400
3.15	Difference <sup>*</sup>	(- 15,100) **

### 3.2 TENTH YEAR APPROACH

3.21	Tenth Year Payment	\$377,650
3.22	Operation Cost (25% increase)	<u>156,250</u>
3.23	Break Even Cost	533,900
3.24	Estimated Revenue (25% increase)	763,000
3.25	Difference	+229,100

\*First year loss will easily be absorbed by profits from UDAG Funded garage on First Street.

\*\*The MBTA Parcel will not be finished in the first year of garage operation which will mean that 80% occupancy will not be met this first year. This also means that the cost of the garage as indicated in 3.15 will be more than \$15,100 although we cannot accurately estimate the amount over this figure. This difference will still be absorbed by profits from the UDAG garage on First St.



# CITY OF CAMBRIDGE

CAMBRIDGE, MASSACHUSETTS 02139  
Tel. 876-6800

EXECUTIVE DEPARTMENT  
JAMES L. SULLIVAN  
City Manager

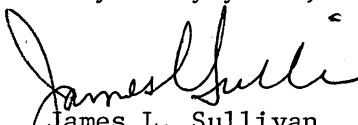
June 12, 1978

To the Honorable, the City Council:

The attached Council Resolution and Financial Analysis is for a City garage which would become part of the East Cambridge Riverfront UDAG project. The garage is necessary to meet the parking needs of the housing and commercial development planned for the north side of the Lechmere Canal and it is also necessary in order to free-up the MBTA parking lot for private commercial development. As can be seen from the Resolution, the MBTA will contribute land lease proceeds to the City to offset the cost of the garage. Operating losses in the first few years will be covered by profits from the garage to be built with UDAG funds. The City should realize significant profits as the project is completed.

We have been asked by HUD to pass a resolution on this garage to demonstrate the serious intent of the City before HUD makes their UDAG funding decision on or about June 30. The Resolution will become part of a final submission which will include letters of commitment from the private developers and will be sent to HUD in the week of June 19.

Very truly yours,

  
James L. Sullivan  
City Manager

JLS/mbf  
Enc.

F-192

Approval of a Bond Issue for \$4,550,000 for the construction of a garage at the corner of Commercial Ave. and Monsignor O'Brien Highway as outlined in the "East Cambridge Riverfront Plan".

In City Council,

June 12, 1978

6/12/78

Ordinance

- Adopted -

BY VOICE VOTE  
IF

NINE MEMBERS