

PUBLIC INVESTMENT FUND

To the Honorable, the City Council
and the Citizens and Taxpayers of Cambridge:

I transmit herewith for your consideration the 1984-85 Capital Budget for the City of Cambridge. In the past, this budget has consisted mainly of projects to be funded through the community development block grant funds. However, due to the increasing importance of capital budgeting, I am including recommendations to be funded through various revenue sources. Surplus general and parking fund revenues are combined with federal and state grants to produce a more complete picture of the requirements in this area.

I would like to briefly outline the process by which the capital budget was put together. A committee comprised of the deputy city manager, assistant city manager for fiscal affairs, assistant city manager for community development, public works director, and budget director was formed with the goal of determining what the capital requirements of the city were and how to address them in the most effective manner. City department heads were asked to submit recommendations for capital projects. These recommendations were evaluated and prioritized by the committee. With the exception of community development block grant funds (which are allocated through a separate process), the funds available for capital improvements were allocated to projects determined to be most urgent. The document which emerged from these discussions is what I am presenting to you now.

It should be noted that, in past fiscal years, the public investment fund included a five year plan for capital improvements. This plan, as well as recommendations for the upcoming fiscal year, consisted mainly of block grant funds. In response to the increasing importance attached to more meaningful long range plans by the bond rating agencies, the capital improvements committee will look more closely at the capital needs of the city and produce a plan for the future which will incorporate various financing sources. I expect to submit this to you in the near future.

The exhibits on the following pages show future bonding intentions as well as presenting a picture of the public investment fund as it stands now. A summary of FY85 recommendations is followed by descriptions of the individual projects.

I believe that, with the recommendations made in this document, the city has begun to address needs which have been neglected in recent years due to the fiscal constraints of proposition 2½. I am optimistic that, due to an improving fiscal situation, we will be able to continue this program in future years.

This space reserved for Councillors notes

PUBLIC INVESTMENT FUND

AUTHORIZED BUT UNISSUED DEBT. As of March 30, 1984, the Cambridge City Council had approved five loan orders for a total of \$ 19 663 700, all or portions of which were unissued as of this date. It is anticipated that \$ 9 675 000 in bonds will be issued during FY85.

LOAN ORDER	DATE	AUTHORIZED	UNISSUED
elementary school renovations	04/13/81	9 525 000	8 925 000
school building renovations	10/24/83	750 000	750 000
lechmere public parking garage	04/26/82	2 100 000	2 100 000
hospital equipment and renovations	12/13/82	3 850 000	3 850 000
lechmere canal park	03/28/83	3 438 700	3 438 700
		<u>19 663 700</u>	<u>19 063 700</u>

DEBT SERVICE IMPACT ON TAXES. The display below shows that total debt service resulting from the FY85-89 public investment fund program will be

BOND ISSUES FY85-89

APPROVED ISSUES	PRINCIPAL	INTEREST ¹	TOTAL	FUND SOURCE	%	AMOUNT
elementary school renovations	8 925 000	3 927 000	12 852 000	taxes	25	3 213 000
				state aid	75	9 639 000
school building renovations	750 000	330 000	1 080 000	taxes	25	270 000
				state aid	75	810 000
lechmere public parking garage	2 100 000	924 000	3 024 000	parking fund	100	3 024 000
hospital equipment and renovations	3 850 000	1 175 385	5 025 385	charges for service	100	5 025 385
lechmere canal park	3 438 700	1 513 030	4 951 730	taxes	100	4 951 730
	<u>19 063 700</u>	<u>7 869 415</u>	<u>26 933 115</u>			<u>26 933 115</u>

¹ Interest is calculated based on an 8% rate for a ten-year term (with the exception of the equipment portion of the hospital issue which is based on a three-year term).

Public Investment Fund (in Thousands)

FUNCTION	PROJECT	CURRENT ALLOTMENTS	12/31/83 EXPENDITURES	BALANCE JANUARY 1, 1984	NEW ALLOTMENTS
PUBLIC SAFETY	fire equipment				200
COMMUNITY MAINTENANCE & DEVELOPMENT					
	sewer/surface drainage program	199	0	199	
	housing rehab and development	1 060	479	581	819
	housing development	572	(77)	649	397
	section 312 housing rehab loan program	477	32	445	
	open space acquisition and development	745	36	709	272
	public squares/business districts	35	0	35	
	east cambridge neighborhood stabilization	332	70	262	
	north cambridge neighborhood stabilization	258	74	184	247.6
	east cambridge/lechmere u.d.a.g.	811	64	747	
	east cambridge/lechmere self help	138	0	138	
	east cambridge/lechmere state grant/canal park	1 433	3	1 430	
	east cambridge/lechmere garage design	26	0	26	
	east cambridge/lechmere roadway design	223	219	4	
	east cambridge/lechmere public parking garage/state grant	13	13	0	
	alewife quadrangle improvements	209	16	193	
	streets/sidewalks/trees	392	32	360	2 096.2
	architectural barriers	90	0	90	50
	u.d.a.g. energy conservation grant	155	14	141	
	neighborhood centers	27	0	27	
	neighborhood facilities	194	18	176	
	joint planning III interagency agreement	12	2	10	
	water improvements	2 000	0	2 000	
	weatherization program	99	35	64	
	jobs bill	512	102	410	
	elderly housing/sale of land/russell	55	55	0	
	fort washington district improvements	407	17	390	
	u.d.a.g. planner	7	0	7	
	permanent arts improvement	108	10	98	
	neighborhood, business rehab and development				30
	east cambridge stabilization program				250
	public buildings				200
	capital improvement study				100
	alewife improvements				170
	green-franklin garage improvements				179
	one percent for the arts				18.2

Public Investment Fund (in Thousands)

FUNCTION	PROJECT	CURRENT ALLOTMENTS	12/31/83 EXPENDITURES	BALANCE JANUARY 1, 1984	NEW ALLOTMENTS
HUMAN RESOURCE DEVELOPMENT					
	play area improvements	222	49	173	
	hospital/infirmary	3 850	172	3 678	
	hospital/infirmary energy project	34	0	34	
	neville manor/renovations and remodel	436	36	400	
EDUCATION					
	high school modernization	424	6	418	
	elementary school modernization	1 866	805	1 061	
	harrington school roof repair				200
	TOTALS	<u>17 421</u>	<u>2 282</u>	<u>15 139</u>	<u>5 229</u>

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Summary 1984 - 85

The following exhibit shows capital improvement projects to be funded through various revenue sources in FY85:

PROJECT	FUNDING SOURCE				TOTAL
	GENERAL FUND REVENUES	FEDERAL GRANTS	STATE GRANTS	PARKING FUND	
PUBLIC SAFETY					
fire equipment	200 000				200 000
COMMUNITY MAINTENANCE AND DEVELOPMENT					
east cambridge stabilization program	250 000				250 000
public buildings	200 000				200 000
streets/sidewalks/trees/lighting	50 000	310 000	1 354 795	381 450	2 096 245
capital improvement study	100 000				100 000
alewife improvements	170 000				170 000
green-franklin garage improvements				179 000	179 000
housing rehab and development		819 000			819 000
private and public housing development		397 000			397 000
north cambridge stabilization program		247 600			247 600
architectural barriers removal		50 000			50 000
neighborhood business development		30 000			30 000
one percent for the arts	12 550			5 605	18 155
HUMAN RESOURCE DEVELOPMENT					
open space improvements	85 000	187 000			272 000
EDUCATION					
harrington school roof repair	200 000				200 000
TOTALS	1.267 550	2 040 600	1 354 795	566 055	5 229 000

**COST
ANALYSIS**

**PUBLIC SAFETY
– Fire Equipment**

design	
land acquisition	
demolition	
site improvement	
construction	
landscaping	
furniture and equipment	
miscellaneous	
10% contingency	
TOTAL	<u>200 000</u>
interest charges	
annual operating cost	

This allotment provides funds for the purchase of two pump and hose wagons and the refurbishing of the aerial tower.



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**COST
ANALYSIS**

**COMMUNITY MAINTENANCE AND DEVELOPMENT
— East Cambridge Stabilization Program**

design	
land acquisition	
demolition	
site improvement	
construction	
landscaping	
furniture and equipment	
miscellaneous	
10% contingency	
TOTAL	<u>250 000</u>

This program, which was supported with block grant funds in past fiscal years, will be funded with general fund revenues in FY85. Funds will be used to address neighborhood planning issues such as gentrification and displacement. FY84 activities included participation in housing rehabilitation and energy programs and publication of the newsletter.

interest charges
annual operating cost



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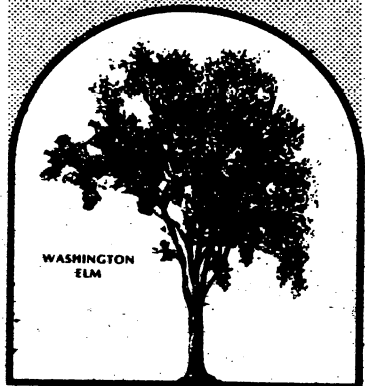
**COST
ANALYSIS**

**COMMUNITY MAINTENANCE AND DEVELOPMENT
— Public Buildings**

design	
land acquisition	
demolition	
site improvement	
construction	
landscaping	
furniture and equipment	
miscellaneous	
10% contingency	
TOTAL	<u>200 000</u>

interest charges
annual operating cost

This allotment includes \$50 000 for a new roof on the Rindge shelter and \$150 000 for renovations to various public buildings.



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	COST ANALYSIS
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design	
land acquisition	
demolition	
site improvement	
construction	
landscaping	
furniture and equipment	
miscellaneous	
10% contingency	
TOTAL	2 096 245
interest charges	
annual operating cost	

COMMUNITY MAINTENANCE AND DEVELOPMENT
— Streets/Sidewalks/Trees/Lighting

This allotment includes funds from the following revenue sources: general fund revenues, \$ 50 000; community development Block Grant, \$310 000; state highway fund, \$ 1 354 795; and parking fund, \$381 450. The block grant funds will be used for the reconstruction of streets and sidewalks and the planting of street trees in Block Grant eligible neighborhoods. The parking fund will provide \$225 000 as the city's share of the reconstruction of Eliot Street to allow for two way traffic to Charles Square and University Place with the remainder of the project, \$675 000, being financed through state highway fund monies. The parking fund will also support the design costs of roadways in the lechmere development area. The balance of the state highway fund grant, \$679 795, will be used to finance the reconstruction of streets and sidewalks in the neighborhoods of the city not eligible for block grant funds.



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**COST
ANALYSIS**

**COMMUNITY MAINTENANCE AND DEVELOPMENT
– Capital Improvement Study**

design	
land acquisition	
demolition	
site improvement	
construction	
landscaping	
furniture and equipment	
miscellaneous	
10% contingency	
TOTAL	<u>100 000</u>
interest charges	
annual operating cost	

This allotment includes funds for the initial phase of a comprehensive assessment of capital improvements needed in the Alewife, East Cambridge, and Cambridgeport areas. Before a specific list of capital needs in these areas can be developed, a comprehensive study looking at the existing conditions, proposed development, and the actual new capacity required for the future must take place.



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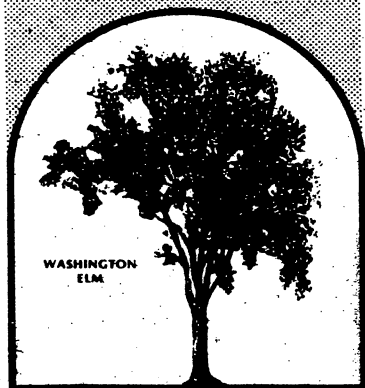
**COST
ANALYSIS**

**COMMUNITY MAINTENANCE AND DEVELOPMENT
– Alewife Improvements**

This allotment provides funds to complete sewer construction under the railroad tracks at the alewife development as required by the boston and maine railroad.

design	
land acquisition	
demolition	
site improvement	
construction	
landscaping	
furniture and equipment	
miscellaneous	
10% contingency	
TOTAL	170 000

interest charges
annual operating cost



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**COST
ANALYSIS**

**COMMUNITY MAINTENANCE AND DEVELOPMENT
— Green-Franklin Garage Improvements**

design	
land acquisition	
demolition	
site improvement	
construction	
landscaping	
furniture and equipment	
miscellaneous	
10% contingency	
TOTAL	<u>179 000</u>

interest charges
annual operating cost

This allotment provides funds for the water proofing of the top deck of the green-franklin garage and the central square library roof. These repairs are needed to stop the water seepage and the erosion of all other floors in the garage. A small portion will be used to purchase equipment to enhance the security of the garage.



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**COST
ANALYSIS**

design	
land acquisition	
demolition	
site improvement	
construction	
landscaping	
furniture and equipment	
miscellaneous	
10% contingency	
TOTAL	819 000

interest charges
annual operating cost

Corporation \$351 000; 4) Cambridge Historical Commission, \$35 000. This project is funded by the Community Development Block Grant Program.

**COMMUNITY MAINTENANCE AND DEVELOPMENT
– Housing Rehabilitation Development**

The housing rehabilitation and development program is a key ingredient in the city's ongoing effort to improve existing housing for low and moderate-income residents. This program provides a variety of mechanisms to fit the needs of low and moderate-income homeowners. Operating through grants and loans to eligible applicants, the program also provides technical assistance. The goal for 1984-1985 is to maintain a level of rehabilitation work at about 400 units per year. Greater emphasis will be placed on weatherization and energy conservation improvements with the aim of bringing all rehabilitated structures to HUD's minimum standard of energy efficiency. In 1984-1985 \$819,000 will be distributed as follows: 1) Homeowners Rehab Inc., \$198,000; 2) Riverside Cambridgeport Community Corporation, \$235 000; 3) Just-A-Start



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	COST ANALYSIS
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design	
land acquisition	
demolition	
site improvement	
construction	
landscaping	
furniture and equipment	
miscellaneous	
10% contingency	
TOTAL	<u>397 000</u>
interest charges	
annual operating cost	

COMMUNITY MAINTENANCE AND DEVELOPMENT
Public and Private Housing Development

In 1984-1985 the city will continue to provide financial assistance for the construction and rehabilitation of units for low/moderate income families. This assistance will be directed toward: 1) building additional infill homes like the Cherry St. development in area 4, 2) acquiring and rehabilitating deteriorated multi-family properties including conversion to limited-equity coops, 3) adding to the stock of public housing on a scattered site basis, 4) and continuing support for the NAHS and the Rental Rehab Demonstration Program, which assist in the rehab of smaller rental properties approximately (5-30 units). Most of these programs will combine public and private financing and rely on the Community Development Department for project supervision and technical support as well as financial assistance. Most projects will be implemented in cooperation with non-profit community development coporations or the Cambridge Housing Authority.



	COST ANALYSIS
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design	
land acquisition	
demolition	
site improvement	
construction	
landscaping	
furniture and equipment	
miscellaneous	
10% contingency	
TOTAL	<u>247 600</u>
interest charges	
annual operating cost	

COMMUNITY MAINTENANCE AND DEVELOPMENT
– North Cambridge Stabilization

Anticipating extensive new development near the Alewife transit station and its potential adverse impact on the surrounding North Cambridge community, the City established a neighborhood stabilization committee. The purpose of the committee is to formulate a specific program to offset those pressures stemming from Alewife development activity that may result in the displacement of area residents or otherwise cause a deterioration in the physical infrastructure of the neighborhood.

All funds committed to the stabilization program are targeted toward housing opportunity and improvement programs, open space and streetscape expansion and or improvement, upgrading streets and sidewalks, and any other physical improvements which are demonstrated to be central to the stabilization efforts of the committee. This program is funded by the Community Development Block Grant Program.



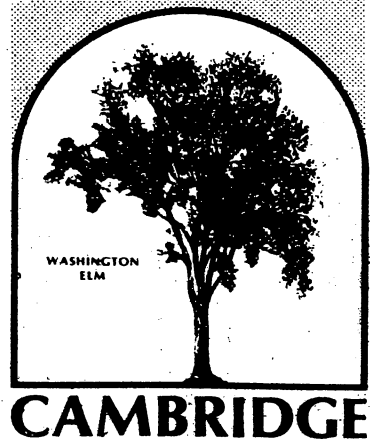
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**COST
ANALYSIS**

**COMMUNITY MAINTENANCE AND DEVELOPMENT
– Architectural Barriers Removal**

design	
land acquisition	
demolition	
site improvement	
construction	
landscaping	
furniture and equipment	
miscellaneous	
10% contingency	
TOTAL	<u>50 000</u>
interest charges	
annual operating cost	

This allocation of block grant funds will be used to finance either exterior modifications at a currently inaccessible municipal building or interior adaptations in a municipal building to which exterior access has already been provided and the ancillary costs needed to execute the project.



**COST
ANALYSIS**

**COMMUNITY MAINTENANCE AND DEVELOPMENT
Neighborhood Business Development**

design	
land acquisition	
demolition	
site improvement	
construction	
landscaping	
furniture and equipment	
miscellaneous	
10% contingency	
TOTAL	<u>30 000</u>
interest charges	
annual operating cost	

This allotment provides matching funds for a public/private project involving an extensive business analysis of problems confronting the development and revitalization of Central Square. The study will address the issues of gentrification, retail mix, and neighborhood involvement as well as other related issues. The study will recommend a plan of action which will lead to the physical improvement of the square in addition to the economic and social revitalization of the area.



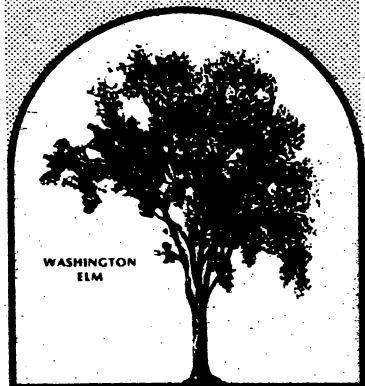
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	COST ANALYSIS
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COMMUNITY MAINTENANCE AND DEVELOPMENT
— One Percent For The Arts

This allotment is comprised of one percent of all general fund and parking fund revenues included in the capital improvement plan in accordance with the ordinance relating to one percent for the arts. The arts council will work with various city department, in determining specific projects for which these funds will be used.

design	
land acquisition	
demolition	
site improvement	
construction	
landscaping	
furniture and equipment	
miscellaneous	
10% contingency	
TOTAL	<u>18 155</u>
interest charges	
annual operating cost	



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	COST ANALYSIS
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HUMAN RESOURCE DEVELOPMENT
– Open Space Improvements

design	
land acquisition	
demolition	
site improvement	
construction	
landscaping	
furniture and equipment	
miscellaneous	
10% contingency	
TOTAL	<u>272 000</u>
interest charges	
annual operating cost	

This allotment, which includes \$187 000 in community development block grant funds and \$85 000 in general fund revenues, will be used to continue a program, begun ten years ago, to upgrade the condition of the city's parks and playgrounds. During FY84, block grant funds were used to make and improvements at the haggerty school playground, corporal burns playground, heritage center, gore street playground, and glacken field. During FY85, the block grant portion of this allotment will finance major renovations to dana park and minor renovations to a selected group of sites. General fund revenues will support work at donnelly field (three diamonds), st. peter's field (two diamonds), hoyt field, gore street playground, and a site to be determined. An additional \$10 000 will support a study to determine the needs of other parks and playgrounds in the city.



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**COST
ANALYSIS**

EDUCATION
— Harrington School Root Repair

This allotment provides funds for the replacement and re-insulation of the Harrington School roof.

design	
land acquisition	
demolition	
site improvement	
construction	
landscaping	
furniture and equipment	
miscellaneous	
10% contingency	
TOTAL	200 000

interest charges
annual operating cost



CAMBRIDGE

AN ORDER CONCERNING APPROPRIATIONS FOR CAPITAL IMPROVEMENT PROJECTS

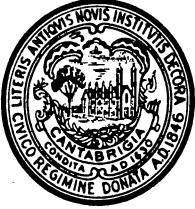
ORDERED: That the following sums are hereby appropriated in the Public Investment Fund of the City of Cambridge:

FUNCTION	PROJECT	APPROPRIATIONS
PUBLIC SAFETY	fire equipment	200 000
COMMUNITY MAINTENANCE AND DEVELOPMENT	east cambridge stabilization program	250 000
	public buildings	200 000
	streets/sidewalks/trees/lighting	2 096 245
	capital improvement study	100 000
	alewife improvements	170 000
	green-franklin garage improvements	179 000
	housing rehab and development	819 000
	private and public housing development	397 000
	north cambridge stabilization program	247 600
	architectural barriers removal	50 000
	neighborhood business development	30 000
	one percent for the arts	18 155
HUMAN RESOURCE DEVELOPMENT	open space improvements	272 000
EDUCATION	harrington school roof repair	<u>200 000</u>
		5 229 000

BE IT FURTHER ORDERED: That the above appropriations are to be financed from the following sources:

FINANCE PLAN CLASSIFICATION	REVENUE	
	general fund revenues	1 267 550
	community development block grant	2 040 600
	state highway fund grant	1 354 795
	parking fund	<u>566 055</u>
		5 229 000

This space reserved for Councillors notes



CITY OF CAMBRIDGE

CAMBRIDGE, MASSACHUSETTS 02139
Tel. 498-9011

EXECUTIVE DEPARTMENT
ROBERT W. HEALY
City Manager

April 30, 1984

To the Honorable, the City Council:

I transmit herewith a copy of the Public Investment Fund
Budget for Fiscal Year 1985.

Very truly yours,

Robert W. Healy
City Manager

RWH/mbf
Enc.

Agenda Item Number One

F-1589

Re: transmitting a copy of the Public Investment Fund Budget for FY85.

5/7/84

Placed on File

In City Council,

April 30, 1984

4/30/84

Charter Right

By
L. Donchy