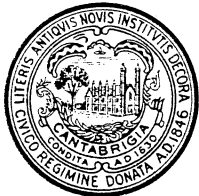


# City of Cambridge

MASSACHUSETTS

In City Council \_\_\_\_\_ 198

|                        | YEA | NAY | ABSENT | PRESENT |
|------------------------|-----|-----|--------|---------|
| Mr. Daniel J. Clinton  |     |     |        |         |
| Mr. Thomas W. Danehy   |     |     |        |         |
| Mr. Francis H. Duehay  |     |     |        |         |
| Ms. Sandra Graham      |     |     |        |         |
| Mr. Leonard J. Russell |     |     |        |         |
| Mr. David E. Sullivan  |     |     |        |         |
| Mr. Walter J. Sullivan |     |     |        |         |
| Mr. Wylie              |     |     |        |         |
| Mayor Vellucci         |     |     |        |         |



# The Cambridge Hospital

Affiliated with  
Harvard Medical School



April 28, 1982

City Councillors  
City Council Office  
795 Massachusetts Avenue  
Cambridge, MA. 02139

To The Honorable City Council:

The City Council is being asked to approve either a long-term lease or sale, with buy-back provision, of the Nurses' Residence Building at Cambridge Hospital, for purposes of renovation into hospital clinic and doctor's offices. With the approval of a lease or sale, a request for proposals will be advertised for private developers and contractors to bid on the renovation and subsequent leasing of the building, for the above stated purposes.

The purpose of this request is to renovate the building which provides vital services to the community, at a minimum cost to the community. The first objective of this request is to have the building renovated into functional and safe office and clinic space, as well as, preventing the further deterioration of this useful building. For the past ten years, the Nurses' Residence Building has been used by the city and the hospital for offices and clinics. Because the building has never been renovated for office or clinic use, the space within the building has been poorly utilized. The building is also in disrepair, does not comply with current building code standards, and is potentially unsafe.

The second objective of this request is to improve the community services offered by the hospital departments located in the building. Because of the condition of the building, its clinics have tended to be used primarily by a poorer patient population. A renovated facility would provide an optimal environment for the provision of services to a more diverse population.

The third objective is to have the building renovated at a minimum cost to the Hospital and the City of Cambridge. Earlier attempts at having the building repaired or renovated have failed because neither the Hospital nor the City could afford the expense. The approach outlined below achieves this objective.

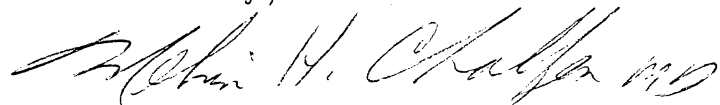
The last objective is the generation of additional revenue for the City and the Hospital. This project, as planned, should generate tax revenue, as well as, some potential short and long-term revenues.

The following is a chronology of the events which led to this request:

1. Dr. Chalfen, Commissioner of Health and Hospitals, met with Robert Healy, Cambridge City Manager, to discuss the renovation of the Nurses' Residence Building for clinic and office use. Dr. Chalfen suggested a study be commissioned to determine the feasibility of renovating the building. Mr. Healy approved the study.
2. Three architectural firms were interviewed and submitted proposals to conduct a feasibility study. The firm of E.R. Racek Associates was selected.
3. The study completed by the architects included an analysis of the building and site, program of space needs, schematic plans and sections, construction cost estimates, and three development scenarios. The study concluded that it was both physically and financially feasible to renovate the building for the described purposes.
4. The study was reviewed by David Vickery, Director of Community Development, and other City and Hospital officials. The studies' conclusions were also reviewed and tested by an attorney and a number of local bankers and developers.
5. From these reviews, it was concluded that the best approach to renovating the building was to lease or sell the building to a private developer, who would renovate the building and sublease it back to the Hospital and private doctors. The lease or sale agreement would be used by the City to maintain control over the renovation and subsequent use of the building.

In brief, the Council is being asked to vote on the lease or sale of the Nurses' Residence Building to a private developer. The objective of this request is to have the building renovated into first class clinic and doctors' office space; to improve the community services of the clinics within the building; to minimize the cost of renovation to the City and Hospital; and to generate additional revenues for the City and Hospital.

Sincerely,



Melvin H. Chalfen, M.D.  
Commissioner  
Department of Health and Hospitals  
The Cambridge Hospital

David R. Vickery  
Assistant City Manager for Community  
Development

Outline Summary

Feasibility Study for Renovation of Nurses' Residence Building  
Cambridge Hospital  
Cambridge, Massachusetts  
April 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. 6,000 net square feet for Cambridge Hospital
  - a. Health and Hospital Department
  - b. Public Health Nursing
  - c. Child Development Clinic
  - d. Auditorium and six conference rooms
2. 16,000 net square feet for Psychiatry Department
3. 10,000 net square feet available for doctors' offices

C. Schematic Plans and Section

D. Replacement Space Needs

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

Outline Summary Continued:

Page Two

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

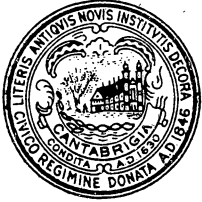
Outline Summary Continued:

Page Three

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

#3



# CITY OF CAMBRIDGE

CAMBRIDGE, MASSACHUSETTS 02139  
Tel. 498-9011

EXECUTIVE DEPARTMENT  
ROBERT W. HEALY  
City Manager

May 3, 1982

To the Honorable, the City Council:

I transmit herewith communication from Melvin H. Chalfen, M. D., Commissioner of the Department of Health and Hospitals, relative to the long-term lease or sale of the Nurses' Residence at the Cambridge Hospital.

Very truly yours,

  
Robert W. Healy  
City Manager

RWH/b

Re: correspondence from Melvin Chalfen, Commissioner of Health & Hospitals Re: long-term lease or sale of the former nurses residence at 16 Camelia Avenue.

*-5/11/1982-*

*Hospital Committee*

*Met at 9 AM.*

In City Council,

May 3, 1982

*5/3/1982*

*Prepared to the  
Meeting at 6 PM*

*After Meeting  
see Order Adopted  
Referring to Hospital  
Committee.*