

THE DIMOCK COMMUNITY HEALTH CENTER
LAUNDRY BUILDING AND LAND
PRESERVATION AND DEVELOPMENT EVALUATION

By

Katherine Black

Bachelor of Fine Arts
Boston University
1979

SUBMITTED TO THE DEPARTMENT OF ARCHITECTURE
IN PARTIAL FULFILMENT OF THE REQUIREMENTS OF THE DEGREE
MASTER OF SCIENCE IN REAL ESTATE DEVELOPMENT AT THE
MASSACHUSETTS INSTITUTE OF TECHNOLOGY

SEPTEMBER, 1986

© Katherine Black

The Author hereby grants to M.I.T.
permission to reproduce and to distribute publicly copies
of this thesis document in whole or in part.

Signature of the author_____

Katherine Black
Department of Architecture
August 15, 1986

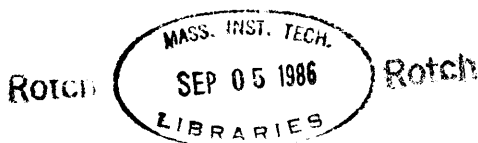
Certified By_____

Phillip L. Clay
Associate Professor of City Planning
Thesis Supervisor

Accepted By_____

James McKellar
Chairman

Interdepartmental Degree Program in Real Estate Development



Acknowledgements

There were many people who offered assistance throughout the researching of this paper, but the author is especially indebted to:

Stanley Smith and Neil Pennywitt of Historic Boston Inc., who led me to this project, and were valuable sources of information throughout the research and writing of it.

Jackie Jenkins-Scott, president of the Dimock Community Health Center, who was very generous with her time and information.

Phil Clay, my thesis advisor, who was especially helpful from a theoretical and academic standpoint.

The regular "late-night" crew of fellow MIT CRED students who proved to be an excellent source of information, advice, junk-food, and humor.

The Dimock Community Health Center
Laundry Building and Land
Preservation and Development Evaluation

By

Katherine Black

Submitted to the Department of Architecture
on August 15, 1986 in partial fulfillment of the requirements
for the Degree of Master of Science in Real Estate Development at the
Massachusetts Institute of Technology

ABSTRACT

The purpose of this thesis is to evaluate the components needed to arrive at a successful Development and Renovation Master Plan for the site owned by the Dimock Community Health Center in Roxbury, Massachusetts.

The site is an attractive, but delapidated, nine acres of rolling, wooded land containing eight historic structures which are on the National Register of Historic Places. Special attention is directed at the preservation and renovation of an abandoned laundry building, and the unimproved land surrounding it, which has been the focus of recent development pressure.

Particular to this thesis are the problems associated with: non-profit owners who need increased income production, an economically depressed location, sensitive neighborhood concerns, aesthetic and financial criteria, architectural and landscaping considerations, and the evaluation of potential funding sources and site-users.

Thesis Supervisor: Dr. Phillip L. Clay
Title: Associate Professor of City Planning

TABLE OF CONTENTS

Introduction:		6
Chapter I:	Overview of Roxbury and the DCHC	8
	History of the DCHC	9
	Description of the Site	10
	History of the Area	15
	Political Climate	18
Chapter II:	Factors Affecting Development on the Site	21
	Site Considerations	22
	Local Market Conditions	26
	Public and Private Development Tools	33
Chapter III:	Characteristics of Possible Development Participants	39
	Non-Profit Organizations	40
	Government Agencies	45
	Private Sector Agencies	49
Chapter IV:	Conclusion: Long-Range Development Recommendations	52
	Creation of a Master Plan	53
	Renovation of Laundry Building	54
	Option 1	57
	Option 2	58
	Option 3	59
	Expansion	60
	Improving the Vacant Land	63
	Sale of Unimproved Land	65
Appendix I:	Financial Implications of the Laundry Building Renovation	67
	Financial and Leasing Assumptions	68
	Construction Cost Estimates	71
	Option 2	71
	Option 3	74
	Relationship Between CC and Rent	80
	Construction Cost Table	82
	Rent Per Square Foot Table	83
	NOI Tables	84
	CC / Rent Break-Even Analysis Tables	86

Appendix II: Exhibits	96
Bibliography	105

INTRODUCTION

Adaptive use is the fastest growing aspect of the historic preservation of commercial structures. It is also becoming an important focus of recent real estate development efforts. This is quite ironic, since historically the relationship between the preservationist and the developer has not been a comfortable one. A further irony is that the major stumbling block faced by both, is the major component which has recently merged the two roles; business economics.

With the introduction of tax and other economic incentives in the mid 1970's, the "business" of preservation gained momentum -- replacing the well-intended "house-museum" preservation formula of the past. The buildings first "saved" were those with the best locations, usually in "Renaissance" areas, and they were often very financially successful. The impact was significant. Investors who used to depend on the capital markets focused on investing in syndications of historic properties, and architects and contractors started specializing in rehabilitation and adaptive use projects. Notwithstanding the cases of "adaptive abuse" which emerged, everyone was happy; building owners, investors, architects, contractors, engineers, developers and preservationists.

Unfortunately, this booming business of preservation didn't easily solve the problem of saving buildings in the "not yet transitional" areas. Coupled with this was the drying-up of federal funds which were used to make the more marginal projects work. The preservationists had to become more sophisticated and learn the complicated financial, legal, and political maneuvers necessary to make the marginal projects work. Furthermore, the

structuring of the projects became more and more complex as different types of players -- non-profit, private, governmental, etc., -- became involved.

The renovation and development dilemma faced by the Dimock Community Health Center is just such a project. What do you do with an historically certified laundry building which has been abandoned for twenty-five to thirty years, and is no longer needed as a laundry? What do you do with a site which is located in a economically distressed area and is run by a non-profit charitable organization which needs to increase their income production? How do you approach a renovation and development endeavor which will coincide with the goals expressed by strong, well-organized community groups? Finally, how do you structure a development partnership which allows you to tap private and governmental funds most successfully? These are some of the questions addressed in this thesis.

Chapter I:
OVERVIEW OF ROXBURY
AND THE DIMOCK COMMUNITY HEALTH CENTER

HISTORY OF THE DIMOCK COMMUNITY HEALTH CENTER

The Dimock Community Health Center (DCHC) was established in 1862 as the New England Hospital for Women and Children by a Polish immigrant, Marie E. Zakrewska. Her intention was to start a hospital for women, staffed by women, and managed by women, in order to provide medical care for women and children by competent female physicians, and to provide medical education for nurses and other educated women.¹ Originally located in several small buildings in the city of Boston, the hospital had grown so large by the early 1870's, that they needed to find a location where they could reasonably expand. They found "nine acres of picturesque, well-shaded upland in the healthiest part of Boston" in the Egleston Square of Boston, and within a few years most of the buildings which exist today were constructed.² The hospital continued to operate as it was established until 1969, when it discontinued outpatient care.

Since then, the Dimock Community Health Center has maintained many of the ideals which were fundamentally intrinsic to the philosophy which motivated Marie E. Zakrzewska to start the New England Hospital for Women and Children. There is still an overriding health services orientation, with an overlapping of human services providers. Dimock currently operates

¹ Dimock: Rehabilitation/Development Guidelines, p. 13.

² Dimock: Rehabilitation/Development Guidelines, p. 13.

an ambulatory comprehensive medical program, an alcoholic residential program, an alcoholic counseling service, a detoxification center, and a health vocational training program. Additionally, the Center is a landlord to a dozen human service agencies which offer day care, counseling, programs for the retarded, etc. Some of these agencies include HOPE (Hispanic Office of Planning and Evaluation), a service agency; DSS (Department of Social Services), a State agency; DARE (a counseling agency); and METCO (a program to bus inner-city students to suburban schools).

DESCRIPTION OF THE SITE

"UPPER CAMPUS":

DCHC is located on a nine acre site edged by Washington Street on the northeast, Notre Dame Street on the east, Columbus Avenue on the west, and Bragdon Street on the southwest. Dimock Street runs directly through the "campus", connecting Columbus Avenue and Washington Street [See Exhibit 1]. In most areas, the campus is at a higher elevation than the surrounding streets.

It is a rolling site with many stone outcroppings and native hardwood trees interspersed between the topographically sited buildings. It has an elevated, open, park-like atmosphere. The drives on the campus are curvilinear in contrast to the more grid-like street pattern surrounding the site. Dimock Street acts as a spine, from which there are four drives providing vehicular access to each of the buildings.

There are eight buildings which make up the DCHC, all of which were built between 1872 and 1930, and all of which are on the National Register

of Historic Places. Each of the eight is individually significant, but the effect is multiplied in aggregate. The architectural styles, scale, materials, and siting all contribute to a significantly cohesive built and landscaped environment, despite it's somewhat dilapidated current condition.

There is still evidence of the original planned landscaping, but it struggles to be noticed beneath quite a bit of recent independent growth, especially on the unimproved parcels. The drives and sidewalks are in need of repair, and much of the site is covered with dead leaves and limbs.

Parking is scarce, random, and unorganized. All the fire lanes are congested with parked vehicles, many of which are parked there all day. Dimock Street is a one-way street running from Columbus Avenue to Washington Street, and is incessantly used as a two-way street. This makes passage difficult because there isn't room for two directions of traffic as well as the illegally parked cars and delivery trucks. Vehicular turn-around is difficult since the circular drives (which are often fire lanes) are used for parking. There is obviously a lack of prepared parking, and parking regulatory measures.

"LOWER CAMPUS":

Unimproved Parcels

Parcel A is located to the east of the Laundry Building and is bounded by the intersection of Dimock Street and Notre Dame Street [See Exhibit 3]. It contains a significant grade change from the northernmost edge to the southernmost edge.

Parcel B is bounded to the north by Parcel A and includes all land which is not owned by DCHC or the Elizabeth Stone House between Dimock Street, Washington Street and Bragdon Street.

Parcel C contains all the unimproved land on the southernmost portion of the site, going east to Columbus Avenue and it is the lowest elevation of the campus.

The existing vegetation on this parcel, like the rest of the unbuilt portions of the Campus, can be categorized into three broad categories: specimen trees, buffer plantings, and woodland coverage.³ There is rampant independent growth throughout this section of the campus (there is even a small utility structure which is totally covered by growth). Parcel C and Parcel A contain several "outcast" locations where old furniture and machinery have been abandoned. Pedestrian movement is extremely difficult, and vehicular movement off the drives is entirely impossible.

Laundry Building

The Laundry Building was designed by John A. Fox and built in 1890 . It replaced an earlier fire-destroyed laundry structure designed and built by Cummings and Sears concurrent with most of the other DCHC buildings. It is basically a 3,000 square foot, rectangular, two story, brick structure with a hipped roof. There is the use of native stone from the site in the exposed foundations and on the window headers and sills. The portal and fenestration treatment includes a variety of penetration sizes, and employs both round and jack-arches. Egress is possible at grade from the front or side on the first level, or at grade from the north on the second level, since the

³ Dimock Rehabilitation/Development Guidelines, p. 161.

second level, since the building is sited against a ground ledge. There still exists most of the wooden roof support brackets, ornamentally sawn rafter tails, and exposed soffit. The roof is hipped, with dark slate covering it, and supports two square ventilation cupolas which are also covered with the same slate. There is a one story projecting bay with it's own roof structure on the front (east) of the structure.

Although the building has been abandoned for 25 - 30 years, it is in remarkably good condition. Much of the original fenestration and portal sash and transom details are still intact. The simple victorian interior stairway is in good shape, and appears to be structural. The windows have been made weather-tight for the most part, but the roof has several leaks -- three of which seem very serious. There is a vandal-caused fire hole in the floorboards between the first and second stories of about 2'-3' in diameter. However, the beams are still in good condition around the fire area, and appear to be in good condition elsewhere. There is considerable deterioration of the bricks and mortar both inside and out, especially on the first floor of the north side of the building which is built into the side of the land ledge. Several of the non-structural brick walls on the interior are crumbling, but this shouldn't cause any problems for rehabilitation, since they would probably be demolished anyway. The floor to ceiling height on the first floor is roughly fourteen feet, which is problematic heating-wise, but allows plenty of room for new mechanical systems to be installed and housed. The floor to rafters height of the second story is roughly 10', and at the center of the building, allows another 10' from the rafters to the roof peak. Without major framing changes, it would be quite difficult to add additional rooms in this central section of the attic, but it would be quite adequate for storage and mechanical systems housing. Presently the entire second story is

completely open; floor to peak, with no partition walls. This allows for lowered demolition and debris-removal costs, and makes it easier for prospective buyers or tenants to visualize renovation possibilities.

SURROUNDING ABUTTERS:

Academy Homes

Bounding Dimock to the north is a large housing group built in phases from the late 1960's to the early 1970's. These rental units were recently foreclosed by HUD and sold to a Philadelphia-based developer. These apartments still have subsidized units.

Urban Edge

Across Columbus Avenue is a row of late nineteenth century brick, bay-front row houses. These were rehabilitated in 1984 as Section 8 housing by Urban Edge, Inc., a local community development corporation. There are fifty-four apartments, four of which are designated for handicapped users.

Elizabeth Stone House

Across Notre Dame Street, at the corner of Dimock Street and Notre Dame Street, is a site which has been cleared for the Elizabeth Stone House, a "Transitional Shelter" home for emotionally distressed or battered women. The building will incorporate fourteen apartments; four of which will be for permanent residency, and of those four, two will be for child-care providers. The funding for this project came from 707 State money, and the land was acquired through tax-title properties from the city. They paid \$9,000 for 18,000 square feet of land, and expect to begin construction in August of

1986. The building will be a three story, wood frame, modular constructed, 18,000 square foot structure which will have nine parking spaces.⁴

It is unfortunate that Dimock and the Elizabeth Stone House couldn't come to an agreement which would have induced the Stone House to become a part of the DCHC campus. Whatever caused the dichotomy between the goals of the DCHC and the Stone House, which lead to the political maneuverings that allowed the Stone House to secure their site, does not preclude them from being a theoretical part of the campus. The purpose of the Stone House is entirely compatible with the past and present users of the DCHC, and fits nicely within the concept of a long-term master plan for the expanded site. Certainly, one way to bridge the breach would be for the Stone House to contract with the DCHC for their health care needs. Afterall, the DCHC was set up as a hospital for women by women.

HISTORY OF THE AREA

Like most older New England cities, Boston has experienced evolutionary cycles of prosperity and recession, influenced by external as well as internal factors. As one of its earliest communities, Roxbury has played a part in the flux and change which has shaped the ever-evolutionary city of Boston. But Roxbury also stands as a type of barometer which registers the social and economic metamorphosis of the country in general.

⁴ Telephone interviews with Joan Sprague, Women's Institute of Housing & Economic Development, 8 Jul. 1986, and 31 Jul. 1986.

Roxbury was a farming community in the 17th and 18th centuries, and several architecturally significant buildings still exist from the 1700's as a kind of testament to the rural lives led by its people. It was in the 19th century that Roxbury began to evolve from rural farming community to the urban community it is today.

Incorporated in 1846, Roxbury was annexed to Boston in 1868, which accelerated the expansion of the urban transit system and resultant development.⁵ Following Roxbury's annexation to Boston, The New England Hospital for Women and Children (NEHWC) built what is the DCHC campus today.

The end of the 1800's saw Roxbury's bloom as a streetcar suburb, but it was the mid 1900's which saw Roxbury's change from a largely white community to a largely black one. This shift had its economic effect on the NEHWC, and was probably responsible for its transformation into the DCHC.

Since the mid 1900's, Roxbury has experienced different levels of economic decline. It came to be regarded by Bostonians as one of their poorest neighborhoods, and still exists as Boston's largest black community. For the last two decades or so, Roxbury has been characterized by the components associated with urban blight: densely inhabited housing, high crime rates, higher-than-normal unemployment rates, lower-than-normal education levels, and inadequate urban support systems.

This economic decline has taken its toll on Roxbury's landscape and stock of architecture. Added to Roxbury's share of urban renewal wasteland are deteriorated and arson-ridden buildings, abandoned commercial

⁵ Patricia Weslowski, Preservation in Roxbury: the Issues and the Actors (Boston, Historic Boston Inc., 1986) p. 27.

structures, and non-maintained public housing projects. Furthermore, it is estimated that there are currently, 800 vacant housing units in Roxbury⁶.

However, Roxbury's proximity to downtown Boston coupled with Boston's overall recent real estate growth "boom" has led to enormous development pressures/opportunities in the community. Concurrent with this is the Massachusetts Bay Transit Authority's (MBTA) massive relocation of the Orange line along the "Southwest corridor". The old elevated Orange Line ran along Washington Street, immediately to the east of the DCHC campus, and is expected to be dismantled in the next few years. This dismantling plan has spurred considerable real estate speculation along Washington Street, and in other areas affected by the MBTA's plan.⁷

The nearby Egleston Square area will be affected, and has caused a strong merchants' association to be formed. Their aim is to try to control rampant speculation, while at the same time, trying to improve the area. They are disenchanted with the city of Boston's Public Facilities Department in terms of their planning efforts. Long considered a less-desireable section of the city, they are trying to upgrade local businesses, but the removal of the old elevated orange line will now occur after the merchants' upgrading -- and the timing is going to prove to have an adverse effect on their businesses.⁸

⁶Weslowski, Patricia, Preservation in Roxbury: The Issues and the Actors (Boston: Historic Boston, Inc., 1986), p. 11.

⁷ Telephone interview with Robert Terrell, 31 Jul. 1986.

⁸ Telephone interview with Robert Terrell, Planning Committee of the Greater Roxbury Neighborhood Authority, 31 Jul. 1986.

Few areas of Roxbury are unaffected by this development pressure. Jackson Square and Hyde Square are both undergoing major replanning efforts; much of the land is City and State owned, and new commercial development is expected to be developed there.

Two very controversial areas include the Dudley Station area and "Parcel 18". The Boston Redevelopment Authority (BRA) wants to encourage development around Dudley Station, and are currently proposing two thirty-story office towers and one 500 room luxury hotel.⁹

Parcel 18 a five acre site at the intersection of Tremont and Ruggles Streets, and there the BRA has proposed two thirty-story office towers and 200-300 low and moderate-income housing units.¹⁰ Both projects have become battlegrounds between the city, developers and neighborhood groups.

POLITICAL CLIMATE

The recent development pressure in Roxbury has led to rising prices and the fear of displacement of the primarily low and moderate-income residents. This in turn has lead to a very sensitive political climate resulting in an increasing amount of neighborhood organizations aimed at resisting externally generated development.

⁹ Telephone interview with Robert Terrell, Planning Committee of the Greater Roxbury Neighborhood Authority, 31 Jul. 1986.

¹⁰ Telephone interview with Robert Terrell, Planning Committee of the Greater Roxbury Neighborhood Authority, 31 Jul. 1986.

Furthermore, the Roxbury community wants an active role in the management of development, and in what happens to their community. Some of the groups which have organized for this reason include the Franklin Park Coalition, the Central Roxbury Land Trust, the Roxbury Action Program, and the Greater Roxbury Neighborhood Authority (GRNA).¹¹ Other groups who organized for other reasons, but encompass the recent development pressures as part of their agenda include the Roxbury Historical Society, the Museum of Afro-American History, and the Roxbury Highland Historical Society.

Many of these groups are quite sophisticated (Boston in general has a legacy of strong neighborhood organizations relative to many other parts of the country), and quite powerful. Their power is frequently derived from their strength in the number of their constituents -- which can have an enormous political impact. At a recent Greater Roxbury Neighborhood Authority "New England Town Meeting" style meeting, 400 to 500 people attended.¹² Few local politicians are immune to that many voters. This strength gets translated into a visible ability to effect local development efforts -- either through changes in project size, scale, use, etc., or in delaying and even preventing projects. For example, the Dudley Project Advisory Committee -- appointed by Mayor Flynn -- has 13 out of 21 of its members selected from a list recommended by the Roxbury community. The committee wants complete power to approve developer designations, but the BRA won't delegate this responsibility, and the mayor supports the BRA's

¹¹ Patricia Weslowski, *Preservation in Roxbury; the Issues and the Actors* (Boston, Historic Boston, Inc., 1986) pp. 8, 9.

¹² Telephone interview with Patricia Weslowski, 28 Jul. 1986.

position. Representative Gloria Fox, 7th Suffolk, has introduced legislation to amend Chapter 121B to permit the BRA to allow the Dudley Project Advisory Committee to have developer selection authority.¹³ The Greater Roxbury Neighborhood Authority has been quite involved in this particular issue also. They are currently suing the City of Boston and the BRA on the basis that the BRA operated illegally because they didn't have a comprehensive plan and acted without due process, and that Roxbury has been discriminated against in the past.¹⁴

The power held by urban neighborhood groups of this type is sometimes so strong as to not even be recognized by themselves. Some groups wield power for a limited time through the strength of their numbers, but lose it due to weak leadership and management. Often, it is difficult for group members to divorce themselves from their own individual interests, thereby fractioning the mutual goals of the group, and weakening the group's momentum. Coupled with this, are the divergent goals of different community groups within the same community.

However, if the existing groups in Roxbury maintain their currently strong individual momentum, and join forces on critical issues, their political stance will be very strong indeed.

¹³ Patricia Weslowski, Preservation in Roxbury: the Issues and the Actors (Boston, Historic Boston, Inc., 1986) p. 10.

¹⁴ Telephone interview with Robert Terrell, Planning Committee of the Greater Roxbury Neighborhood Authority, 31 Jul. 1986.

Chapter 2

FACTORS EFFECTING DEVELOPMENT ON THE SITE

SITE CONSIDERATIONS

It is important, no matter what development decision Dimock makes, that they carefully consider each development alternative with regard to its site implications. The success of the development, and the long-term economic health of the DCHC depends on it.

The following are the opportunities and constraints inherent to the site. As is often the case with opportunities and constraints, an opportunity can be a constraint and visa-versa.

OPPORTUNITIES:

Although it never was an educational center, the DCHC is called the Dimock "campus" by many people. This is obviously a result of the campus-like feel to the site -- the building-to-building relationships and siting, the open spaces, the wooded areas, and the gated entrance. When you turn onto Dimock Street from Columbus Avenue, you are aware of *entering* some place that is different. You are also aware that all the buildings relate to one another by use as well as design, much the way school buildings do. It looks cohesive and planned, not evolutionary like most street-scapes.

The "rural" feeling of the campus is largely a result of the wide distances between the buildings, and the mostly unrestricted growth of trees, bushes, and even the weeds. This is in direct contrast to the dense, highly built, very "urban" feel to the immediate surrounding areas, and Roxbury in general.

Since this is unusual, it has value in its uniqueness. Efforts should be made to maintain this "feel" to the campus, otherwise it loses its unique value, and becomes the same as everything around it.

While inward-turning developments are often not appropriate in urban environments, this site should remain separate, and should maintain its enclave feeling. The building siting and architectural design don't follow a typical urban structure, and would be very difficult to integrate into the current street patterns and scale of the surrounding area. Moreover, DCHC has always had a different user-orientation. The surrounding areas primarily contain housing, with a lesser degree of retail and industry. While there are offices at DCHC, and some "residents" in the drug and alcohol rehabilitation programs, it has always had a health-services orientation with an overlay of human-services providers.

Ideally, this should continue if at all possible, because keeping the same use designations to the site would translate more cohesively architecturally and site-wise.

Parcels B, C, and most of A are located at a much lower grade than most of the rest of the campus. This allows an aesthetic as well as usage division if needed. While not presently recommended this would mean that it would be entirely possible to locate housing, non-health or non-human service-related offices, or even retail space should there ever be a demand for it. If necessary, this grade-level division would allow for there to be completely different egress means -- in fact vehicular traffic between the two areas could be restricted, or entirely prevented.

Architectural and Landscaping treatments could also provide visual and pedestrian restriction between the upper and lower campus areas.

If necessary, the grade division also would allow for higher structures to be developed, since the unimproved land is approximately an average of 2 stories lower than grade level of the built environment of the upper campus. Views and sunlight could remain relatively unimpeded between the structures.

CONSTRAINTS:

Sewer Easement

Bisecting Parcel C is a large (10' wide) sewer easement [See Exhibit 1]. This easement could be a serious constraint to the introduction of buildings to the site. Since it bisects the parcel at an angle, it would be difficult to plan the structures so that they are not built over any portion of this easement. If the easement contains a sewer pipe which is currently used, the city would prefer that a roadway be located over it. If it is necessary to build over it, the city requires a time-consuming approvals process. First, a site plan should be filed (but they recommend that the developer work with them before a site plan is drawn up), then a sewer connection extension permit must be applied for, and finally it goes to the Department of Environmental Quality Engineering (DEQE) for approval. If approved, the sewer pipes must be protected from structure settlement, injury, etc., and must provide for human access to all portions of it. Protective sleeves may be constructed around the pipe, and removable slabs may be used to gain access.¹ This will obviously affect the timing and cost of building on the site, and could prove to substantially do so.

¹ Telephone interview with Ed Duggan, Engineering Department of the City Water and Sewer Department, 31 Jul. 1986.

Existing Architectural Legacy

Because of the cohesive look to all the buildings due to their similarities in scale, age, detail, and materials, it might be difficult to integrate gracefully any new building or infill construction. The designation of the campus to the National Register of Historic Places, provides for a level of architectural protection to prevail over the existing structures, but does not affect any new construction. In the absence of legal restrictions and protections on the unimproved parcels, a commitment to very high design standards should be applied to any new changes made to the campus. This would include standards which set parameters concerning the choice of materials, size, scale, solid-to-void relationships, entrance locations, and building siting. An obviously difficult decision here is who should set those parameters, and how they should be controlled. There is often a difficult dilemma between the aesthetic value of creating strict standards, and the cost to produce and maintain those standards. The weighting of these values must be in some sort of balance, or one will entirely dominate, to the detriment of the other. For example, if the standards are too restrictive, they may entirely prevent building of any kind, which defeats the purpose of equity or income producing development in the first place.

Parking

Parking is almost always a major constraint in any urban site, and is no exception here. Especially with the introduction of new tenants to the Laundry Building, and the possibility of the construction of new structures, it is important that Dimock plan carefully so that their current parking problem doesn't escalate into a major site liability. It will be difficult enough to maintain an open, woody feeling to the campus with the introduction of

new structures, and it will become even more difficult as more land is cleared and surfaces are prepared for parking.

An immediate, obvious solution to this problem is to try to find non-auto-intense users of the new and/or renovated structures.

Access and Circulation

Currently, access to the entire campus, like parking, is random, congested, unorganized, unregulated, unenforced, and very confusing. The only clear message a driver has is how to enter the site. The stone gate flanks at the intersection of Dimock Street and Columbus Avenue are unambiguous as to their purpose. The Dimock Community Health Center sign at the entrance (in English and Spanish), serves to reinforce the message. However, once inside the gate, driver beware!

The slightly curved Dimock Street spine is a one way access to all the drives which service the individual buildings on the upper campus, but it also serves as access to a portion of the Academy Housing development which abutts the campus to the the north and northeast. Dimock Street is also a connector street from Columbus Avenue to Washington Street, and to the beginning of Notre Dame Street. However, Dimock Street's one way status is more often abused than followed -- resulting in congestion and confusion for both vehicles and pedestrians. Added to this is the confusion as to which drives service which DCHC buildings.

Access to the Laundry Building is currently very restricted, and totally unmarked, eventhough there are different drives which service the site. This is currently a constraint, but these different means of egress could prove to be an opportunity if exploited properly. For example, this might begin to address some of the problems which would be encountered with the

necessity of having to introduce less consistent uses and architecture to the unimproved areas of the site. In the event that DCHC makes the decision to introduce some form of housing, or some form of non-health or non-human service related offices to the campus as a means of increasing their cash flow production, they could restrict access to these areas so that they have no direct relationship with the traffic patterns of the rest of the campus. This would eliminate an increase in traffic which would have an adverse effect on the already difficult problems along Dimock Street.

The current means of vehicular access to the unimproved areas of the campus are entirely inadequate. The "alleyway" from Bragdon Street on the southernmost portion of the site, is quite narrow, rutted, muddy, and overgrown. It serves as a back entrance to the houses which front on the lower end of Notre Dame Street, and is lined with automobiles in various stages of deterioration and abandonment (and presumably belong to the occupants of the houses). In order to serve as a means of access to the "lower campus" it would have to be widened which would require the home owners to loose a portion of their back yards, or the loss of space from the fire station's lot to the west. Furthermore, Bragdon Street has problems of it's own; its passage is narrow and difficult, and it is lined with aesthetically unappealing structures and abandoned automobiles.

LOCAL MARKET CONDITIONS

OFFICE SPACE:

Boston's regional office space market is beginning to soften. The vacancy rate for downtown office space has hovered around 10% to 13% since the first of this year, and is expected to climb to a "point of maximum oversupply" by mid to late 1987.² The suburban office market vacancy rate is double Boston's³, and not expected to improve in the foreseeable future. BRA director Stephen Coyle claims that Mayor Flynn planned this office market situation so that developers would be forced to turn to other development products -- like housing.⁴

Dimock is currently getting an office rent range from \$5.25/s.f. to \$12/s.f.. A few of the leases contain rent escalators to keep up with inflation, and one of the lessees pays an electrical surcharge. The higher rent-payers tend to be state agencies. This rent level is well below the Boston average, and is even low for Roxbury.

HOUSING:

The housing shortage in the metropolitan Boston area is largely a result of a population increase from 562,000 in 1980 to 621,000 in 1985, reversing a three-decade population decline. Boston's "Boom" triggered by

² Charles A. Radin, "The Boom Slows," Boston Globe, 4 Aug. 1986, pp. 1, 7.

³ Charles A. Radin, "The Boom Slows," Boston Globe, 4 Aug. 1986, p. 1.

⁴ Charles A. Radin, "City Hopes Rising Office Vacancies Result in Morte Houding," Boston Globe, 4 Aug. 1986, p. 7.

economic expansion and new jobs is expected to continue throughout the 1980's, and will further affect the already afflicted housing crunch.⁵

Rental Apartments

Renters comprise approximately 70% of Boston's housing market. Their rent has jumped between 18% and 31% annually from 1982 to 1985. Furthermore, they are using more and more of their income for shelter -- 51% paying more than 25% of their income and 21% paying more than 50% of their income in 1985.⁶

This is not just a problem in the private rental market, but in the public housing market as well. The waiting list for the Boston Housing Authority almost doubled from 1982 to 1985 and contained 11,485 household names by October of 1985.⁷

There is very little price difference between the rental rate of private market-rate units and private subsidized units. However, prices fluctuate widely in Roxbury depending on the location, condition, and amenities. Currently two and three bedroom units are more preferable than those which have more or less bedrooms.⁸ Near the Egleston Square area, prices

⁵ Peter Dreier, Memorandum to BRA staff concerning housing goals and guidelines, from a Boston Redevelopment Authority household survey, 13 May 1986, p. 4.

⁶ Peter Dreier, Memorandum to BRA staff concerning housing goals and guidelines, 13 May 1986, p.4.

⁷ Peter Dreier, Memorandum to the BRA staff concerning housing goals and guidelines, 13 May 1986, p. 5.

⁸ Telephone interview with Helane Leary, Urban Edge, Inc. 27 Jul. 1986.

range from \$200 to \$400 per month for a one-bedroom apartment; \$300 to \$500 per month for a two bedroom apartment; and \$400 to \$1,000 per month for three or more bedroom apartments.⁹

The determination of who qualifies for subsidized "affordable housing" in Boston is based on income. The Federal Government (HUD) has defined categories for "affordable housing". They are as follows:

"Affordable Housing" - Definitions and Guidelines¹⁰

Family Size	Low Income (50% SMSA)	Maximum Monthly Housing Expense @ 30% GMI
1	\$11,900	\$298
2	13,600	340
3	15,300	383
4	17,000	425
5	18,350	459
6	19,700	493
7	21,100	528
8	22,450	561

Family Size	Mod. Income (80% SMSA)	Maximum Monthly Housing Expense @ 30% GMI
1	19,050	476
2	21,750	544
3	24,500	613
4	27,200	680
5	28,900	723
6	30,600	765
7	32,300	808
8	34,000	850

⁹ These price ranges were arrived at from interviews with Century 21 - Gallagher Realty, Brad Gillery at ERA AAA Realty, Chris Mathews at Century 21 - Massbay Realty, and Helane Leary at Urban Edge, Inc.

¹⁰ Peter Dreier, Memorandum to the BRA staff concerning housing goals and guidelines, 13 May 1986, p. 9.

Family Size	Median Income (100% SMSA)	Maximum Monthly Housing Expense @ 30% GMI
1	23,800	595
2	27,200	680
3	30,600	765
4	34,000	850
5	36,700	918
6	39,400	985
7	42,200	1,055
8	44,900	1,123

Family Size	MHFA Inc. Limits (120% SMSA)	Maximum Monthly Housing Expense @ 31% GMI
1	28,000	723
2	31,000	801
3	34,000	878
4	37,000	956
5	40,000	1,033
6	43,000	1,111
7	46,000	1,188
8	49,000	1,266

GMI = Gross Monthly Income

SMSA = Standard Metropolitan Statistical Area

Maximum housing cost as x% of monthly income, in calculating possible purchase prices, this amount must include principal, interest, taxes, and insurance and any relevant condominium fees.

PUBLIC AND PRIVATE DEVELOPMENT TOOLS

FEDERAL:

Investment Tax Credits

Perhaps more than any single other tool, the Investment Tax Credit (ITC) has been the most successfully used component in the preservation of historic structures since its inception. The law currently provides for owners of *Certified* Historic Structures to take an income tax credit of 20% of their

total renovation cost (not just the original historic details). This is a one-time 20% credit which comes off their personal income tax. This has been very successfully used in conjunction with syndications -- since the limited as well as general partners could use the ITC. There was concern that the current tax changes would abandon this credit, but it is felt that the ITC for *Historically Certified Properties only* would survive, and the credit would be allowed to be passed on to limited "passive" investors as well as owners or general partners.

CITY OF BOSTON:

Linkage Funds

Linkage Funding is a Boston-based scheme devised by Mayor Flynn. Under Article 26 [See Appendix 1], it is set up two ways; Developers of buildings containing over 100,000 square feet are required to provide money for housing to the city of Boston, or they may elect to create housing themselves. Under the original ordinance, if they elected to give money, and were building downtown, they were required to give to the "linkage trustfund" \$5 per square foot over 100,000 square feet of building over a seven year period, and \$1 per square foot for job training within two years. If they were developing outside of the downtown area, they were required to pay the same amount, but were given twelve years to pay the \$5 per square foot for housing.

However, the city council and the mayor were unable to resolve disagreements over the ordinance, so a new trust has been established. The new ordinance has been passed, and it will begin to operate as soon as new trustees are chosen to administer it.

The Housing Creation Regulations contained in the new ordinance have been established to allow maximum flexibility. Under the housing creation election, the process works as such: The development scheme is proposed by the "housing provider" (or developer), and the Neighborhood Housing Trust conducts an extensive review of it. The scheme is then open to public hearings. If all goes well, the Neighborhood Housing Trust acts to approve it. There is then a "Housing Creation Agreement" created, to which the "parties" are named, usually consisting of the "housing creator", the BRA, the Neighborhood Housing Trust, etc., and the development proceeds.¹¹

There is no question that this is very politically oriented. The success of the various groups trying to get housing depends on their level of political support. For example, a group wanting housing, would submit a Request For Proposal (RFP), and if they had a very high degree of political support, they might get their money within 45 days, but this is definitely a "best case scenario". Often it might take several years before any housing is actually created after an RFP is presented.

In the event that Dimock elects to build housing on their site, they would be appropriate candidates for tapping into the linkage funds. They are a non-profit organization which has city-wide respect, and a politically powerful board.

STATE OF MASSACHUSETTS:

Massachusetts Housing Partnership Program

¹¹ Telephone interview with William Whitman, Boston Redevelopment Authority, 7 Jul. 1986.

Governor Dukakis announced recently that the State is going to give \$71,300,000. to the City of Boston for use to construct approximately 1,000 units of rental and equity housing for low and moderate-income families throughout the city. The idea is to use the vacant lots and abandoned structures which characterize the more blighted areas, and make them usable and affordable. These units are to be created over a period of three years.

The breakdown of funds is as follows:

1). \$21,000,000. will produce 225 new apartments for low income households, which will be managed by the Boston Housing Authority.

2). \$35,000,000. from the state's Homeownership Opportunity Program, which will be to reduce mortgage payments on 500 units of new housing units to make them more affordable for low income residents.

3). \$14,000,000. SHARP funds which will allow developers to sell their units at a reduced price to moderate income persons.¹²

A stipulation of the MHP Program is that at least 25% of the project be "affordable". All requests to MHP are channeled through the City via the BRA.¹³

MHFA SHARP Program

This Massachusetts Housing Partnership program allows for below market financing for rental projects. To be eligible, at least 25% of a project

¹² Michael K. Frisby, "Boston to get \$71.3m from state for housing" The Boston Globe, 13 Jul. 1986, pp. 25, 30.

¹³ Peter Dreier, Memorandum to BRA staff concerning housing goals and guidelines, 13 May 1986, p. 2.

must be "affordable". The State also includes rent subsidies for the low and moderate-income units.¹⁴

State 705 and 689 Programs

The 705 program provides for the State purchase of condominium or townhouse units, then rents them to eligible public housing tenants as part of the Boston Housing Authority's program to encourage mixed-income developments. The State 689 program allows for the State to build or purchase units for handicapped residents.¹⁵

PRIVATE:

Syndications

In recent decades, syndications have been a very successfully used tool to raise capital for real estate development. It has been especially important to the renovation and development of historic structures, whether they were certified or not. The development partnership typically consisted of the general "active" partners, and the limited "passive" partners, and the benefits and risks were partitioned between the partnership, regardless of whether they were active or passive partners.

Unfortunately, it is widely expected that the current tax legislation will have an adverse affect on syndecations in general. The proposed

¹⁴ Peter Dreier, Memorandum to BRA staff concerning housing goals and guidelines, 13 May 1986, p. 2.

¹⁵ Peter Dreier, Memorandum to BRA staff concerning housing goals and guidelines, 13 May 1986, p. 2.

legislation presently stipulates that investment tax credits may be only used by active partners -- which in most cases would eliminate the passing of this benefit to the limited/passive partners. However, this law would not apply to investment tax credits for historically certified properties (those structures or districts which are on the National Register of Historic Places), and the benefits *can* be passed through to the limited partners.¹⁶

If this legislation does go into effect -- and it is expected to -- it could have positive as well as negative implications for historic structures. There is no question that non-certified historic properties will suffer. Investors will use their money elsewhere, and many of these more vernacular or utilitarian historic properties will face deterioration and demolition. However these new tax laws may prove to be beneficial to syndicators of historically certified properties, because of the reduced competition for investor-seeking real estate projects, since the investment tax credits will favor certified properties over most other non-subsidized real estate development ventures.

Syndicating would be a good tool for Dimock to choose to raise capital for the Laundry Building renovation. They could participate independently or with a group like Historic Boston, Inc., (a non-profit revolving fund) as the general partners, and sell limited investor shares to private partners who would be able to take advantage of the investment tax credit. The syndication could be structured so that at the end of the syndication term, the property would revert in full to Dimock, but even during the term of the syndication, Dimock as a general partner maintains control of the building.

¹⁶ Telephone interview with Gina Price, analyst with Gunn Financial Inc., syndicators of historic properties, 28 Jul. 1986.

Ground Lease

Ground Leasing has proven to be a very effectively-used real estate development tool, and could be a beneficial way that Dimock could enter into a development relationship with a for-profit developer. This method addresses two of DCHC's major concerns; the need for equity or cashflow, and the need to maintain control of their real estate assets.

By ground leasing their unimproved parcels to a for-profit developer, Dimock insures themselves of a continuous cash flow from rent. They are still able to maintain a level of control on their site, without having to secure the development costs themselves or having to manage the property. They receive an improved property at the expiration of the lease, and have a "financeable" instrument throughout the term of the lease.

The developer benefits by having reduced up-front acquisition costs - especially on the non-depreciable portion of their project. The developer might also benefit from having secured a site for a viable project which they could have not secured through a purchase. This is especially pertinent to the Dimock site, since this author recommends that DCHC not sell any portion of their land.

This scheme is not without its risks to Dimock. First, the ground lease is frequently in a second lending position. But most significant is the enforceable obligation that Dimock has entered into. Almost all ground lease relationships involve a long term lease associated with them. While Dimock maintains control in one way, they lose it in another. The long term lease limits Dimock's ability to stay current with Roxbury's real estate market through current market rents, or market demand for a particular use, as well as the ability to dispose the property through sale. It further restricts the

DCHC's ability to expand on their own property if they need to do so during any time of the lease.

Critical to the success of a ground lease, is the need to structure the contractual relationship carefully. If DCHC doesn't protect themselves at that time against such things as building sizes, tenant uses, parking, access, etc., they will defeat the purpose of using a ground lease in the first place -- to maintain a level of control they wouldn't otherwise have if they sold the property outright. When structuring the contract, it would be in Dimock's best interest to try to structure the contract so that it provided certain inflation hedges such as annual escalators, and in the event of a retail use, a percentage of profits over a certain sales amount.

**CHAPTER III:
CHARACTERISTICS OF POSSIBLE DEVELOPMENT PARTICIPANTS**

In the likely event that Dimock enters into a partnership with one or more partners, they should carefully evaluate the benefits and risks inherent in each possible partner. Understanding the internal characteristics of each possible participant in terms of financial history, political stance, tax position, financial and social goals, management capability and even individual personalities, is very critical to insure the overall success of that project. Identifying and exploiting the positive components of each player and creating a complimentary mix will lead to the best symbiotic relationship within the venture.

NON-PROFIT ORGANIZATIONS

DIMOCK COMMUNITY HEALTH CENTER:

Like many non-profit organizations, especially those oriented toward health and human services, the Dimock Community Health Center has had a history of financial distress. In 1981, they went into State Court receivership before bankruptcy. The case was handled by the State Attorney General's office through its Public Charity Division, where their debt obligations were restructured, and in some cases modified. In 1984, DCHC was "discharged" from receivership, and allowed to move forward as a non-profit entity. They are currently operating in the black for the first time in several years.¹

¹ Personal and telephone interviews with Jackie Jenkins-Scott, President of the DCHC.

As a means of insuring this progress, they have focused on formal long-term strategic planning.

The DCHC has recently made a very clear commitment to the renovation and management of its architectural assets. Their determination to undertake a higher level of "sophisticated stewardship"² -- taking care of what's already there -- was something that evolved slowly and caused a lot of controversy among the DCHC board members. This was a result of the obligation agencies in poor communities often feel to devote their resources to direct, immediate services. It was the support from the preservation foundations like Historic Boston Inc. which helped them to realize that what they were doing was beneficial not for just sentimental reasons, but for practical ones.³ It is clear now that they understand the relationship between their chance at long-term financial stability, and the maximization of their real estate.

Evidence of this commitment can be seen in several ways. First, they have taken the long-term stance with regard to the best way to utilize their currently underused and dilapidated structures, by hiring architects and landscape architects to make a comprehensive site analysis and long-range recommendations. Additionally, in November of 1984, they co-sponsored a workshop panel of developers, planners, preservationists, and members of their own administration which met to discuss preservation strategies, and formulate development options as a means of raising capital funds. The

² Stanley M. Smith, Preface, *Dimock: Guidelines for Preservation Stewardship and Development*, by August Associates, Architects (Boston, Historic Boston, Inc., 1984) p. 5.

³ Joanne Ball, "124-Year-Old Health Center Rehabilitated with Foundation Help." Boston Globe, 28 Jul. 1986, p. 22.

participants included Stanley Smith from Historic Boston Inc., a non-profit preservation revolving fund; August Associates, DCHC's architect; Jackie Jenkins-Scott, DCHC's president; and William Poorvu, a professor of real estate finance at the Harvard Business School.

Obviously, just generating enough operating capital is problematic to the DCHC, and raising up front equity is even more difficult. Yet, DCHC is aware that making the short term, up front commitment is critical to their long term financial health.

Following the 1984 architect's report, the DCHC entered into a partnership with Historic Boston Inc., to restore the Zakrzewska Building. It is hoped that with the completion of the renovation, this structure will be much more efficiently used, and might be able to command a higher rent stream. This is a major first step toward the long term goals recommended by the architects, and is evidence of Dimock's earnest attempt at securing long-term solutions.

HISTORIC BOSTON INC.:

HBI is a private non-profit preservation revolving fund. Since they are private and thus independently funded, they are able to seek a variety of preservation oriented goals. They are able to participate in various real estate partnerships as an owner, such as in the role of general partner, but usually try to exert a level of control on a project without having an ownership position.

Their board consists of a mix of preservation professionals, lawyers, real estate developers, engineers, private consultants, and etc.⁴. The staff are very competent and hardworking preservation professionals and have a proven track-record of preservation successes.

HBI would be an excellent choice as a partner in renovating the Laundry Building because they already have a good working relationship with Dimock through their current renovation venture on the Zakrewska Building. Furthermore, they know all the preservation "ins and outs", and are closely allied with federal, state and local preservation organizations -- always helpful when working with a certified historic property.

In particular, it would be advisable for Dimock and HBI to form a taxable "spin-off" corporation which would own and syndicate the Laundry Building. They could act as the general partners, and sell limited partnership interests to outside investors who are interested in the investment tax credits.

URBAN EDGE, INC.:

Urban Edge, Inc., is a non-profit Community Development Corporation (CDC) based in nearby Jamaica Plain. The organization started as a corporation which could provide services for people who were not being adequately served by the real estate community, and they now operate as a developer, property manager, and construction GC. They have been actively

⁴ Personal and telephone interviews with Neil Pennywitt, Project Manager, Historic Boston, Inc., 1986.

involved in the production of low and moderate-income housing in Roxbury and Jamaica Plain for about 15 years.

Urban Edge has indicated an interest in working with Dimock in their development endeavors. They are very experienced in the Roxbury area -- they rehabilitated the Dimock/Bragdon units directly across Columbus Avenue from the campus -- and are very highly respected by the community. Although they haven't ever worked directly with Dimock before, they recently participated with Historic Boston, Inc. in the renovation of the West Cedar Street "Marble-Front Row Houses".

If Dimock decides to build housing on any of their land, working with Urban Edge as the developer would be a very appropriate decision.

BOSTON REBUILDS:

This organization was set up by the Home Builders Trust of the National Association of Home Builders (NAHB). It serves as an apprenticeship training program for the construction trades, and deals exclusively with rehabilitation projects. They are a publicly funded non-profit organization, but act as a General Contractor for the projects they undertake. Potential projects are reviewed on an "open RFP" basis. [See Appendix 2].

Boston Rebuilds might be a possible contractor choice for the renovation of the Laundry Building, since Dimock might benefit by using this organization in two ways. First, they would be participating in a project which has a benefit to the community. Secondly, they might save money on the rehabilitation costs. Using this organization generally saves at least 10% (and up to 30%) in construction costs (compared to normal union rates), but takes longer. This benefits Dimock since the renovation timing is less critical

to the success of the project, but the up-front costs are. Since Dimock probably won't be using a normal construction loan where the draw-down time is critical to the interest amount paid, what becomes important to this project is the actual renovation amount which must be raised initially. Furthermore, using this organization can provide more flexibility than a normal Owner-Contractor relationship in that they may "turn on and off" the project as funding comes in or is held up.⁵

Boston Rebuilds also has the capability to restructure the balance between the work they subcontract out to professionals (which saves time but costs more and leaves less work for trainees to learn), and the work they do themselves (which costs less and helps the trainees, but takes longer).

An obvious immediate concern here is quality control, and it would be advisable for someone knowledgeable about construction -- such as Neil Pennywitt of Historic Boston Inc., who is the project manager of the Zakrewska Building renovation -- to make site inspections of past and present Boston Rebuilds projects before entering into any agreement with them.

GOVERNMENT AGENCIES

THE BOSTON REDEVELOPMENT AUTHORITY:

Dimock will have to work with the BRA if it chooses to expand to any tax-titled properties, such as those mentioned in the expansion

⁵ Information about Boston Rebuilds was gained through telephone interviews with Joe Vino and Alan Bennett of Boston Rebuilds, 6 Aug. 1986, 8 Aug. 1986.

recommendations. Additionally, DCHC will have to work with the BRA if it needs to seek some form of zoning changes. The BRA will investigate the project's financial feasibility, design, traffic and parking, and etc..

The BRA and the Flynn Administration have recently committed themselves to expand the supply of affordable housing as a means of alleviating the current Boston housing crisis. They are approaching this task from two directions. First, they are attempting to protect the existing stock of affordable housing -- private and subsidized rental housing, public housing, and owner-occupied housing. The other approach is to maximize the amount of affordable housing built in new construction and rehabilitation projects.⁶

Working with the BRA will impose restrictions which might not apply to non-BRA owned properties, but at the same time has some advantages. On BRA-owned parcels Dimock would be required to designate a minimum of 35% of the units as "affordable housing". However, on BRA-owned properties, the BRA might be able to help with the write-down of the acquisition price, as well as the payment of some of the infrastructure costs.⁷

The BRA will also require deed restrictions that will limit the resale price of the units -- this will apply to housing developments on both public and private land -- as a means of guaranteeing the long term affordability of "afordable equity" units.⁸

⁶ Peter Dreier, Memorandum to the BRA staff concerning housing goals and guidelines, 13 May 1986, p. 1.

⁷ Peter Dreier, Memorandum to the BRA staff concerning housing goals and guidelines, 13 May 1986, p. 2.

⁸ Peter Dreier, Memorandum to the BRA staff concerning housing goals and guidelines, 13 May 1986, pp. 1, 3.

DIVISION OF CAPITAL PLANNING AND OPERATIONS:

The DCPO is the state vehicle by which state agencies find rental space. In the event that Dimock develops any of their land for office use, finding a state tenant would insure that they had a fairly stable source of income production. For example, the Division of Employment Security is currently looking for 4,000 to 6,000 square feet of space in the Roxbury area. There are very strict guidelines which must be followed when dealing with a state tenant [See Appendix 3], but they tend to pay slightly higher rent in the Roxbury area.

EXPECTANT WOMEN IN THE MASSACHUSETTS CRIMINAL JUSTICE SYSTEM:

The Community Services for Women and the Women's Health and Learning Center (CSW/WHLC) are interested in locating a small correctional facility at the DCHC. They are seeking space for 11-12 women prisoners who would reside there while pregnant, and for a while post-partem. Additionally the CSW/WHLC are looking for space for their offices. They are interested specifically in locating in the Laundry Building.

The money for this venture would come from the state in one of three possible forms; "Chapter 141/140" money which is aimed at reducing overcrowded conditions in the prison system; "Alternative Corrections" money which has a possible \$3,000,000, (although it has not been approved yet, and may remain up in the air for quite a while); and from the

Department of Public Health -- money earmarked for drug rehabilitation, which some of these expectant mothers need.⁹

In theory, this proposal might work. It dovetails nicely with the original intention of the NEHWC, and these prisoners could contract for their health services with the DCHC.

Obviously, security would have to be fully evaluated. These prisoners have an average sentence of 4 to 6 months, and are considered to be "minimum security" prisoners, and this facility would operate like a halfway house. Additionally, it is questionable whether their offices, as well as housing for 12 prisoners, is possible in a small, 3,266 square foot building, and CSW/WHLC have indicated they are not interested in expanding elsewhere on the campus. But since new construction would cost much the same per square foot as the renovation of the Laundry Building, they have two additional options. They might choose to ground lease an appropriate portion of land, and build a facility themselves which addresses their space needs. Or Dimock could develop a building for them and rent the space to them. Possible sites for this are indicated on Exhibit 3. Each of the locations has its constraints. Locations 1 and 2 will be more likely to be subject to neighborhood disapproval since they are locations which abutt other non-Dimock users. Locations 3 and 4 are more appropriate, but seriously impede Dimock's ability to further develop the site. Location 5 doesn't have those problems, but may effect operations at the Cheney House and the Richards Building.

⁹ Telephone interview with Lila Austin, Expectant Mothers Task Force, 8 Jul. 1986.

PRIVATE SECTOR AGENCIES

JTD PROPERTY MANAGEMENT, INC. AND NEW BOSTON RESOURCES:

This private for-profit developer is interested in developing the Laundry Building and some of the vacant land in a joint venture with New Boston Resources, a non-profit corporation which provides vocational training for handicapped individuals. This proposal has three components. First, they propose to undertake the complete renovation of the Laundry Building. The first floor of the building would be a "sheltered workshop" for handicapped individuals, some of whom are physically handicapped, some of whom are mentally handicapped. This would be a daytime use only -- their work involving such tasks as doing bulk-mailings, or assembling small machinery components for area businesses. The second floor of the building would be used for offices, with the likelihood of JTD Management, Inc. locating some of their management staff and operations there.

Added to this proposal, is their wish to develop through some sort of a long-term lease, congregate housing on Parcels A and C. They appear to be flexible concerning this component, and felt that it might include a small complex of apartment units or buildings for potential new programs, activities, and health needs of persons using the DCHC.

The third component to this proposal is a management agreement . JTD feels they could increase Dimock's tenant efficiency to "significantly

increase income without increasing costs and to free up DCHC staff to focus on the essential goals of the center."¹⁰

With regard to qualifications and experience, JTD seem to be very sensitive to issues which are particular to this site. They seem to have a good level of experience, and the capability of taking on larger projects than this. They have taken quite a few vacant and deteriorated buildings and turned them into low-income housing -- some not even using public funds. Additionally, they have their own construction company. This often doesn't keep costs down, (although they say it does for them) but it might allow them to have better control over the quality of the work done, as well as the scheduling of the work. This also means their particular crew have worked on older buildings in Roxbury -- so they have experience with the problems particular to the renovation of historic structures, as well as local working conditions (materials sources, permitting and inspections, vandalism, etc.) They have used both private as well as public funds. If Dimock does decide to develop any of their vacant land in partnership with a private developer, these people would be very appropriate.

The obvious question with JTD as well as any private developer is whether their goals match the goals of the DCHC. For example, DCHC might not want to or be able to afford to have JTD manage their properties, but JTD might not be able to move forward without the management component of the proposal. Or the DCHC might decide to phase the development components over such a long term, that JTD also wouldn't be able to tie up their commitment to the project without an immediate return. Further

¹⁰ Memo to Jackie Jenkins-Scott from John Burlingame, William Dromgoole, and John Sullivan of JTD Management, Inc., 2 May 1986.

discussions and negotiations should address these issues very comprehensively.

CHAPTER IV

CONCLUSION: LONG-RANGE DEVELOPMENT RECOMMENDATIONS

CREATION OF A MASTER PLAN

As a compliment to the Dimock Community Health Center's long-term financial strategic plan, the first phase of which is completed, Dimock should think in terms of a long-range comprehensive renovation and development plan. The August Associates' Dimock: Guidelines for Preservation Stewardship and Development, completed in 1984, serves as an excellent foundation from which to start, since it concerns the renovation needs of all the historic buildings. But Dimock needs to move beyond the study into more specific applications.

They are are several directions they may take to raise the capital they are seeking. They can renovate the Laundry Building, expand and develop their land holdings, improve the existing vacant land, sell the unimproved parcels and/or the Laundry Building, or any combination of these.

They are fortunate there are different options for them to undertake since it is in combination that Dimock might best utilize their resources and protect themselves from risk. Diversity would be an effective method of risk-aversion, particularly to an organization which depends considerably on public and private funding. Each option should be investigated independently, then as it may affect the other options in terms of market timeliness, and as it may fit within Dimock's long-term goals.

The components of the master plan should be phased. This is important for several reasons. First, by moving along project by project Dimock will not be as likely overextend themselves financially. Second, phasing allows them to take timely advantage of trends in the local market.

Finally, it allows them to move when appropriate funding exists for a certain market product.

Understanding that changes can occur overnight in a volatile real estate market like Boston's -- especially in lieu of possible tax changes, Federal, State and City finding withdrawals, and community exertion of power -- there are certain development options which are immediately more viable to the DCHC than the others. The following options are arranged in order of their phasing timeliness, and are discussed in term of their opportunities and constraints.

RENOVATION OF LAUNDRY BUILDING PHASE 1

At a very basic level, the laundry building already exists and contributes to the architectural language of the campus. It could be an attractive physical asset, but since it's presently unused and thus subject to vandalism, arson, and decay, it acts like a liability. The unimproved land also exists, but much less protection is needed for it, it doesn't deteriorate, and much more needs to be done to it for it to become financially valuable to Dimock in a way they can use. For these reasons, the renovation of the Laundry Building should comprise the first development phase.

There are several different levels of renovation which may be undertaken for the Laundry Building, each level with it's own opportunities and constraints. It is critical to point out at the outset that leaving the structure as it is will result in an accelerated rapid deterioration which will eventually irreversibly, and permanently, destroy the structure.

The following are steps which independently act as renovation steps, but in total equal a complete level of renovation:

Step 1). This minimum level of renovation would be more appropriately called building stabilization. First, it is necessary to protect the structure against the elements. There already exist attempts at waterproofing through the sealing of the windows with boards, and this has certainly helped, but it isn't enough. There are a few very serious roof leaks and holes which allow for a considerable amount of water to enter the building. This water permeates throughout the wood, which molds and rots during the summer, and freezes during the winter. This ruins the finish surfaces, and more seriously, eventually, the structural systems. These holes also allow for increased amounts of animal and insect inhabitation. Weather-tightening the building should be a first priority, since the cost to do so now will result in a long-range cost savings later when further renovation takes place. This step can be achieved at a minimal level by simply repairing the leaks, and at a more satisfactory level, by replacing the roof. From a preservation standpoint, the more the original details of the structure are saved, the more the structure maintains the architectural integrity the architect originally intended.

A second issue aimed at building stabilization, is protection from vandalism. There have been numerous episodes of late night break-ins -- some recently. With each successful break-in, the building suffers more vandalism damage, and increases its risk of complete destruction by arson (there has already been an arson attempt, which resulted in minor damage). Increased door and window protection would help this situation, while concurrently increasing the level of protection against animals and the elements.

Step 2). Much of the brickwork is deteriorating due to age, as well as the elevated levels of moisture resulting from the roof leaks, and the contact with the land ledge on the north side of the building. Repointing of the bricks will be a necessary step if any renovation of the building is to take place, and the sooner it is started, the less difficult (and expensive!) the task will be.

Step 3). Additional renovations necessary to prepare for human inhabitation will include the following:

- A. Replacement of all the windows.
- B. Reparation of all doors which can be repaired, and replacement of those which are beyond repair.
- C. Reparation of the exterior stairway on the north side of the building, with special emphasis to the replacement of the shed roof over the entrance.
- D. Reparation and rebuilding of the chimney on the southwest corner of the building.
- E. Removal of the wooden overhead power supply housing which comes from the adjacent power building, and relocation of the power supply below ground.
- F. Introduction of adequate electrical, water and sewer, and mechanical systems into the building, as none of the original systems are currently operational, or repairable.
- G. Construction of an adequate floor system for the first floor, since it is currently crumbling in places (water again!), and full of holes (drainage trenches). On the second floor it is important to replace the floorboards which were damaged during the vandalism fire.

H. Introduction of adequate partitioning, bathrooms, egresses, and finish treatments.

DCHC has several renovation options open to them.

Option 1

They may choose to leave all renovations and repairs to their tenants. This shifts responsibility of the costs to the tenant, and allows DCHC to use their money elsewhere. However it also shifts much of the control over the quality of the renovations to the tenant. Additionally, since the building is rather aesthetically unappealing in its present condition (especially to the lay-person), it would definitely result in a low rent stream, and might even scare away desirable tenants who are unable to visualize the building's potential. Furthermore, in order to spread their substantial up-front renovation costs over time, the tenant which would have the capability of paying these up-front costs, would demand a very long-term lease, and probably at a very low rent if they would agree to pay rent at all. This results in another loss of control from Dimock's standpoint, since they need to assure themselves that they could stay current with rises in local real estate values. Long-term leases can also restrict future expansion possibilities, comprehensive redevelopment strategies, and property disposition through sale.

Most importantly, this option addresses one of Dimock's needs to the detriment of another. Dimock needs to stabilize the building to prevent further deterioration due to the elements and vandals. They also need to get their assets (like this one) to make some money for them. By having a tenant pay all the renovation costs up front, they have the building stabilized, and someone occupying it, but Dimock doesn't really get any immediate financial

benefit, other than what it would have cost them to stabilize the building, and they have added increases in insurance and general "landlord costs". Furthermore, once the long-term lease is up, the building may need another (albeit lesser) round of renovation work, before Dimock can get a new rent-paying tenant.

Option 2

This renovation scenario could act as an interim strategy of attracting desirable tenants and encouraging a higher, consistent rent stream.

In this option, Dimock would choose to perform a portion of the renovation themselves, leaving a portion to be appropriately completed by the tenant. This would include repairing or replacing the roof, replacing all the windows, repairing the holes in the floors, demolition of the crumbling non-structural interior walls, and removal of all interior and exterior debris. Additionally, minor weed removal would make access to the building more comfortable.

The completion of these steps would have several positive results. First, from a marketing standpoint it would make the building much more aesthetically appealing. The space would "show" much better to potential tenants -- many of whom are relatively unsophisticated "space consumers". Most people are not able to visualize potential very well; they must see something resembling the finished product before they feel comfortable enough to make a "purchase" (or in this case sign a lease). Moreover, tenants will pay incrementally higher rent for less "scary" space, and the renovation portion left to them would seem much less overwhelming.

A critical issue if this renovation level is chosen, is the replacement of the windows. Touring the inside of a building by means of flashlights is very

unsettling, and an unsatisfactory way to encourage potential tenants. The open plan and windows on three sides will make the space seem larger and brighter, and will give one the feeling of being in a quiet building in the middle of the woods. However, there is a danger of spending money on expensive new windows for an uninhabited building, just to have them destroyed by vandals.

The cost for Dimock to perform this renovation option would be around \$61,420 or about \$18.81 per gross square foot of building. [See Table 1].

Option 3

Dimock may also choose to perform an even higher level of renovation. This could include those steps outlined in A through G above, with a "finish allowance" for the items such as carpeting, partition walls, and lighting contained in Step 3 H. Potential tenants would see a clean, bright, open plan which they could finish to their own needs, instead of an "old building in terrible shape". Dimock would be able to exert much more control in the quality of the renovations, and the length of the leases, and the rent which could be commanded would be significantly higher. The obvious drawback is the considerable up-front cost which Dimock would have to bear.

It is not recommended that Dimock complete this renovation scenario with the "finishes" called for in Step 3 H for several reasons. First, it would increase the up-front costs and would require Dimock to seek more capital or to undertake more debt obligation. Second, renovation of this space is speculative at any level -- and too high a level of finish narrows the user

market somewhat. Finally, the real estate market in the Egleston Square section of Roxbury is still not what it is elsewhere in Boston, and Dimock might never recover their up-front costs in realized rents. The hard costs incurred in this renovation option would approximate \$227, 600 or about \$70 per gross square foot of building. [See Table 2].

For all the renovation options, and since this is an historically significant building, it is important to try to preserve as many of the original elements of the building as is possible. When replacement is necessary, it is best to replace using the same material, for example, oak to oak, slate to slate, etc.. When it is impossible to do so due to obsolescence, every effort should be made to make the replacement look and act like the original material or structure. For example, it may be necessary to use new thermal pane window units, for energy conservation reasons (most of the original lights and sash are gone), but they should resemble as closely as possible, the original appearance of the windows. Short-cuts such as bricking in arches to accomodate standard sized windows is unacceptable.

EXPANSION PHASE 2

One way for DCHC to maximize it's long-term financial position, would be for them to expand their land-holdings on Parcel B while it is still possible (prices being low, due to Roxbury's still low current economic climate, and while tax-title properties are attainable). This would be an obvious financial strain in the immediate short-term, but would be an effective long-term

strategy. Although the bulk of this phase should occur after income is coming in from the Laundry Building, acquisition of some of the parcels might be concurrent with the Laundry Building renovation. This is due to the process by which tax-titled parcels are obtainable from the BRA. Other than being in close communication with the BRA and the Department of Public Facilities, Dimock will need to closely watch for advertisements in the Boston Papers concerning the disposition of any of these parcels.

This expansion would serve two main purposes. First, it allows DCHC to participate in the possible "upside" of the recent area development opportunities. Since they would be generating development internally, there should be little neighborhood opposition, and since the site is mostly vacant there would be very little tenant or owner displacement. Moreover, DCHC is well respected within the community, and would be creating a development which would be of value to the community at large.

But the most important benefit to DCHC would be protection. By gaining control of the land, DCHC could introduce a development use which would be consistent with the goals and uses associated with the DCHC. They could insure themselves of appropriate building types, traffic flow, and etc., while at the same time expanding their services to the community.

The loss of the adjacent tax-title properties on Notre Dame Street to the Elizabeth Stone house development is an example of how DCHC might lose control of their other expansion possibilities for a long time. It is lucky for them that the Stone House has a use which compliments the DCHC, but the next time, they may not be so lucky.

Specifically, it would be appropriate for DCHC to try to acquire parcels 940-947 (they already own 941), and those immediately across Notre Dame

Street (977-985) as a priority phase. [See Exhibit 8]. These acquisitions are all vacant lots, except two (938 and 979) which are nicely maintained homes. Almost all of the vacant parcels are owned by two owners, and would currently involve buy-outs. This would be an appropriate time to begin negotiations to acquire these parcels, since prices are still well below the Boston average, but are expected to rise faster than average due to the development pressure Roxbury is currently facing. It is probable that the DCHC's non-profit status would help them acquire the tax-titled properties over a for-profit developer, and additionally, since they are the immediate abutters on either side of the parcels on the west side of Notre Dame street. It might also help in the event the city used eminent domain to assemble the land for a development opportunity.

The location of these parcels is far away enough from the rest of the Dimock "campus" that a less compatible use might be developed there. The structures constructed there could "face-away" from the campus, and face toward each other across Notre Dame Street. This would be an especially appropriate treatment for residential structures, since it addresses the street in a manner more consistent with the surrounding urban residential pattern. Vehicular access to this development wouldn't interfere with the upper campus, nor would architectural design criteria be so critical.

Dimock could participate in a joint venture to create a project which could co-operate symbiotically with the health and human services offered at Dimock. For example, the Department of Youth Services has approached DCHC looking for a residential location for some of their adolescent boys.

Whether Dimock acts as the developer, ground leases, or enters into a partnership on these acquired parcels, would be entirely dictated by the current income needs of Dimock, the characteristics of the tenant, and a

designated community need, but as owners of these properties, they would at least have some of these options.

This option is the most acceptable area for housing redevelopment through a joint venture with a for-profit developer, but since they, themselves have a chance to acquire the parcels from the city, DCHC should make this acquisition an immediate priority so that they would have a negotiating position.

IMPROVING THE VACANT LAND PHASE 3

After the renovation of the Laundry Building is completed, and stabilized income is realized, Dimock may want or need to further increase their income base, or they may need to expand their own operations. Development of Parcels A and C would be the next logical phase of the overall master plan. However, it is absolutely critical that any development occur coincidentally with an improved local market.

The only exception to this would be in the event that a particular tenant was interested in locating in the Laundry Building, but needed to expand on to the adjacent land contained in Parcel A.

As a means of maintaining a level of site-control, Dimock should use a ground lease if they develop any of the land they own.

OFFICE BUILDINGS:

If Dimock were to act in partnership with a non-profit or private for-profit development corporation to improve the vacant land located on Parcel

C, it should be with the intent to develop the site for a use which would enhance the already existing services offered at Dimock.

The development of office buildings could be consistent with the existing upper campus operationally and architecturally. The scale and programs of the office buildings could resemble what already exists on the campus, and siting could be consistent with the campus feel. The offices located in these new structures would contribute to an expanded range of services offered by the Center. They could include more health-related services, community services, and educationally-oriented programs like adult literacy classes, and the BostonWorks job training organization.

RESIDENTIAL BUILDINGS:

From a market standpoint, there is in Boston a tremendous need for all kinds of housing. Locally, this need is felt strongest by low and moderate income persons. The demand is high, and the supply is low, which of course, increases competition and raises prices.

From a development standpoint, housing is more difficult to create and still be able to make a profit -- especially low and moderate income housing, so developers in the Boston area have concentrated on developing office and retail projects. But since these markets are beginning to be oversupplied in Boston, developers are beginning to shift their development product focus. Even without this development shift, there are non-profit and private developers like Urban Edge, Inc, and JTD Property Management, Inc, which have extensive experience and success in developing low and moderate-income housing.

Added to this is Boston's critical housing crunch which has necessitated the City of Boston and the State of Massachusetts to provide housing incentives in the face of dwindling Federal subsidies. The market and the subsidies add up to a much better support-system for residential development than existed before. Theoretically, the sum is arrived at easily: high demand for a product, low supply, and incentives to provide that product. *And* DCHC has the site.

However it must be remembered that the introduction of housing to the site could prove to very intrusive to the "campus" and its operations, especially on parcels A and C.

SALE OF UNIMPROVED LAND

OPTION 4

The workshop panel members who met in 1984, felt that Dimock could sell the unimproved land and the Laundry Building to private developers without compromising the current programs. However, they felt that the area was then undervalued, and that better values would result from a later sale which would coincide with an expected commercial revitalization of the area in the next five to ten years.¹

The obvious advantage to this option is the immediate equity which could be put to use in other critical areas of the campus -- either for

¹ Dimock Community Health Center; Preservation and Development Workshop Summary Report from the conference. (Boston: Historic Boston, Inc., 1984), p. 3.

maintenance of the other existing structures, or for program operations and expansion.

The disadvantages of this option include the need to wait for a timely sale, and a definite loss of control. This loss of control could be translated into a substantial diminution of value on the remaining campus in aesthetic as well as economic terms. Furthermore, since Dimock is a non-profit organization, they don't pay real estate taxes on any portion of the property², and since the maintenance costs must be relatively low, it shouldn't be prohibitively expensive for them to hold on to it. The land is an asset, not a liability. This author's opinion is that an outright sale of the land without protective covenants as to use, scale, density, traffic control, etc., *would* compromise operations at Dimock, and should not occur at any time in the foreseeable future. Furthermore, it would appear that since the 1984 report, the DCHC is in much better financial health (this author suspects it's largely due to Jackie Jenkins-Scott) so that this "last-ditch" option of selling the land to keep the DCHC alive is for the time being, no longer necessary.

A much more favorable solution would be for Dimock to capitalize on the increasing development opportunities themselves, as a way of insuring the capital they seek for operations of the Center.

² Dimock does pay real estate taxes on a small parcel they acquired along Notre Dame Street (parcel #941), since they don't use it in the operations of the Center.

**APPENDIX 1:
FINANCIAL IMPLICATIONS OF THE LAUNDRY BUILDING RENOVATION**

FINANCIAL AND LEASING ASSUMPTIONS OF THE
RENOVATED LAUNDRY BUILDING
(option 3 level of completion)

OFFICE TENANT ONLY:

- 1). All leases should be net: the Lessees should be responsible for all operations expenses, real estate tax payments (if there are any), and insurance premiums, and minor repairs. Dimock should only be responsible for those expenses which would normally be capitalized.

This is an attempt to reduce the responsibilities associated with being a landlord, so that Dimock can focus their attention and capital to the operations of the center.

In the event that DCHC chooses to take on the operating costs, they should begin with a \$4/sf operating figure, then add an 8% per year escalator to keep current with inflation.

- 2). All leases include a 5% per year rent escalator as a means of keeping current with the market. If the local Roxbury market should change for the better, the escalator percentage should also change to reflect the market when the leases turn over.
- 3). There is a 1% replacement reserve built into the net operating income statement. This is a fund which should be reserved to pay capital expenses and/or repairs of the structure to keep it in good condition.

In the absence of operations obligations, the replacement reserve is important for building upkeep, and might be required to secure a mortgage on the building.

At the termination of a lease, this fund could be used for the new tenant finish allowance, to provide for the continuance of attracting desirable tenants.

- 4). A \$14/sf finish allowance is currently acceptable for "Class B" office space in this location. This should be offered to prospective tenants, who may want to choose to increase the level of finish at their expense.

RESIDENTIAL TENANT ONLY:

- 1). A much higher \$18/sf minimum finish allowance is required for residential tenancies -- the higher cost goes to kitchens and upgrades in bathrooms. If the residential tenant chooses to finish the space at a higher level, they should do so at their expense.
- 2). Provision should be made here for a rent escalation similar to the escalation on the office leases, however, the percentage amount should be what the rise in local residential rent is for they type of tenancy (market-rate, low or moderate-income, etc.) involved.

In the event that Dimock rents to a group like the Expectant Women Prisoners, the lease should resemble a commercial one, rather than a standard apartment lease, since the prison is essentially a business, which happens to have residents.

- 3). In the event that Dimock has insurance which covers the entire campus rather than individual buildings, and therefore cannot pass this obligation on to the tenants, they should be aware that their rates will probably go up substantially due to residential use (from \$.35 per \$100 of value for office use to \$1.67 per \$100 of value for residential use)¹.
- 4). All leases should be net: the Lessees should be responsible for all operations expenses, real estate tax payments (if there are any), and insurance premiums, and minor repairs. Dimock should only be responsible for those expenses which would normally be capitalized.

¹ Telephone interview with David MacRae, President, MacRae Insurance, Co., 10 Aug 1986.

This is an attempt to reduce the responsibilities associated with being a landlord, so that Dimock can focus their attention and capital to the operations of the center.

- 5). There is a 1% replacement reserve built into the net operating income statement. This is a fund which should be reserved to pay capital expenses and/or repairs of the structure to keep it in good condition.

In the absence of operations obligations, the replacement reserve is important for building upkeep, and might be required to secure a mortgage on the building.

At the termination of a lease, this fund could be used for the new tenant finish allowance, to provide for the continuance of attracting desirable tenants.

CONSTRUCTION COST ESTIMATES

TABLE 1

**Laundry Building Renovation Cost Estimate
Option 2**

Division	Quantity/Price/Unit ¹	Total
1) General ² :		
Field Office*		-----
Temp Elec/Ht*		-----
Telephone*		-----
Storage*		-----
Security ³		-----
Dumpster (30 C.Y. cap.)	2 x \$600 + \$25ea/wk x 3wks	1,350.
General Total		\$1,350.
2) Sitework:		
Clean-up	(colapsed wood-frn bldg & sinks, beds, weed removal, etc.)	640.
Final Clean-up	2 men @ \$20/hr x 8hrs x 2 days	640.
Subtotal Sitework		1,280.
Total Sitework	(Boston Multiplier @ 105.2 - \$67)	\$1,347.

¹ Total price includes all materials and labor unless otherwise noted.

² As a cost savings measure, * items are those which may draw from the services already existing at DCHC -- in particular in the adjacent Power Building.

³ Any construction site is vulnerable to theft and vandalism, and DCHC is particularly susceptible. Adequate security should be undertaken.

4) Metals ⁴		
Aesbestos Removal ⁵ (labor, removal, and permit)		2,500.
Pipe Removal (labor only)		1,500.
Removal of old boiler 4 men @ \$20/hr x 8hrs x 2		1,280.
Subtotal Metals		5,280.
Total Metals (Boston Multiplier @ 110.5 = \$554)		\$5,834.
5) Wood		
Framing:		
Rafter-tails -- repair, replace, and paint (15)		3,750.
Repair fire hole w/ subflooring, underlayment, hardwood to match (3' x \$50/sf)		150.
Subtotal Wood		3,900.
Total Wood (Boston Multiplier @ 105.4 = \$210)		\$4,111.
6) Thermal / Moisture Protection		
Roof:		
3/4" brd, 30#felt, used Monson slate, copper nails (12 sqs x \$950./sq) repair as needed		11,400.
Cupolas: same materials/labor as roof 1 sq x \$950./sq (for both)		950.
Subtotal T/MP		12,350.
Total T/MP (Boston Multiplier @ 111.7 = \$1,445)		\$13,795.
7) Windows / Doors		
Windows: replace 100%		

⁴ It is assumed that no cleaning of structural members is necessary, since the aging of the original metal members adds to the attractiveness of the building.

⁵ Since several of the pipes are wrapped in aesbestos, an aesbestos removal permit from the DEQE, and special handling is required. Since it may take as long as a few months for the permit to be approved, it would be wise to plan appropriately ahead for this step.

Custom sash, various sizes, dbl glz, 1/4" thick lites, (31 windows x approx \$800/window)	24,800.
Subtotal D / W	24,800.
Total D / W (Boston Multiplier @ 105.8 - \$1,438)	\$26,238.
Total All Divisions	\$52,675.
A&E (Total 6% = \$3,161)	3,161.
Contingency (@ 10% = \$5,584)	5,584.
TOTAL OPTION 2 HARD COSTS	\$61,419.
Total per gross square foot = \$18.81	

TABLE 2

**Laundry Building Renovation Cost Estimate
Option 3**

Division	Quantity/Price/Units ¹	Total
1) General ² :		
Field Office*		-----
Temp Elec/Ht*		-----
Telephone*		-----
Storage*		-----
Security ³ *		-----
Dumpster (30 C.Y. cap.)	4 x \$600 + \$25ea/wk x 12wks	2,400.
Total General		\$2,400.
2) Sitework:		
Clear and grub	1/4 acre (bldg Perim.) x \$2,000/acre	500.
Trench	6' north side of bldg, incl. gravel backfill	4,000.
Clean-up	colapsed wood-frm bldg & sinks, beds, etc.	640.
Final Clean-up	2 men @ \$20/hr x 8hrs x 2 days	640.
Sitework Subtotal		6,780.
Total Sitework	(Boston multiplier @ 105.2 = \$353)	\$6,132.
3) Masonry:		

¹ Total price includes all materials and labor unless otherwise noted

² As a cost savings measure, * items are those which may draw from the services already existing at DCHC -- in particular in the adjacent Power Building.

³ Any construction site is vulnerable to theft and vandalism, and DCHC is especially susceptible. Adequate security should be undertaken.

Interior removal of Brick walls⁴ [See Exhibits 3 through 6]

Wall I-1	(11' x 14' x 1') x \$5.05/cf	778.
Wall I-2	"	778.
Wall I-4	(13' x 14' x 1') x \$5.05/cf	920.
Wall I-5	(10' x 14' x 1') x \$5.05/cf	707.
Wall I-6	(5' x 14' x 1') x \$5.05/cf	354.
Wall I-9	(11' x 14' x 1') x \$5.05/cf	778.
Rebuild Wall E-1	(35'6" x 14') x \$17.50/sf	8,697.
	with moistureproofing (35'6" x 14') x \$3.29/sf	1,635.
Rebuild Chimney	(3'6" x 6') + (2'9" x 6') x \$52/sf	2,000.
Repoint Walls ⁵ E-2, E-3, E-4, E-5, (35'6" x 10') of E-1	@ 50% x \$2.50/sf x 3,500 (aprx. total sf)	4,325.
	add: 17% for shoring & bracing	736.
Clean interior surfaces ⁶	x \$.77/sf	
Wall E-1	(35'6" x 10') x \$.77	258.
Wall E-2	(9' + 5' + 5' x 14') x \$.77	205.
Wall E-3	(35'9" x 14') + (35'9" x 10') + (9' x 4') x \$.77	690.
Wall E-4	(11'9" + 9'6" x 14') + (11'9" + 9'6" x 10') x \$.77	394.
Wall E-5	(42'6" x 14') + (50'9" x 10') x \$.77	849.
Wall I-3	(17'9" x 14') x 2 sides x \$.77	383.
Wall I-7	(10'6" x 14') x \$.77	114.
Wall I-8	(4'6" + 4' x 14') x \$.77	92.
Wall I-10	(5'3" + 4' x 14') x \$.77	130.
Chimney wall	(3'6" x 10') + (2'9" x 10') x \$.77	49.
Subtotal Masonry		24,872.
Total Masonry	(Boston Multiplier @ 110.7 = \$2,661)	\$37,708.

⁴ Demolition includes salvage of bricks to be used elsewhere on project.

⁵ Includes assumption of repointing of 50% of walls.

⁶ Assumes sandblasting method, although it is much more preferable to use other methods which provide for better long-term protection of bricks' patina.

4) Metals ⁷		
Aesbestos Removal ⁸ (labor, removal, and permit)		2,500.
Pipe Removal (labor only)		1,500.
Removal of old boiler (labor only)		1,280.
Steel Beam ⁹ W 6x9 (18' x \$10.50/lf) x 2 beams		
temporary shoring and bracing:		
(14' x \$10.30) x 4 verticle members		
(18' x \$10.30) x 2 horizontal members		16,000.
+ 17% of total		2,720.
Subtotal Metals		24,000.
Total Metals	(Boston Multiplier @ 110.5 = \$2,520)	\$26,520.
5) Wood		
Framing:		
Rafter-Tails -- repair, replace and paint (15)		3,750.
Flooring:		
Sleeper Framing, on concrete, treated 2"x4" (465 bd ft sleepers x \$1025/sf/1000')		500.
Subflooring on 1st fl, (Plywd 11/8" incl underlayment) 1,676 (usable sf) x \$1.31/sf		2,196.
Repair fire hole w/ subflooring, underlayment, hardwood to match (3' x \$50/sf)		150.
Repair stair treads/risers/balusters/railing as needed		500.
Subtotal Wood		7,096.
Total Wood	(Boston Multiplier @ 105.4 = \$383)	\$7,479.

⁷ It is assumed that no cleaning of structural members is necessary, since the aging of the original metal members adds to the attractiveness of the building.

⁸ Since several of the pipes are wrapped in aesbestos, an aesbestos removal permit from the DEQE, and special handling is required. Since it may take as long as a few months for the permit to be approved, it would be wise to plan appropriately ahead for this step.

⁹ To support brick barrel-vaulted ceiling with the removal of walls I-1 and I-2.

6) Thermal / Moisture Protection

Roof:

3/4" brd, 30#felt, used Monson slate, copper nails
(12 sqs x \$950./sq) repair as needed 11,400.

Cupolas: same materials/labor as roof

1 sq x \$950./sq (for both) 950.

Roof Insulation R7.7 \$1./sf x aprox 3,300sf 3,300.

Subtotal T/MP 15,650.

Total T/MP (Boston Multiplier @ 111.7 = \$1,831) **\$17,481.**

7) Windows / Doors

Windows: replace 100%

Custom sash, various sizes, dbl glz, 1/4" thick lites,
(31 windows x approx \$800/window) 24,800.

Doors:

Repair or replace doors as needed
(4 @ \$600, 2 @ \$150) 2,700.

Subtotal Doors / Windows 27,500.

Total D/W (Boston Multiplier @ 105.8 = \$1,595) **\$29,095.**

8) Finishes

Paint¹⁰:

Windows, both sides, 2 coats (31 windows x \$40) 1,240.

Doors, both sides, 2 coats (6 doors x \$35) 210.

Refinish 2nd story floor¹¹ (1,590sf x \$1.50/sf) 2,385.

Subtotal Finishes 3,835.

Total Finishes (Boston Multiplier @ 123.6 = \$905) **\$4,740.**

9) Mechanical

¹⁰ Oil base paint recommended for lastability and ease of cleaning.

¹¹ Includes sanding and two coats of sealant/protectant.

HVAC ¹² : inclu. ductwork, registers, thermostats, zones. Two systems, 1 zone ea. system (3,266 sf x \$4.75/sf)	15,520.
Sprinkler System: (3,200 sf x \$.98/sf)	3,200.
Plumbing: incl. one bathroom ¹³ per floor (3,266 sf x \$2.50/sf)	8,165.
Subtotal Mechanical	26,885.
Total Mechanical (Boston Multiplier @ 107.2 = \$1,936)	\$28,820.
10) Electrical	
Wiring: 200 amp min., 220 volt min. (3,266 sf x \$5.00/sf)	16,330.
Lighting:	
Exterior floodlights (4 x \$280/ea)	1,120.
Emergency battery operated (3 x \$300/ea)	900.
Exit, single face (3 x \$72)	216.
Heat/Smoke Detection, 8 zones (1 x \$1,500)	1,500.
Subtotal Electrical	20,066.
Total Electrical (Boston Multiplier @ 110.7 = \$2,147)	\$22,213.
11) Utilities	
Gas and Electric Service	5,000.
Total Utilities (Boston Multiplier @ 110.3 = \$515)	\$5,515.
Total All Divisions	\$195,199.

¹² Location of HV to be contained in the existing (obsolete) chimney, AC to be located unobtrusively outside and conveyed with 3/4" and 3/8" copper line.

¹³ Each bathroom to include one tank type water closet, one sink, one counter, and tile floors, to be code for handicap access.

A&E	(Total 6% = \$11,712)	11,712.
Contingency	(10% = \$20,691)	20,691.

TOTAL HARD COSTS OPTION 3 **\$227,602.**

Total Cost Per Gross Square Foot = \$69.69

RELATIONSHIP BETWEEN CONSTRUCTION COSTS
AND NET MARKET RENT

As with any income producing real estate project, there exists a critical relationship between what the project costs and what its returns are.

This is particularly true with a renovation, since there are many unknown construction factors which make the final construction cost estimation and amortization very difficult to arrive at accurately. [See Table 3].

Coupled with the difficulty in predicting accurately a renovation cost total, is the further problem of estimating what rental price per square foot a project will actually bring. [See Tables 4 & 5]. This is intensified at Dimock for several reasons. First, there is no rental history attached to the building to use as a starting point. Second, the current rental rates on the upper campus are unrealistically low for non-market reasons and are thus useless as a comparison. Third, there are very few office buildings in the nearby vicinity in Roxbury which illustrate what the office market will bear. Finally, there is a lack of recent professional office market studies conducted in this area of Roxbury.

The result is the necessity for Dimock to compare different construction cost estimates with different rental figures to arrive at a break even point. This comparison provides information about what degree they may choose to renovate the Laundry Building. It also provides information about how they may wish to structure the leases, and what rent they must seek. [See Tables 6 through 11].

For example, at \$14/sf of rent, they may renovate the building for \$85/sf or less and still lose no money during the seven year holding period (lease term). Conversely, if the renovation costs \$100/sf, Dimock must get at least \$16/sf rent in order to make money.

These tables are very basic -- there are no allowances for vacancy rates, debt service, operating expenses -- as a means of providing a basis of comparison that doesn't depend on the combination of those elements (which would vary according to the market and inflation) to illustrate the relationship between renovation costs and market rent.

TABLE 3

CONSTRUCTION COST TABLE
OPTION 3
 (assumes 7 year leasehold, simple ammortization)

SF COST	X 3,266 SF	TOTAL	COST PER YEAR
\$50	"	\$163,300	\$23,329
\$55	"	\$179,630	\$25,661
\$60	"	\$195,960	\$27,994
\$65	"	\$212,290	\$30,327
\$70	"	\$228,620	\$32,660
\$75	"	\$244,950	\$34,993
\$80	"	\$261,280	\$37,326
\$85	"	\$277,610	\$39,659
\$90	"	\$293,940	\$41,991
\$95	"	\$310,270	\$44,324
\$100	"	\$326,600	\$46,657

TABLE 4

RENT PER SQUARE FOOT ESCALATION COMPARISON
(with 5% escalation per year)

RENT/SF	1988	1989	1990	1991	1992	1993	1994
\$13	13.00	13.65	14.33	15.05	15.80	16.59	17.42
\$14	14.00	14.70	15.44	16.21	17.02	17.87	18.76
\$15	15.00	15.75	16.54	17.36	18.23	19.14	20.10
\$16	16.00	16.80	17.64	18.52	19.45	20.42	21.44
\$17	17.00	17.85	18.79	19.68	20.66	21.70	22.78
\$18	18.00	18.90	19.85	20.84	21.88	22.97	24.14

TABLE 5

NET OPERATING INCOME
(assumes no vacancy, 1% replacement reserve, @ \$13/sf)

1988	1989	1990	1991	1992	1993	1994
39,000 (390)	40,950 (410)	42,998 (430)	45,147 (451)	47,405 (474)	49,775 (498)	52,264 (523)
38,610	40,541	42,568	44,696	46,931	49,227	51,741

NET OPERATING INCOME
(assumes no vacancy, 1% replacement reserve, @ \$14/sf)

1988	1989	1990	1991	1992	1993	1994
42,000 (420)	44,100 (441)	46,305 (463)	48,620 (486)	51,051 (511)	53,604 (536)	56,284 (563)
41,580	43,659	45,842	48,134	50,541	53,068	55,721

NET OPERATING INCOME
(assumes no vacancy, 1% replacement reserve, @ \$15/sf)

1988	1989	1990	1991	1992	1993	1994
45,000 (450)	47,250 (473)	49,613 (496)	52,093 (521)	54,698 (547)	57,433 (574)	60,304 (603)
44,550	46,778	49,116	51,572	54,151	56,858	59,701

TABLE 5 (continued)

NET OPERATING INCOME
 (assumes no vacancy, 1% replacement reserve, @ \$16/sf)

1988	1989	1990	1991	1992	1993	1994
48,000 (480)	50,400 (504)	52,920 (529)	55,566 (556)	58,344 (583)	61,262 (613)	64,325 (643)
47,520	49,896	52,391	55,010	57,761	60,649	63,681

NET OPERATING INCOME
 (assumes no vacancy, 1% replacement reserve, @ \$17/sf)

1988	1989	1990	1991	1992	1993	1994
51,000 (510)	53,550 (536)	56,228 (562)	59,039 (590)	61,991 (620)	65,090 (651)	68,345 (683)
50,490	53,015	55,665	58,448	61,371	64,439	67,661

NET OPERATING INCOME
 (assumes no vacancy, 1% replacement reserve, @ \$18/sf)

1988	1989	1990	1991	1992	1993	1994
54,000 (540)	56,700 (567)	59,535 (595)	62,512 (625)	65,637 (656)	68,919 (689)	72,365 (724)
53,460	56,133	58,940	61,887	64,981	68,230	71,642

TABLE 6

NET OPERATING INCOME							
(Break Even Analysis, @ \$13/sf, assuming different sf construction costs)							
	1988	1989	1990	1991	1992	1993	1994
NOI	38,610	40,541	42,568	44,696	46,931	49,227	51,741
CC @ \$100	(46,657)	(46,657)	(46,657)	(46,657)	(46,657)	(46,657)	(46,657)
Total	(8,047)	(6,116)	(4,089)	(1,961)	274	2,570	5,084
NOI	38,610	40,541	42,568	44,696	46,931	49,227	51,741
CC @ \$95	(44,324)	(44,324)	(44,324)	(44,324)	(44,324)	(44,324)	(44,324)
Total	(5,714)	(3,783)	(1,756)	372	2,607	4,903	7,417
NOI	38,610	40,541	42,568	44,696	46,931	49,227	51,741
CC @ \$90	(41,991)	(41,991)	(41,991)	(41,991)	(41,991)	(41,991)	(41,991)
Total	(1,049)	(1,450)	577	2,705	4,940	7,236	19,750
NOI	38,610	40,541	42,568	44,696	46,931	49,227	51,741
CC @ \$85	(39,659)	(39,659)	(39,659)	(39,659)	(39,659)	(39,659)	(39,659)
Total	(1,049)	882	2,909	5,037	7,272	9,568	12,082
NOI	38,610	40,541	42,568	44,696	46,931	49,227	51,741
CC @ \$80	(37,326)	(37,326)	(37,326)	(37,326)	(37,326)	(37,326)	(37,326)
Total	1,284	3,215	5,242	7,370	9,605	11,901	14,415
NOI	38,610	40,541	42,568	44,696	46,931	49,227	51,741
CC @ \$75	(34,993)	(34,993)	(34,993)	(34,993)	(34,993)	(34,993)	(34,993)
Total	3,617	5,548	7,575	9,703	11,938	14,294	16,748

TABLE 6 (continued)

NOI CC @ \$70	38,610 (32,660)	40,541 (32,660)	42,568 (32,660)	44,696 (32,660)	46,931 (32,660)	49,227 (32,660)	51,741 (32,660)
Total	5,950	7,881	9,908	12,036	14,271	16,567	19,081
NOI CC @ \$65	38,610 (30,327)	40,541 (30,327)	42,568 (30,327)	44,696 (30,327)	46,931 (30,327)	49,227 (30,327)	51,741 (30,327)
Total	8,283	10,214	12,241	14,369	16,604	18,900	21,414
NOI CC @ \$60	38,610 (27,994)	40,541 (27,994)	42,568 (27,994)	44,696 (27,994)	46,931 (27,994)	49,227 (27,994)	51,741 (27,994)
Total	10,616	12,547	14,574	16,702	18,937	21,233	23,747
NOI CC @ \$55	38,610 (25,661)	40,541 (25,661)	42,568 (25,661)	44,696 (25,661)	46,931 (25,661)	49,227 (25,661)	51,741 (25,661)
Total	12,949	14,880	16,907	19,035	21,270	23,566	26,080
NOI CC @ \$50	38,610 (23,329)	40,541 (23,329)	42,568 (23,329)	44,696 (23,329)	46,931 (23,329)	49,227 (23,329)	51,741 (23,329)
Total	15,281	17,212	19,239	21,367	23,602	25,898	28,412

TABLE 7

NET OPERATING INCOME							
(Break Even Analysis, @ \$14/sf, assuming different sf construction costs)							
	1988	1989	1990	1991	1992	1993	1994
NOI	41,580	43,659	45,842	48,134	50,541	53,068	55,721
CC @ \$100	(46,657)	(46,657)	(46,657)	(46,657)	(46,657)	(46,657)	(46,657)
Total	(5,077)	(2,998)	(810)	1,447	3,884	6,411	9,064
NOI	41,580	43,659	45,842	48,134	50,541	53,068	55,721
CC @ \$95	(44,324)	(44,324)	(44,324)	(44,324)	(44,324)	(44,324)	(44,324)
Total	(2,744)	(665)	1,518	3,810	6,217	8,744	11,397
NOI	41,580	43,659	45,842	48,134	50,541	53,068	55,721
CC @ \$90	(41,991)	(41,991)	(41,991)	(41,991)	(41,991)	(41,991)	(41,991)
Total	(411)	1,668	3,851	6,143	8,550	11,077	11,397
NOI	41,580	43,659	45,842	48,134	50,541	53,068	55,721
CC @ \$85	(39,659)	(39,659)	(39,659)	(39,659)	(39,659)	(39,659)	(39,659)
Total	1,921	4,000	6,183	8,475	10,882	13,409	16,062
NOI	41,580	43,659	45,842	48,134	50,541	53,068	55,721
CC @ \$80	(37,326)	(37,326)	(37,326)	(37,326)	(37,326)	(37,326)	(37,326)
Total	4,254	6,333	8,516	10,808	13,215	15,742	18,395
NOI	41,580	43,659	45,842	48,134	50,541	53,068	55,721
CC @ \$75	(34,993)	(34,993)	(34,993)	(34,993)	(34,993)	(34,993)	(34,993)
Total	6,587	8,666	10,849	13,141	15,548	18,075	20,728

TABLE 7 (continued)

NOI CC @ \$70	41,580 (32,660)	43,659 (32,660)	45,842 (32,660)	48,134 (32,660)	50,541 (32,660)	53,068 (32,660)	55,721 (32,660)
Total	8,920	10,999	13,182	15,474	17,881	20,408	23,061
NOI CC @ \$65	41,580 (30,327)	43,659 (30,327)	45,842 (30,327)	48,134 (30,327)	50,541 (30,327)	53,068 (30,327)	55,721 (30,327)
Total	11,253	13,332	15,515	17,807	20,214	22,741	25,394
NOI CC @ \$60	41,580 (27,994)	43,659 (27,994)	45,842 (27,994)	48,134 (27,994)	50,541 (27,994)	53,068 (27,994)	55,721 (27,994)
Total	13,586	15,665	17,848	20,140	22,547	25,074	27,727
NOI CC @ \$55	41,580 (25,661)	43,659 (25,661)	45,842 (25,661)	48,134 (25,661)	50,541 (25,661)	53,068 (25,661)	55,721 (25,661)
Total	15,919	17,998	20,181	22,473	24,880	27,407	30,060
NOI CC @ \$50	41,580 (23,329)	43,659 (23,329)	45,842 (23,329)	48,134 (23,329)	50,541 (23,329)	53,068 (23,329)	55,721 (23,329)
Total	18,251	20,330	22,513	24,805	27,212	29,739	32,392

TABLE 8

NET OPERATING INCOME							
(Break Even Analysis, @ \$15/sf, assuming different sf construction costs)							
	1988	1989	1990	1991	1992	1993	1994
NOI	44,550	46,778	49,116	51,572	54,151	56,858	59,701
CC @ \$100	(46,657)	(46,657)	(46,657)	(46,657)	(46,657)	(46,657)	(46,657)
Total	(2,107)	121	2,459	4,915	7,494	10,201	13,044
NOI	44,550	46,778	49,116	51,572	54,151	56,858	59,701
CC @ \$95	(44,324)	(44,324)	(44,324)	(44,324)	(44,324)	(44,324)	(44,324)
Total	226	2,454	4,792	7,248	9,827	12,534	15,377
NOI	44,550	46,778	49,116	51,572	54,151	56,858	59,701
CC @ \$90	(41,991)	(41,991)	(41,991)	(41,991)	(41,991)	(41,991)	(41,991)
Total	2,559	4,787	7,125	9,581	12,160	14,867	17,710
NOI	44,550	46,778	49,116	51,572	54,151	56,858	59,701
CC @ \$85	(39,659)	(39,659)	(39,659)	(39,659)	(39,659)	(39,659)	(39,659)
Total	4,891	7,119	9,457	11,913	14,492	17,199	20,042
NOI	44,550	46,778	49,116	51,572	54,151	56,858	59,701
CC @ \$80	(37,326)	(37,326)	(37,326)	(37,326)	(37,326)	(37,326)	(37,326)
Total	7,224	9,452	11,790	14,246	16,825	19,532	22,375
NOI	44,550	46,778	49,116	51,572	54,151	56,858	59,701
CC @ \$75	(34,993)	(34,993)	(34,993)	(34,993)	(34,993)	(34,993)	(34,993)
Total	9,557	11,785	14,123	16,579	19,158	21,865	24,708

TABLE 8 (continued)

NOI CC @ \$70	44,550 (32,660)	46,778 (32,660)	49,116 (32,660)	51,572 (32,660)	54,151 (32,660)	56,858 (32,660)	59,701 (32,660)
Total	11,890	14,118	16,456	18,912	21,491	24,198	27,041
NOI CC @ \$65	44,550 (30,327)	46,778 (30,327)	49,116 (30,327)	51,572 (30,327)	54,151 (30,327)	56,858 (30,327)	59,701 (30,327)
Total	14,233	16,451	18,789	21,245	23,824	26,531	29,374
NOI CC @ \$60	44,550 (27,994)	46,778 (27,994)	49,116 (27,994)	51,572 (27,994)	54,151 (27,994)	56,858 (27,994)	59,701 (27,994)
Total	16,556	18,784	21,122	23,578	26,157	28,864	31,707
NOI CC @ \$55	44,550 (25,661)	46,778 (25,661)	49,116 (25,661)	51,572 (25,661)	54,151 (25,661)	56,858 (25,661)	59,701 (25,661)
Total	18,889	21,117	23,455	25,911	28,490	31,197	34,040
NOI CC @ \$50	44,550 (23,329)	46,778 (23,329)	49,116 (23,329)	51,572 (23,329)	54,151 (23,329)	56,858 (23,329)	59,701 (23,329)
Total	21,221	23,449	25,787	28,243	30,822	33,529	36,372

TABLE 9

NET OPERATING INCOME							
(Break Even Analysis, @ \$16/sf, assuming different sf construction costs)							
	1988	1989	1990	1991	1992	1993	1994
NOI	47,520	49,896	52,391	55,010	57,761	60,649	63,681
CC @ \$100	(46,657)	(46,657)	(46,657)	(46,657)	(46,657)	(46,657)	(46,657)
Total	863	3,239	5,734	8,353	11,104	13,992	17,024
NOI	47,520	49,896	52,391	55,010	57,761	60,649	63,681
CC @ \$95	(44,324)	(44,324)	(44,324)	(44,324)	(44,324)	(44,324)	(44,324)
Total	3,196	5,572	8,067	10,686	13,437	16,325	19,357
NOI	47,520	49,896	52,391	55,010	57,761	60,649	63,681
CC @ \$90	(41,991)	(41,991)	(41,991)	(41,991)	(41,991)	(41,991)	(41,991)
Total	5,529	7,905	10,400	13,019	15,770	18,658	21,690
NOI	47,520	49,896	52,391	55,010	57,761	60,649	63,681
CC @ \$85	(39,659)	(39,659)	(39,659)	(39,659)	(39,659)	(39,659)	(39,659)
Total	7,861	10,237	12,732	15,351	18,102	20,990	24,022
NOI	47,520	49,896	52,391	55,010	57,761	60,649	63,681
CC @ \$80	(37,326)	(37,326)	(37,326)	(37,326)	(37,326)	(37,326)	(37,326)
Total	10,194	12,570	15,065	17,684	20,435	23,323	26,355
NOI	47,520	49,896	52,391	55,010	57,761	60,649	63,681
CC @ \$75	(34,993)	(34,993)	(34,993)	(34,993)	(34,993)	(34,993)	(34,993)
Total	12,527	14,903	17,398	20,017	22,768	25,656	28,688

TABLE 9 (continued)

NOI	47,520	49,896	52,391	55,010	57,761	60,649	63,681
CC @ \$70	(32,660)	(32,660)	(32,660)	(32,660)	(32,660)	(32,660)	(32,660)
Total	14,860	17,236	19,731	22,350	25,101	27,989	31,021
NOI	47,520	49,896	52,391	55,010	57,761	60,649	63,681
CC @ \$65	(30,327)	(30,327)	(30,327)	(30,327)	(30,327)	(30,327)	(30,327)
Total	17,193	19,569	22,064	24,683	27,434	30,322	33,354
NOI	47,520	49,896	52,391	55,010	57,761	60,649	63,681
CC @ \$60	(27,994)	(27,994)	(27,994)	(27,994)	(27,994)	(27,994)	(27,994)
Total	19,526	21,902	24,397	27,016	29,767	32,655	35,687
NOI	47,520	49,896	52,391	55,010	57,761	60,649	63,681
CC @ \$55	(25,661)	(25,661)	(25,661)	(25,661)	(25,661)	(25,661)	(25,661)
Total	21,859	24,235	26,730	29,349	32,100	34,988	38,020
NOI	47,520	49,896	52,391	55,010	57,761	60,649	63,681
CC @ \$50	(23,329)	(23,329)	(23,329)	(23,329)	(23,329)	(23,329)	(23,329)
Total	24,191	26,567	29,062	31,681	34,432	37,320	40,352

TABLE 10

NET OPERATING INCOME							
(Break Even Analysis, @ \$17/sf, assuming different sf construction costs)							
	1988	1989	1990	1991	1992	1993	1994
NOI	50,490	53,015	55,665	58,448	61,371	64,439	67,661
CC @ \$100	(46,657)	(46,657)	(46,657)	(46,657)	(46,657)	(46,657)	(46,657)
Total	3,833	6,358	9,008	11,791	14,714	17,782	21,004
NOI	50,490	53,015	55,665	58,448	61,371	64,439	67,661
CC @ \$95	(44,324)	(44,324)	(44,324)	(44,324)	(44,324)	(44,324)	(44,324)
Total	6,166	8,691	11,341	14,124	17,047	20,115	23,337
NOI	50,490	53,015	55,665	58,448	61,371	64,439	67,661
CC @ \$90	(41,991)	(41,991)	(41,991)	(41,991)	(41,991)	(41,991)	(41,991)
Total	8,499	11,024	13,674	16,457	19,380	22,448	25,670
NOI	50,490	53,015	55,665	58,448	61,371	64,439	67,661
CC @ \$85	(39,659)	(39,659)	(39,659)	(39,659)	(39,659)	(39,659)	(39,659)
Total	10,831	13,356	16,006	18,789	21,712	24,780	28,002
NOI	50,490	53,015	55,665	58,448	61,371	64,439	67,661
CC @ \$80	(37,326)	(37,326)	(37,326)	(37,326)	(37,326)	(37,326)	(37,326)
Total	13,164	15,689	18,339	21,122	24,045	27,113	30,335
NOI	50,490	53,015	55,665	58,448	61,371	64,439	67,661
CC @ \$75	(34,993)	(34,993)	(34,993)	(34,993)	(34,993)	(34,993)	(34,993)
Total	15,497	18,022	20,672	23,455	26,378	29,446	32,668

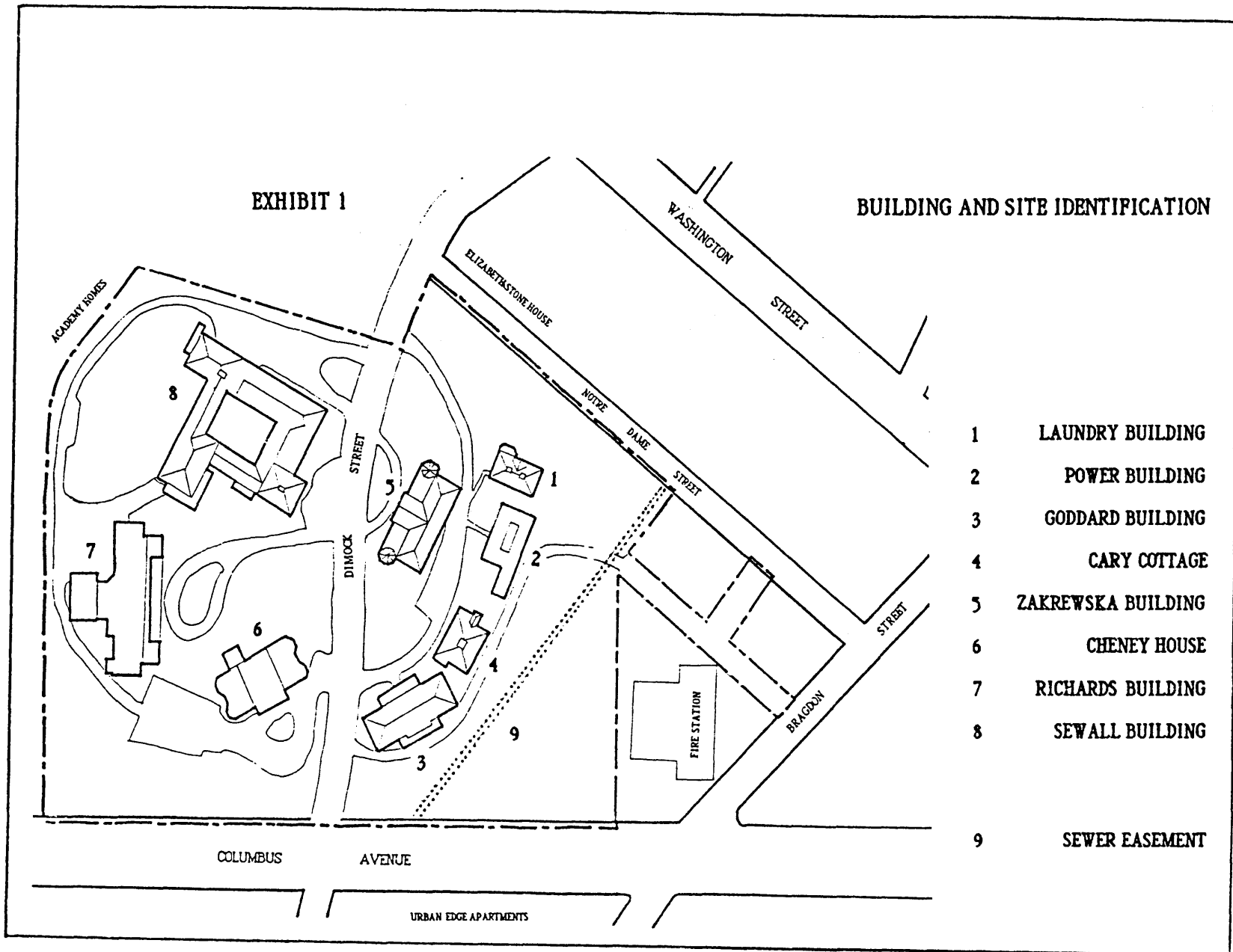
TABLE 10 (continued)

NOI CC @ \$70	50,490 (32,660)	53,015 (32,660)	55,665 (32,660)	58,448 (32,660)	61,371 (32,660)	64,439 (32,660)	67,661 (32,660)
Total	17,830	20,355	23,005	25,788	28,711	31,779	35,001
NOI CC @ \$65	50,490 (30,327)	53,015 (30,327)	55,665 (30,327)	58,448 (30,327)	61,371 (30,327)	64,439 (30,327)	67,661 (30,327)
Total	20,163	22,688	25,338	28,121	31,044	34,112	37,334
NOI CC @ \$60	50,490 (27,994)	53,015 (27,994)	55,665 (27,994)	58,448 (27,994)	61,371 (27,994)	64,439 (27,994)	67,661 (27,994)
Total	22,496	25,021	27,671	30,454	33,377	36,445	39,667
NOI CC @ \$55	50,490 (25,661)	53,015 (25,661)	55,665 (25,661)	58,448 (25,661)	61,371 (25,661)	64,439 (25,661)	67,661 (25,661)
Total	24,829	27,354	30,004	32,787	35,710	38,778	42,000
NOI CC @ \$50	50,490 (23,329)	53,015 (23,329)	55,665 (23,329)	58,448 (23,329)	61,371 (23,329)	64,439 (23,329)	67,661 (23,329)
Total	27,161	29,686	32,336	35,119	38,042	41,110	44,332

APPENDIX II:
EXHIBITS

EXHIBIT 1

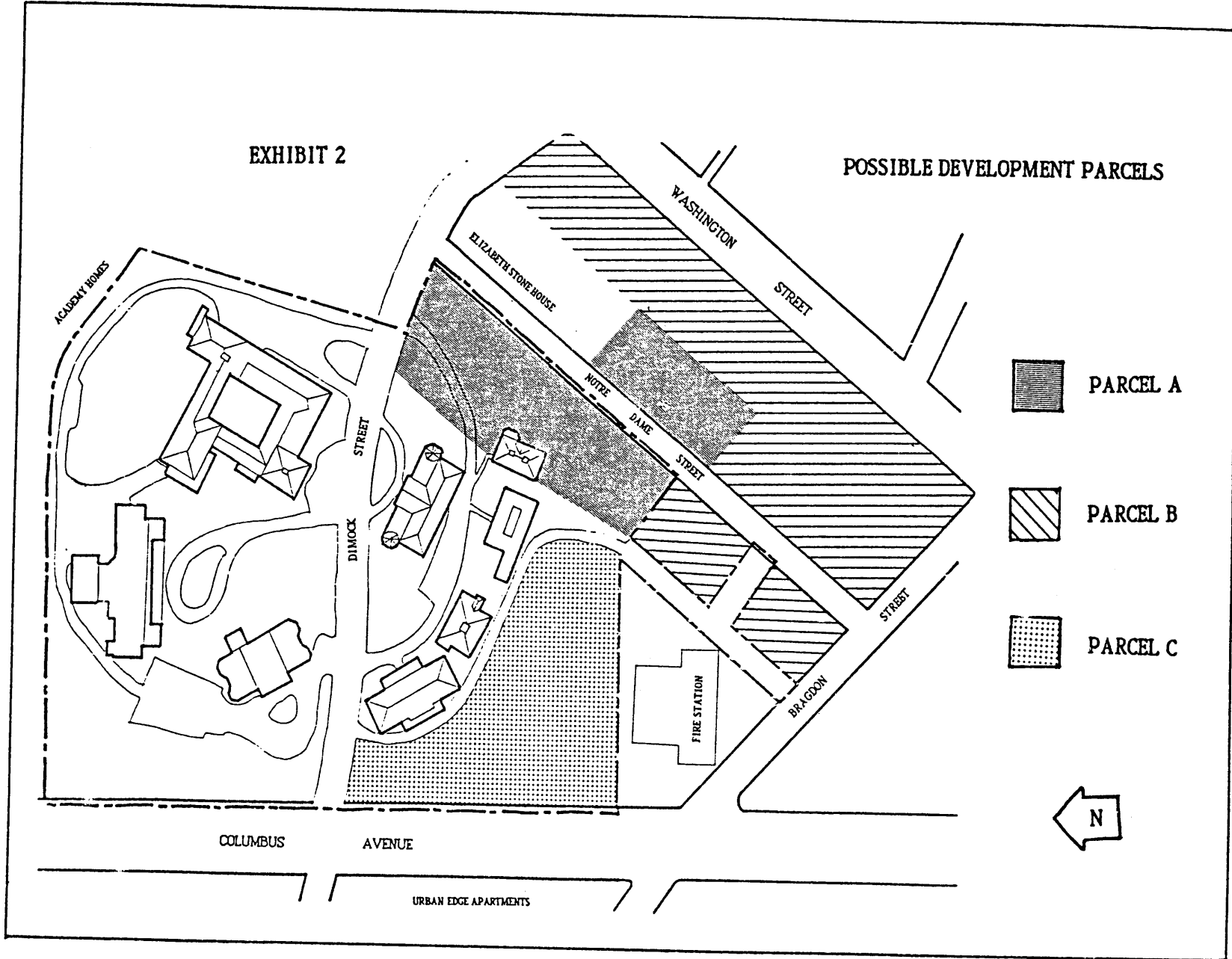
BUILDING AND SITE IDENTIFICATION



- 1 LAUNDRY BUILDING
- 2 POWER BUILDING
- 3 GODDARD BUILDING
- 4 CARY COTTAGE
- 5 ZAKREWSKA BUILDING
- 6 CHENEY HOUSE
- 7 RICHARDS BUILDING
- 8 SEWALL BUILDING
- 9 SEWER EASEMENT

EXHIBIT 2

POSSIBLE DEVELOPMENT PARCELS






-  PARCEL A
-  PARCEL B
-  PARCEL C



EXHIBIT 3

POSSIBLE EXPECTANT WOMENS' PRISON SITE

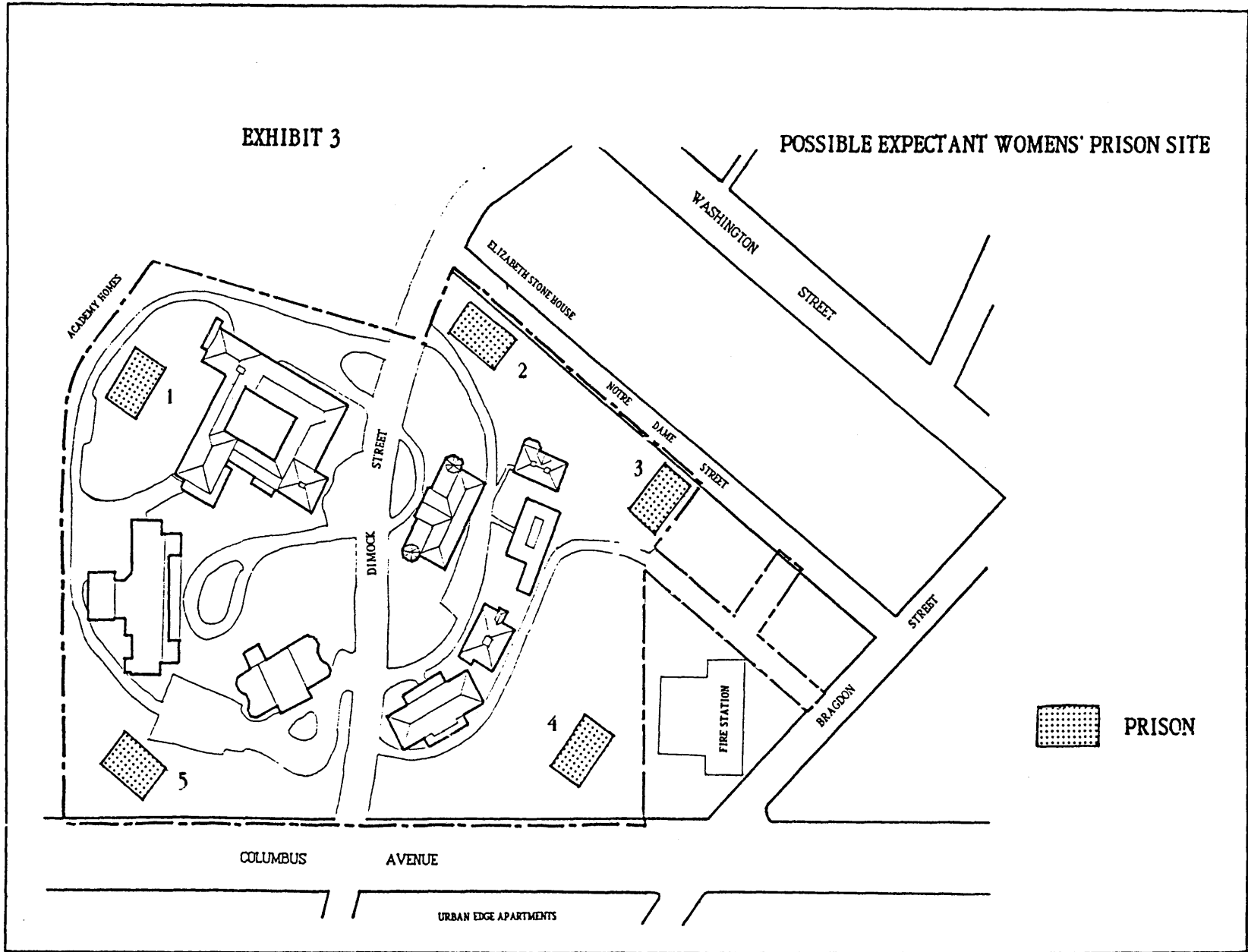
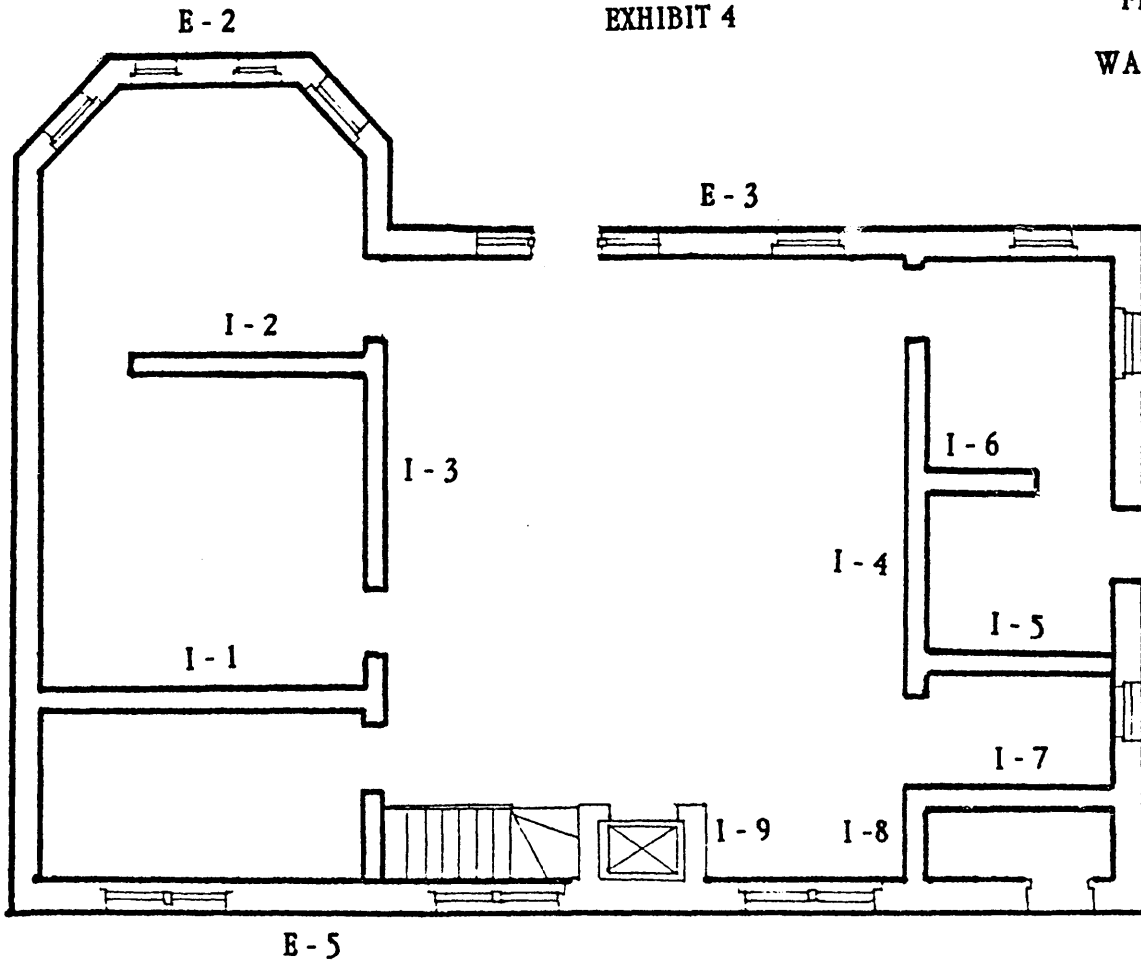


EXHIBIT 4

FIRST FLOOR PLAN
WALL IDENTIFICATION

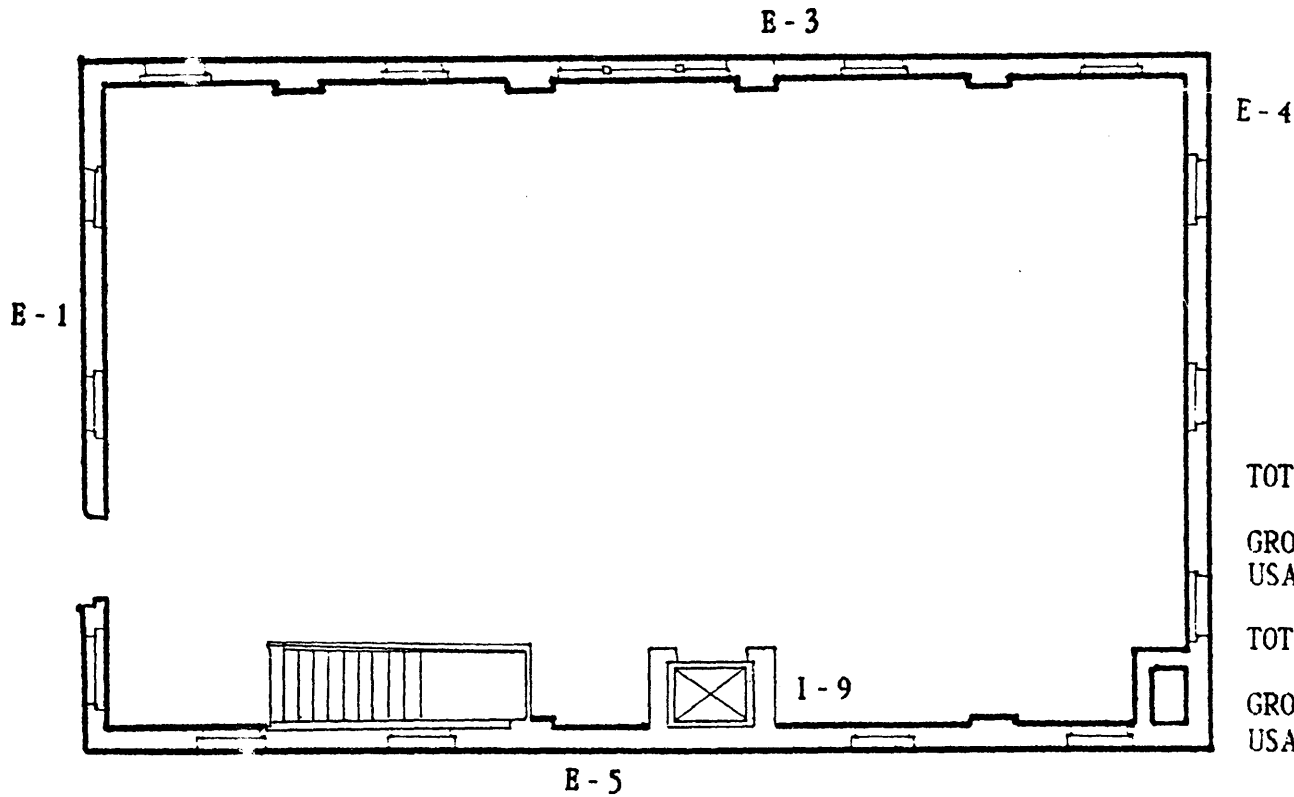


TOTALS F. 1ST FLOOR:	
GROSS	1,872
USABLE	1,676
TOTALS F. FLOORS 1&2:	
GROSS	3,664
USABLE	3,266

100

EXHIBIT 5

SECOND FLOOR PLAN
WALL IDENTIFICATION



101

TOTALS F. 2ND FLOOR:

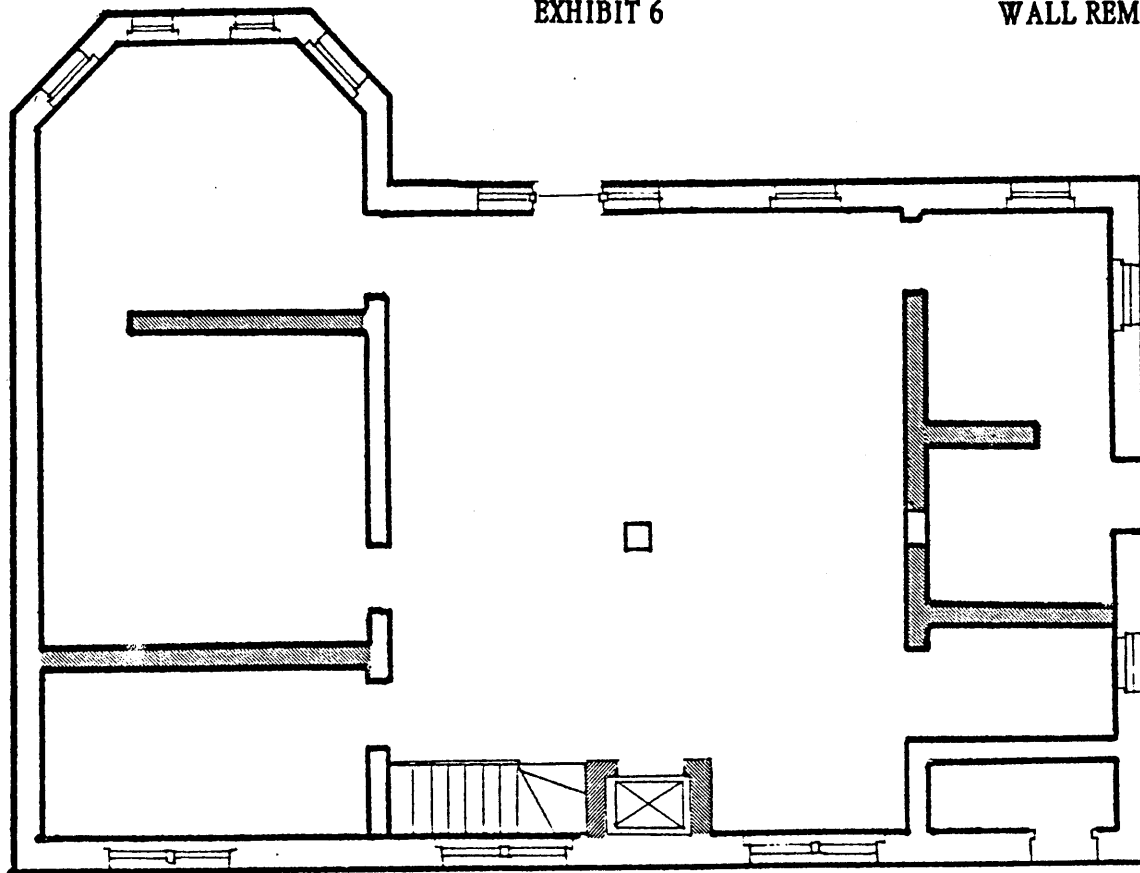
GROSS	1,792
USABLE	1,590

TOTALS F. FLOORS 1&2:

GROSS	3,664
USABLE	3,266

EXHIBIT 6

WALL REMOVAL: FIRST FLOOR

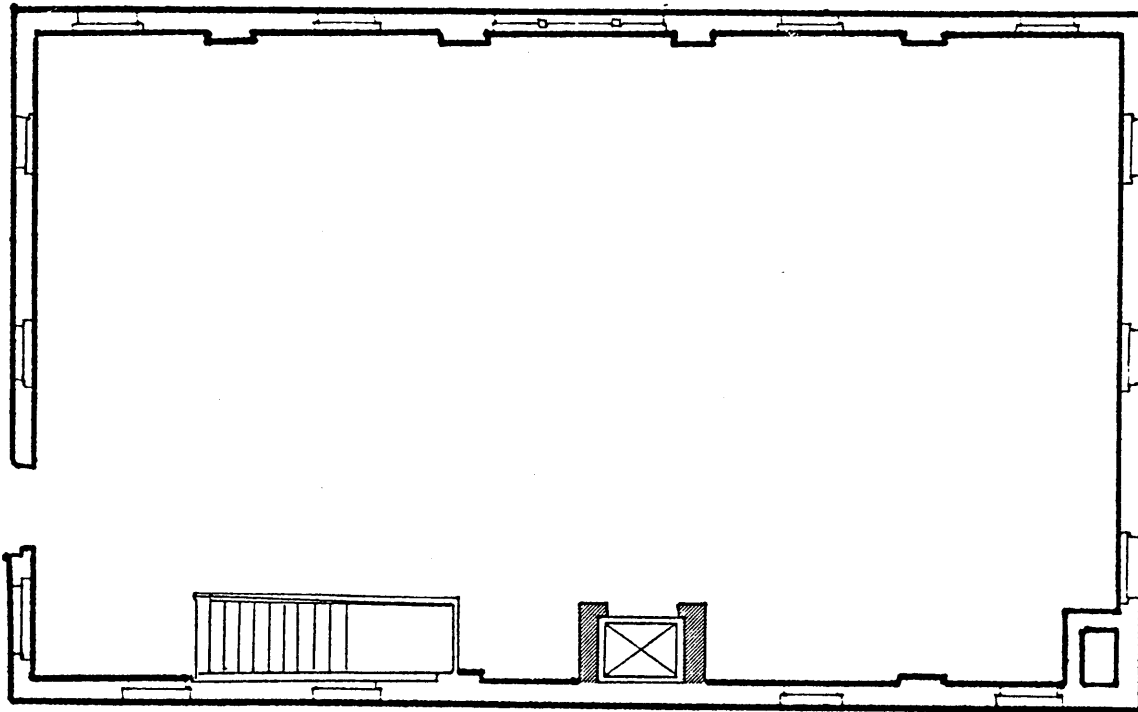


■ WALL
REMOVAL

□ REMAINING

EXHIBIT 7

WALL REMOVAL: SECOND FLOOR

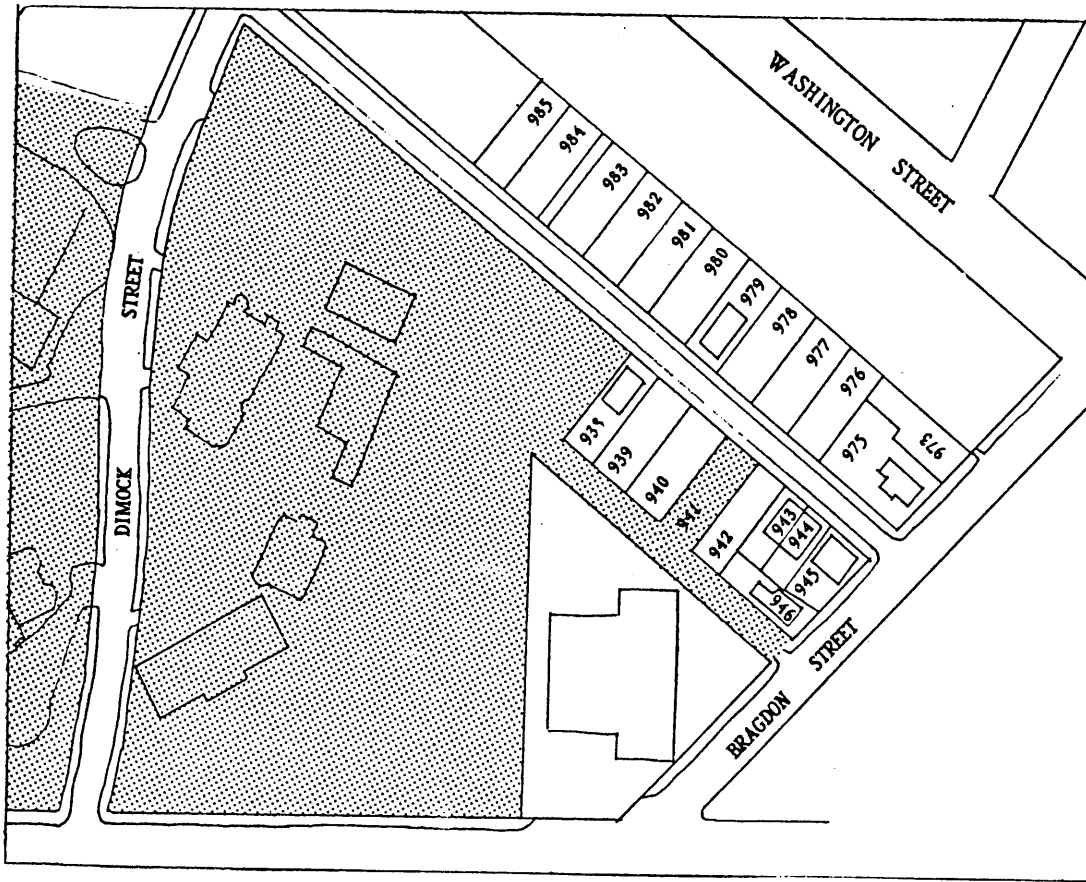


 WALL
REMOVAL

 REMAINING

EXHIBIT 8

PARCEL IDENTIFICATION



BIBLIOGRAPHY

- Aalto, Steve. Telephone interview. Massachusetts Job Bank, 7 Aug. 1986.
- August Associates, Architects. Dimock: Guidelines for Preservation Stewardship and Development. Boston: Historic Boston, Inc., 1984.
- Austin, Lila. Telephone interview. 8 Jul. 1986.
- Ball, Joanne. "124-Year-Old Health Center Rehabilitated with Foundation Help." Boston Globe, 28 Jul. 1986, p. 22.
- Bennett, Alan. Telephone interview. Boston Rebuilding, 8 Aug. 1986.
- Burlingame, John, et. al.. Memo to Jackie Jenkins-Scott from John Burlingame, William Dromgoole, John Sullivan fo Jtd Management, Inc., 2 May 1986.
- Century 21 - Gallagher Realty. Telephone interview. 2 Aug. 1986.
- Dimock Community Health Center Annual Report; July 1984-June 1985. Boston: Dimock Community Health Center, 1985.
- Dimock Community Health Center; Preservation and Development Workshop. Summary Report from the conference. 14 Nov. 1984. Boston: Historic Boston Inc., 1984.
- Dimock Community Health Center Renovation & Refinancing Loan Application. Submitted to Capital Bank, 7 Apr. 1986.
- Dreier, Peter. Memorandum to the BRA staff concerning housing goals and guidelines, 13 May 1986.
- Duggan, Edward. Telephone interview. Engineering Department of City Water and Sewer Department. 31 Jul. 1986.

Elder, Daniel. Personal interview. Project manager, engineer, and construction expert with Milestone Associates, developers with renovation experience, 25 Jul. 1986.

Frisby, Michael K. "Boston to get \$71.3m from state for housing." Boston Globe, 13 Jul. 1986, pp. 25, 30.

------. "MCAD Fights Housing Plan: Ceiling Called Discriminatory." Boston Globe, 31 Jul. 1986, p. 22.

Gillery, Brad. Telephone interview. Broker with ERA AAA Realty. 2 Aug. 1986.

Hafer, Ron. Telephone interview. Urban Edge, Inc., 27 Jul. 1986.

Jennings, Mark. Personal interview. MIT CRED student and construction / renovation expert. 25 Jul. 1986.

Keith, Robert. Telephone interview. Office of Real Property, Division of Capital Planning Operations, 6 Aug. 1986.

Kranish, Michael. "Drama in D.C.: of Lobbyists, Politicians and Tax Breaks." Boston Globe, 28 Jul. 1986, pp. 6, 35.

------. "Loss of Tax Break May alter Housing: Low-income Projects Face Squeeze." Boston Globe, 31 Jul. 1986, pp. 21, 28.

Leary, Helane. Telephone interview. Urban Edge, Inc, 27 Jul. 1986, 7 Aug. 1986.

MacRae, David. Telephone interview. President, MacRae Insurance Co.. 10 Aug. 1986.

Mathews, Christopher. Telephone interview. Broker at Century 21 - Massbay Realty, 2 Aug. 1986, 6 Aug. 1986.

Massachusetts Preservation Projects Fund FY 87 Full Application. Boston: Dimock Community Health Center, 18 Apr. 1986.

Mitchell, Dwight. Personal interview. BRA. 23 Jun. 1986.

Ozan, Deni. Personal interview. BRA. 23 Jun. 1986.

- Pennywitt, Neil. Numerous Personal and Telephone interviews. 1986.
- Price, Gina. Telephone interview. Analyst with Gunn Financial Inc., syndicators of historic properties. 28 Jul. 1986, 6 Aug. 1986.
- Radin, Charles A. "City Hopes Rising Office Vacancies Result in More Housing." Boston Globe. 4 Aug. 1986, p. 7.
- . "The Boom Slows." Boston Globe. 4 Aug. 1986, pp. 1, 7.
- Roundtable on Nonprofit Involvement in Real Estate. Draft Summary Report from conference held at University of Kansas, Lawrence, Kansas, 10-13 Oct. 1984. Washington, D.C.: National Trust for Historic Preservation, 1984.
- Scales, Donna. Telephone interviews Massachusetts Rehabilitation, 1 Aug. 1986, 6 Aug. 1986.
- Smith, Mark. Telephone interview. Architect with August Associates, Architects. 28 Jul. 1986.
- Smith, Stanley M. Numerous Personal and Telephone interviews. 1986.
- Sprague, Joan. Telephone interviews. 8 Jul., 31 Jul. 1986.
- Sullivan, Gail. Telephone interview. 8 Jul. 1986.
- "Tax Reform Proposals: Provisions Affecting Real Estate" Boston: Grant Thornton, 24 Jun. 1986.
- Terrell, Robert. Telephone interview. Planning Committee of the Greater Roxbury Neighborhood Authority, 31 Jul. 1986.
- Weslowski, Patricia. Preservation in Roxbury: the Issues and the Actors. Boston: Historic Boston Incorporated, 1986.
- . Telephone interview. 28 Jul. 1986.
- Whitman, William. Telephone interview. 7 Jul. 1986.
- Zamore, Wigton F.. MIT CRED student, construction expert, and financial whiz.