CAPITAL CONSTRUCTION IN BOSTON; RECENT TRENDS AND FUTURE PROSPECTS; MAYOR KEVIN H. WHITE'S PROGRAM FOR CONSTRUCTION JOBS

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I. SUMMARY

The year 1975 will be recorded as an extraordinary one for public and private capital construction in Boston, far exceeding that of any year since the City's economic revival began a decade ago. For the future, capital construction in Boston should reach even higher levels if the City succeeds in achieving the ambitious economic development program and the related large-scale investment goals presented by Mayor Kevin H. White in July 1975. Key to the recent gains and heartening future prospects for capital construction is the leveraging role of the City's own public improvements program which has been rising notably over the past eight years, and is scheduled to expand further, in accordance with the 10-year public capital improvement program presented to the City Council last February. The magnitude of the City's own public investment effort is highlighted by the large scope of the 1975 Neighborhood Improvement Program presented to, and adopted by, the City Council in January of this year.

Large scale development projects underway or planned include those for Lafayette Place, Park Plaza, and South Station. Capital construction underway, as well as that

planned for future years, can be counted on to generate thousands of construction activity jobs in all of the building trades.

II. 1975, AN EXTRAORDINARY YEAR FOR CAPITAL CONSTRUCTION

Record levels of capital construction in 1975 include $120 million of City public improvements and 5 million square feet of office space, both reflecting sizable advances over levels in recent years, as follows.

Public Capital Improvements;
Average Annual Expenditures;
City of Boston
(Millions of Dollars of Constant Value, at 1970 Prices)

1960-67	$ 20
1968-74	$ 50
1975	$120

Office Construction in Boston
(Annual Average, Millions of Square Feet)

1960-67	0.5
1968-74	1.3
1975	5.0

These have contributed to the notable rise in the annual rate of capital investment in Boston.

Capital Investment in Boston
(Millions of Dollars of Constant Value, at 1970 Prices)

1960	$500
1968	$700
1975	$1,250

III. CAPITAL INVESTMENT TO EXPAND BOSTON'S ECONOMIC BASE: MAYOR KEVIN H. WHITE'S 1975-85 PROGRAM

Capital investment in Boston has been rising notably, and Mayor Kevin H. White's program establishes even more ambitious goals.*

Cumulative Investment, Public and Private, in Boston
(Billions of Dollars, at 1970 Prices)

1960-67	$4.5
1968-75	$7.5
1976-85 (Programmed)	$12 to $15

Components of the 10-year investment program are as follows:

Boston's 10-Year Investment Program, 1976-85
(Billions of Dollars at 1970 Prices)

Total	$12.0
Office and Commercial	2.0
Medical and Higher Education Facilities	1.3
Transportation Facilities	2.5
Housing, New Construction and Fix-up	1.8
State and Federal Capital Improvements	3.0
City Public Improvements	1.4

* Boston's People and Their Economy; Mayor Kevin H. White's Program, presented July 29, 1975.

IV. THE ROLE OF CITY PUBLIC CAPITAL IMPROVEMENTS

The expansion of City public capital improvements is designed to induce and encourage a much larger private sector investment effort. In the recent past, $1 of City public improvements has been associated with $5 of State and Federal investment and $15 of private capital investment.

A measure of the determination of the City of Boston is reflected in the 1975 Neighborhood Improvement Program presented to the City Council in January, 1975.

Boston's 1975 Neighborhood Improvement Program
(Millions of Dollars)

Total	$332
Public Improvements	208
Urban Redevelopment	68
Housing Fix-up and Construction	51
Neighborhood Business District Revitalization	3
Neighborhood Housing Services	2

V. CAPITAL CONSTRUCTION UNDERWAY AND PLANNED

The large volume of capital construction, public and private, underway and planned, augers well for the achievement of the City's long-term goals for investment. A survey carried out in 1972, revealed public and private plans for $6.5 billion of capital construction over the next three, four, and five years, with $4 billion expected to be underway or completed by 1975. The record of public and private construction carried out since 1972 indicates that this commitment has been fulfilled.

A new survey currently underway will disclose even more ambitious plans over the next three, four, and five years.

VI. JORDAN MARSH-LAFAYETTE PLACE, PARK PLAZA AND SOUTH STATION

Jordan Marsh-Lafayette Place, Park Plaza and South Station represent some $500 million of capital construction underway or planned.

Three Major Capital Construction Projects
Underway or Planned
(Millions of Dollars)

Jordan Marsh-Lafayette Place	$230
Park Plaza*	180
South Station (Public Investment only)	90
Total	$500

* 3 to 4 million square feet alternative

VII. JOB CREATION ROLE OF PLANNED CAPITAL CONSTRUCTION IN BOSTON

Planned capital construction in Boston would substantially raise employment levels of construction workers and go a long way toward wiping out the currently reported unemployment among building trades workers in the City.

Construction Employment and Building Trades Unemployment in Boston

Average Annual Construction Employment 1969-74	19,000
Estimated Construction Employment 1975	25,000
Estimated Unemployment in Boston's Building Trades June 1975*	6,000
Average Annual Construction Activity Employment Required for Boston's 10-Year Investment Program 1976-85	33,000

* Wolf Company, "Impact of Park Plaza on the Construction Industry in Boston"

Mayor Kevin H. White's economic program, and related goals for public and private investment in the 1976-85 period, presented in July 1975, would provide an annual average level of employment of 33,000 construction workers.

Construction Employment Requirements of Boston's Economic Program, and Related 1976-85 Investment Goals*

Development Sector	Investment Goals, 1976-85 (Billions of Dollars)	Man-Years of Construction Employment Required
Office Building	$1.4	44,075
Retail-Commercial	0.6	20,020
Housing Construction and Fix-up	1.8	42,665
Transportation Facilities	2.5	58,335
Medical and Higher Education	1.3	39,820
City Public Improvements	1.4	41,355
State and Federal Improvements	3.0	80,000
Total	$12.0	326,270
Average Annual	$ 1.2	32,627

* Boston's People and Their Economy, Mayor Kevin H. White's Program, presented July 29, 1975.

Boston's 1975 Neighborhood Improvement Program alone is providing some 5,500 construction jobs in each of the years 1975 and 1976.

Boston's 1975 Neighborhood Improvement Program

rogram nponent	Capital Outlay (Millions	Construction Expenditures of Dollars)	Construction Man-Years	Average Annual Jobs 1975 & 1976
blic Improvements	$208	$176	7,335	3,670
ban Redevelopment	68	55	2,065	1,030
using Construction nd Fix-up	51	46	1,530	765
ighborhood Business istrict Revitalization	3	1.8	70	35
ighborhood Housing ervices	2	-	-	-
Total	$332	$278.8	11,000	5,500

The major development projects of Jordan Marsh-Lafayette Place, Park Plaza, and South Station will provide some 11,200 man-years of construction employment.

Construction Employment Requirements For Jordan Marsh-Lafayette Place, Park Plaza and South Station

	Investment (Millions of Dollars)	Construction Employment (Man-Years)
Jordan Marsh-Lafayette Place	$230	5,865
Park Plaza	180	2,555
South Station	90	2,800
Total	$500	11,220

Jordan Marsh-Lafayette Place and Park Plaza alone will provide jobs for more than one-fourth of the unemployed building trades workers over a five-year period.

Unemployment in Boston's Building Trades And the Construction Job Creation Role Of Jordan Marsh-Lafayette Place and Park Plaza

Boston's Building Trades	Unemployment in Boston's Building Trades, June 1975*		Construction Employment Requirements of Jordan Marsh-Lafayette Place and Park Plaza (Average Annual for Five Years)
	Number	Percent of Union Membership	
Carpenters	175	15%	442
Bricklayers/Masons	595	30	131
Laborers	700	20	280
Iron Workers	510	30	240
Plumbers	420	30	123
Steamfitters	580	20	157
Electricians	720	30	145
Other	2,480	25	257
Total	6,180	25%	1,775

* Wolf Company, "Impact of Park Plaza on the Construction Industry in Boston".