



CITY OF SOMERVILLE, MASSACHUSETTS
JOSEPH A. CURTATONE
MAYOR

To: Honorable City Council

Re: June 2019 General Fund Capital Investment Plan (CIP) Project List

Date: June 13, 2019

This memo accompanies the General Fund Capital Investment Plan (CIP) project list submitted to the City Council on June 13, 2019. Compared to the June 2018 CIP project list, the June 2019 CIP project list contains significant updates – both to the projects included on the list and to the format of the list – which are detailed below.

Format changes include:

1. Projects related to our water and sewer infrastructure that are primarily funded out of the Water & Sewer Enterprise Funds are now in a separate Capital Investment Plan (CIP) project list. These will be referred to jointly as the Water & Sewer CIP project list or separately as the Water CIP project list and the Sewer CIP project list. The Council received the Water & Sewer CIP project list on March 26, 2019.
2. Previous versions of the CIP project list had two columns for each year: one for estimated spending on construction or purchases and one for estimated spending on design, engineering, and/or construction management (CM). This version of the CIP combines those columns and provides a single estimated spend for the entire project in a given year.
3. There are three new columns in this version of the CIP:
 - a. **Year Added to the CIP:** This column indicates the calendar year a project was added to the CIP project list in its current form, which was first shared with the City Council in November 2016. Projects that were originally added in the Unscheduled category but that are now in a scheduled category (USQ DIF, Underway, Recurring, or Recommended) are noted with an asterisk. See below for definitions of the CIP project categories.
 - b. **Approved by City Council:** This column indicates whether or not a project has been approved by the City Council. If the full project has been approved, there is a check mark in this column. If a portion of the project has been approved, we note the portion that has been approved. For recurring investments, we note whether the project has been approved for FY20. If the cell is blank, the Administration has not yet requested funding for the project.
 - c. **Date Authorized by City Council:** The column indicates when the Council voted to authorize funding for a project. If the cell is blank, either the Administration

has not yet requested funding or the Council has not yet voted on the Administration's funding request.

4. This version of the CIP project list only includes projects in a scheduled category (USQ DIF, Recurring, Underway, or Recommended – see definitions below). Unscheduled projects are tracked separately.

Updates to the projects and/or the project spend schedules include:

1. All spend schedules for projects included in the June 2018 CIP project list have been updated to reflect our current best projection of when those projects will take place.
2. Funding sources have been expanded to more accurately capture the diversity of sources we use to fund projects as well as our intention to incorporate more spending for our recurring investments, especially those currently funded through Capital Stabilization, in the General Fund operating budget over time. In FY20, for example, we are proposing to increase our annual investment in street tree planting from \$150,000 to \$250,000, with \$150,000 proposed in the Public Space & Urban Forestry operating budget, and \$100,000 proposed to come from Capital Stabilization.
3. Spring Hill Sewer Separation – Complete Streets Design has been added as a USQ DIF project. The Spring Hill Sewer Separation project has historically been considered solely a sewer project, and the Council approved design funding for the sewer portion of the project in December 2017. However, given that the project will require disrupting multiple streets in the Spring Hill area, the Administration decided it would be a missed opportunity not to consider traffic calming and other streetscape improvements in the project area. The design for the streetscape portion of the project is being funded out of unused bond proceeds. As the design progresses and we receive construction costs estimates, the Administration will make a recommendation to the Council about how to fund the streetscape construction.
4. The cost estimate for the public safety building has been updated to reflect the high construction costs present throughout the Greater Boston region, especially for vertical construction.
5. The Building Accessibility Improvements and Building Improvements lines have been escalated by 6% per year starting in FY21, with a base year of FY17, to reflect the inflation in vertical construction costs observed throughout the region. The purpose of doing so is for real spending to reflect the investment made in FY17 when these recurring lines were first introduced. The project list does not include values for FY20 since these dollars have been earmarked for the West Branch Library renovation.
6. The ADA Ramps, Sidewalks & Signals and the Street Repairs recurring lines have been combined into a single line, and this value has been escalated by 4% per year starting in FY20, with a base year of FY14, to reflect the inflation in horizontal construction costs observed throughout the region. The purpose of doing so is for real spending to reflect the investment made in FY14 when these recurring lines were first introduced. We have also added to the spend schedule annual funding received from the state Chapter 90 program (\$1.2 million) and correspondingly included Chapter 90 as a funding source for that recurring investment. Regarding the spend schedule in FY19 and FY20: Engineering is

assumed to complete the FY19 street package in FY20 (in the calendar year 2019 construction season).

7. Several projects have been added to the CIP project list in the Recommended category:
 - a. **Healey Schoolyard & Field Construction.** The design for the schoolyard has been funded through the CPA, and the design for the field was approved by the Council in FY19 as part of the Schoolyard Field Improvements funding request.
 - b. **Central Hill Campus Plan Phase 1.** As discussed at Finance Committee on April 23, 2019, the design for this project is funded out of an unissued bond authorization. The Administration intends to seek approval for construction funding in FY20.
 - c. **ArtFarm.** The Community Preservation Committee recommended funding for ArtFarm in the spring of 2019.
 - d. **ArtBarn.** The Administration anticipates coming in with a construction funding request for ArtBarn in the fall of 2019.
 - e. **Building Master Plan OPM.** The Administration submitted a funding request for owner's project manager (OPM) services on March 14, 2019. Procuring these services will provide critical information for determining how to proceed with the Building Master Plan.
 - f. **Davis Square Interim Streetscape Improvements.** Major infrastructure and streetscape improvements are anticipated for Davis Square in the future. The purpose of this project is to repair several deficiencies in pedestrian areas including sidewalks, crosswalks and paths through the parks to address safety-related issues in the interim.

Project category definitions:

When the CIP project list was first introduced in its current form in November 2016, each project was assigned to a category. Definitions of each of these categories are provided below for reference.

USQ DIF (formerly Critical) projects are those included in or related to the Union Square District Improvement Financing (DIF) development program. These projects are a prerequisite for attracting outside investments in the transformative district in part because they unlock future revenue that would otherwise go untapped. For the General Fund, this category includes (but is not limited to) the streetscape portion of the Somerville Ave. Utility & Streetscape Improvements project as well as the acquisition of land for a new public safety building and the construction of that building.

Recurring projects are investments the City has made and will continue making to maintain existing assets. These are considered recurring because they are invested in on a regular basis, and in any modelled projection the City Council will be asked to make these appropriations so that the City can continue to provide core services.

Underway projects are currently ongoing but not yet completed. These projects have been authorized in full or in part by the City Council or have received funding from other sources. Note that USQ DIF projects can also be Underway.

Recommended projects are those identified by the Administration as important projects to undertake in the coming years because they respond to a community need, address a public health or safety issue, or advance Underway or USQ DIF projects.